

Annual Report 2014

End 31 December 2014

TICON Freehold and Leasehold Real Estate Investment Trust

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Message from Trust Manager

Greetings to all unit holders. Following the incorporation of TICON Freehold and Leasehold Real Estate Investment Trust on 12 December 2014, the trust has made investments in assets in category of warehouse and factory buildings in TPARK and TICON on 22-23 December 2014. The investments consist of freehold and leasehold and sub-lease in land and warehouse buildings for lease and freehold in land and factory buildings for lease, totaling 45 units. These assets are located in TICON Logistics Park, industrial estates, and industrial parks in convenient location with access to major air or sea transportation centers such as Suvarnabhumi Airport, Bangkok Port (Khlong Toei), Lamchabang Deep-Sea Port or train station.

Although 2014 was the year that the country was considerably affected by the political situation in the first half of the year which resulted in a slowdown in economy, in the second half of the year, the political situation resolved and the economy started to recover. The government was able to proceed with the policy that was established to boost the economy. As a result, the economy expanded from the previous year and therefore the economy in 2015 is anticipated to be good. One contributing factor to the economic growth is the opening of ASEAN Economic Community that supports Thailand as an economy hub of ASEAN region.

Regarding performance of TREIT during 12 – 31 December 2557, the trust has total assets of 3,432,972,784 Baht and the net asset value of 10.0232 Baht per unit which reflects a good start.

Finally, we would like to express appreciation to all unit holders and related parties for your support to TICON Freehold and Leasehold Real Estate Investment Trust. We will continue to use our best effort to bring good performance and generate attractive returns to unit holders.

Yours Faithfully,

TICON Management Company Limited

Trust Manager



BBL ASSET MANAGEMENT CO., LTD.
บริษัทหลักทรัพย์จัดการกองทุนรวม บัวหลวง จำกัด

ความเห็นของทรัสต์

27 กุมภาพันธ์ 2558

เรียน ผู้ถือหุ้นหน่วยทรัสต์ของทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ไทยคอน

ตามที่ บริษัทหลักทรัพย์จัดการกองทุนรวม บัวหลวง จำกัด ในฐานะทรัสต์ของทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ไทยคอน ได้แต่งตั้ง บริษัท ไทยคอน แมนเนจเม้นท์ จำกัด เป็นผู้จัดการกองทรัสต์ของกองทรัสต์ดังกล่าว สำหรับการดำเนินงานในรอบระยะเวลาบัญชี ตั้งแต่วันที่ 12 ธันวาคม 2557 ถึงวันที่ 31 ธันวาคม 2557 นั้น

บริษัทหลักทรัพย์จัดการกองทุนรวม บัวหลวง จำกัด เห็นว่า บริษัท ไทยคอน แมนเนจเม้นท์ จำกัด ได้ปฏิบัติหน้าที่ในการบริหารจัดการทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ไทยคอน เหมาะสมตามสมควรแห่งวัตถุประสงค์ที่ได้กำหนดไว้ในสัญญาก่อตั้งทรัสต์และภายใต้พระราชบัญญัติทรัสต์เพื่อธุรกรรมในตลาดทุน พ.ศ. 2550

ขอแสดงความนับถือ

บริษัทหลักทรัพย์จัดการกองทุนรวม บัวหลวง จำกัด

ทรัสต์ของทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ไทยคอน

(นายชูเกียรติ วิริยะก่องกิจกุล)

ผู้อำนวยการอาวุโส

(นายวิรัชชัย เหลืองสุรังษี)

ผู้อำนวยการอาวุโส

(Translation)

TRUSTEE'S OPINION

27 February 2015

To Unit holders of TICON Freehold and Leasehold Real Estate Investment Trust

With reference to the appointment by BBL Asset Management Company Limited, the Trustee on TICON Management Company Limited, to act as Trust Manager for TICON Freehold and Leasehold Real Estate Investment Trust (TREIT) for the operation during the accounting period of 2014 (from 12 December 2014 to 31 December 2014).

In our opinion, TICON Management Company Limited has performed its duty in managing TREIT in accordance with the objectives specified in the Trust Deed and the Trust for Transactions in Capital Market Act B.E. 2550.

Yours Faithfully,

BBL Asset Management Co., Ltd.,

Trustee, TICON Freehold and Leasehold Real Estate Investment Trust

Signed

(Mr. Chukiat Viriyakorkitkul)

Senior Director

Signed

(Mr. Thawatchai Lueangsurarungse)

Senior Director

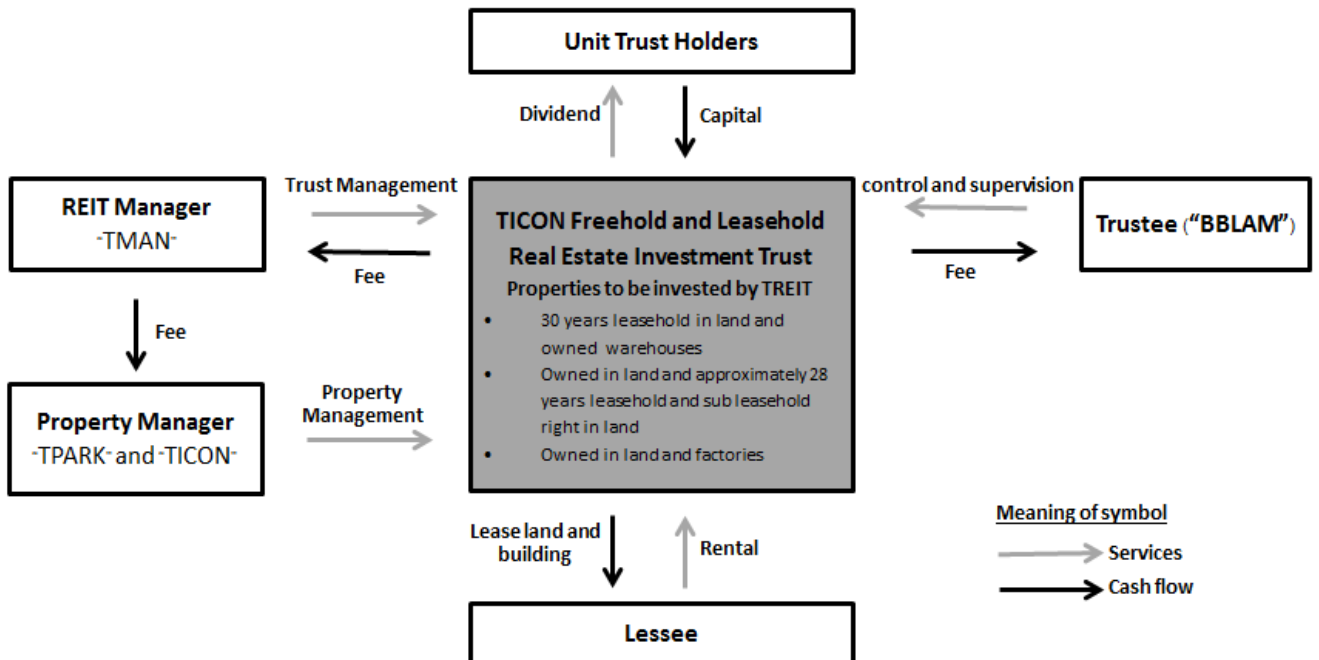
Information of the Trust

Name of Trust (in Thai)	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์ไทคอน
Name of Trust (in English)	TICON Freehold and Leasehold Real Estate Investment Trust
Ticker	TREIT
Authorized Capital	3,425,000,000 Baht
Paid-up Capital	3,425,000,000 Baht
Par Value	10 Baht
Term of Trust	Indefinite
Type of Trust Units	Unredeemable

Trustee

Name	BBL Asset Management Company Limited
Office of the Trustee	175 Sathorn City Tower, 7th, 21st and 26th Floor, South Sathorn Road, Tungmahamek Sub-district, Sathorn District, Bangkok 10120
Telephone	02-674-6400
Fax	02-679-5995-6

TREIT Structure



Trust Manager

1. General Information

Name:	TICON Management Company Limited (the "Company")
Head office address	Suite 1308, 13/1th Floor, Sathorn City Tower, 175 South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120
Tel	02-679-6565
Fax	02-287-3153
Website	www.ticon.co.th/en/ticon-group/tman
Email	Investment Relations Department, Charasrit.a@ticon.co.th
Business Hours:	8.30 hrs. to 17.30 hrs.
Type of business	REIT Manager
Registered capital	10,000,000 Baht
Paid-up capital	10,000,000 Baht
Issued and paid-up shares	1,000,000 shares
Par value	10.00 Baht per share

Background

TICON Management Company Limited was registered as a juristic person on 20 May 2013. Its objective is to act as a fund manager.

Nature of Business

TICON Management Company Limited engages in the business of acting as a REIT Manager. At present, it acts as REIT Manager of TICON Freehold and Leasehold Property Investment Trust (TREIT).

2. List of Shareholders

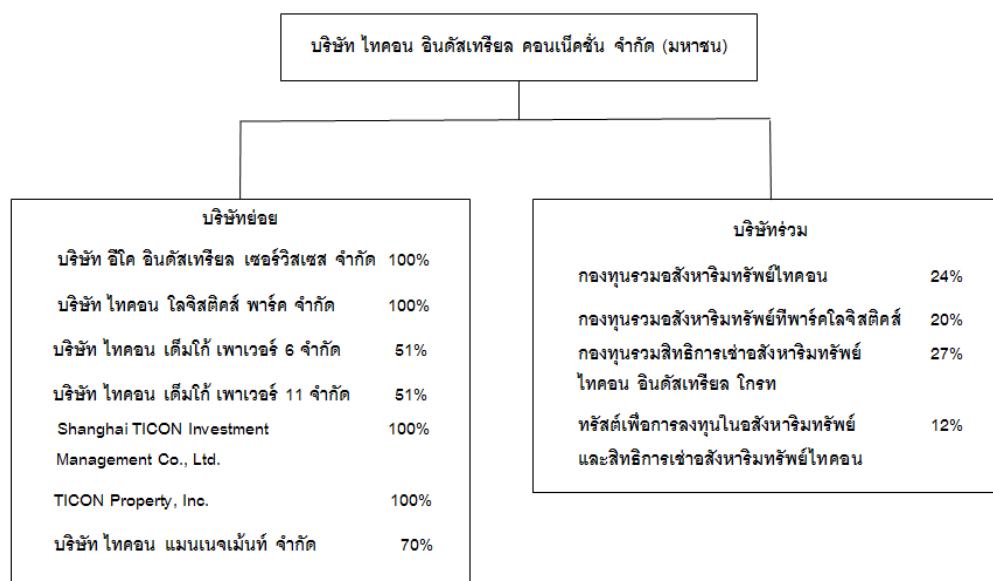
List of shareholders as at 31 December 2014

No.	Name of Shareholders	Before acquisition	
		No. of shares (shares)	Holding ratio
1.	TICON Industrial Connection Plc.	699,996	69.9996%
2.	Mitsui & Co. (Asia Pacific) Pte. Ltd.	300,000	30.00%
3.	Mr. Virapan Pulges	1	0.0001%
4.	Miss Jantima Jariyachotbhumi	1	0.0001%
5.	Miss Waritha Lertthiwakorn	1	0.0001%
6.	Miss Primopa Nachajaruwit	1	0.0001%
Total		1,000,000	100.00%

2.1 Major shareholders with Significant Influence on Management Policy or Operation of the REIT Manager

TICON Industrial Connection Public Company Limited (“TICON”) is a major shareholder and a controlling person of the Company. Currently, TICON holds approximately 70% of the Company's total paid-up shares. TICON is listed in The Stock Exchange of Thailand in Property and Construction Industry, in Property Development Sector. TICON also acts as a property manager for properties in which the Trust invests.

2.2 Shareholding Structure of TICON Group as of 31 December 2014



2.3 List of Juristic Persons having the same major shareholders

Juristic persons in Thailand as of 31 December 2014

No.	Name of Juristic Person	Name of major shareholder	No. of shares (shares)	Holding ratio
1.	Eco Industrial Services Co., Ltd.	TICON Industrial Connection Plc.	4,999,984	99.99%
2.	TICON Logistics Park Co., Ltd	TICON Industrial Connection Plc.	1,449,999,993	99.99%

Juristic persons in other countries as of 31 December 2014

No.	Name of Juristic Person	Name of major shareholder	No. of shares (shares)	Holding ratio
1.	Shanghai TICON Investment Management Co., Ltd.	TICON Industrial Connection Plc.	2,800,000	100.00%
2.	TICON Property Inc.	TICON Industrial Connection Plc.	1,000	100.00%

Policy and Business Overview

1. Background and Objective of Trust

TICON Freehold and Leasehold Real Estate Investment Trust ("TREIT" or "the Trust") has been established pursuant to the Transactions in Capital Market Act B.E. 2550 on 12 December 2015. In this regard, BBL Asset Management Company Limited, the Trustee of the Trust has appointed TICON Management Company Limited to act as Trust Manager.

The Trust has been established for the purpose to enter into transaction in capital market according to regulations of the Securities and Exchange Commission ("SEC"), with objective to issue securities as trust units of the Real Estate Investment Trust ("REIT") for public offering. The Trust Manager shall subsequently submit application to list the trust units as listed securities in the SET.

After the IPO, the Trust will use the fund received from public offering to invest in main properties as the first investment. TMAN as Trust Manager will serve in various management roles including the investment and obtain benefits from properties, seek out source of fund and selection of the Property Manager. Trust Manager will appoint TPARK and TICON as Property Manager of the properties in the first investment, in order to exploit benefits from these properties by leasing, subleasing, transfer and/or sale of properties invested or owned by the Trust. The Trust will receive income in the form of rental fee, service fee and/or common service fee from the exploitation of its properties.

2. Investment Policy

The Trust will invest in two categories which are main properties and additional properties as a mean to manage its surplus liquidity to generate benefits for REIT and its unit holders.

1. The Trust has policy to invest in main properties which are real properties such as land and structures those are warehouses, factories and/or offices.
2. The Trust may invest in main property indirectly by holding shares of a company established with the objective to operate the same way as the Trust according to Trust Deed. In this regard, the Trust has to hold shares in this company not less than the ratio specified by law, which is currently at 99 percent of the total share sold and has the right to vote. The Trust Manager and Trustee must have measures or rules to supervise and control the company to operate its business according to the Trust Deed and regulations issued by the SEC.

3. The Trust may also hold trust units of property fund (when relevant law and regulation allowance).

3. Major Development regarding Trust Operation in 2014

1. On 12 December 2014, the Trust was incorporated in accordance with Trust for Transactions in Capital Market Act, B.E. 2550 with BBL Asset Management Company Limited as the Trustee and TICON Company Limited as the Trust Manager.
2. On 22 December 2014, TREIT made investment as follows:
 - a) TICON Logistics Park Bangna, freehold 4 warehouse buildings with total area of 5,540 square meters and leasehold land area 7 Rais and 45 Square Wah.
 - b) TICON Logistics Park Bangplee 1, leasehold 9 warehouse buildings with total area of 74,955 SqM and leasehold / sublease land area 98 Rais 3 Ngan 7.6 Square Wah.
 - c) Rojana Industrial Park, Prachinburi, freehold in 1 warehouse building with total area of 10,020 Square Meter, and freehold land 13 Rais 8 Square Wah.
3. On 23 December 2014, the Trust made investment as follows:
 - a) TICON Logistics Park Eastern Seaboard 2, freehold in 4 warehouse buildings with total area of 15,800 Square Meter and freehold land area 16 Rais 48.4 Square Wah.
 - b) TICON Logistics Park Sriracha, purchasing freehold 5 warehouse buildings with total area of 44,418 Square Meter and freehold in a piece of land of 56 Rais 2 Ngan 15.9 Square Wah.
 - c) TICON Logistics Park Lamchabang 2, freehold 2 warehouse buildings with total area of 9,750 Square Meter and freehold land area 13 Rais 2 Ngan 26.2 Square Wah.
 - d) Amata City Industrial Estate, freehold 2 factory buildings with total area of 6,750 Square Meter and freehold land 11 Rais 2 Ngan 27.6 Square Wah.
 - e) Pinthong Industrial Estate, freehold 11 factory buildings with total area of 33,350 Square Meter and freehold land 66 Rais 1 Ngan 45.6 Square Wah.
 - f) Ban Wa (Hi-Tech) Industrial Estate, freehold 4 factory buildings with total area of 8,675 Square Meter and freehold land 13 Rais 2 Ngan 58 Square Wah.
 - g) Rojana Industrial Estate, freehold 1 factory with total area of 1,625 Square Meter and freehold land area of 2 Rais 2 Ngan 72 Square Wah.
 - h) Hemaraj Industrial Estate, Chonburi, freehold 2 factory buildings with total area of 3,600 Square Meter and freehold of land area 7 Rais 89 Square Wah.

4. Summary of amendment or revision on Trust Deed for year 2014

There is no amendment or revision on any term and condition of Trust Deed for year 2014.

Detail of Property to be invested by TREIT

As of 31 December 2014

Lands and warehouse buildings to be invested by TREIT

No.	Project / Industrial Park	Warehouse	Warehouse Area (Sq.m.)	Detail of warehouse buildings	Land Title Deed No.	Land Area			Type of Investment	
						Rai	Ngan	Sq.wah	Land	Warehouse
1	TICON Logistics Park Bangna	DG1/1	5,540	Single storey, reinforced concrete building with mezzanine floor, 1 building, divided into 4 units	29466	7	0	46	30 Years leasehold of land	Freehold
2		DG1/2								
3		DG1/3								
4		DG1/4								
5	TICON Logistics Park Eastern Seaboard 2	W2/1	5,900	Single storey, reinforced concrete building with mezzanine floor, 1 building, divided into 2units	195065	6	1	71.4	Freehold	Freehold
6		W2/2								
7		W5/1	9,900	Single storey, reinforced concrete building with mezzanine floor, 1 building, divided into 2units	195062	9	2	77	Freehold	Freehold
8		W5/2								
9	TICON Logistics Park Sriracha	W5/1	21,750	Single storey, reinforced concrete building with mezzanine floor, 1 building, divided into 3units	177126	24	0	56	Freehold	Freehold
10		W5/2								
11		W5/3								
12		W16	4,200	Single storey, reinforced concrete building with mezzanine floor, 1building	173839' 11303	8	1	22	Freehold	Freehold

No.	Project / Industrial Park	Warehouse	Warehouse Area (Sq.m.)	Detail of warehouse buildings	Land Title Deed No.	Land Area			Type of Investment	
						Rai	Ngan	Sq.wah	Land	Warehouse
13	TICON Logistics Park Sriracha	W20	18,468	Single storey, reinforced concrete building with mezzanine floor, 1 building.	194794	24	0	37.9	Freehold	Freehold
14	TICON Logistics Park Laemchabang2	W2	5,850	Single storey, reinforced concrete building with mezzanine floor, 1 building.	178448	7	0	21.4	Freehold	Freehold
15		FZ4	3,900	Single storey, reinforced concrete building with mezzanine floor, 1 building.	177198	6	2	4.8	Freehold	Freehold
16	Rojana Industrial Park (Prachinburi)	W1	10,020	Single storey, reinforced concrete building with mezzanine floor, 1 building.	47950	13	0	8	Freehold	Freehold

No.	Project / Industrial Park	Warehouse	Warehouse Area (Sq.m.)	Detail of warehouse buildings	Land Title Deed No.	Land Area			Type of Investment	
						Rai	Ngan	Sq.wah	Land	Warehouse
17	TICON Logistics Park Bangpli 1	W1/1	34,532	Single storey, reinforced concrete building with mezzanine floor, 1 building, divided into 3units.	2806, 18808, 18811, 18812, 60712	98	3	7.6	Approximate 28 Years Leasehold and sub-leasehold	Approximate 28 Years Leasehold
18		W1/2								
19		W1/3								
20		W2	2,720	Single storey, reinforced concrete building with mezzanine floor, 1 building.	2806					
21		W3	10,800	Single storey, reinforced concrete building with mezzanine floor, 1 building.	2805, 60712, 60713, 60714					
22		W4	24,043	Single storey, reinforced concrete building with mezzanine floor, 1 building.	18789, 18790, 18791, 18792, 2806					
23		DG1/1	2,900	Single storey, reinforced concrete building with mezzanine floor, 1 building, divided into 3units.	2806, 60712, 60713					
24		DG1/2								
25		DG1/3								
Total			160,523	Total		205	0	52.1		

Lands and factory buildings to be invested by TREIT

No.	Industrial Estate/ Industrial Park	Factory	Factory Area (Sq.m.)	Detail of factory buildings	Land Title Deed No.	Land Area			Type of Investment	
						Rai	Ngan	Sq.wah	Land	Factory
1	Amata City	SF.B1.9 A32,39	3,150	Single storey, reinforced concrete building with mezzanine floor, 1 building.	9994, 14727	5	1	39.7	Freehold	Freehold
2		SF.M3.3 A220/1	3,600	Single storey, reinforced concrete building with mezzanine floor, 1 building.	31698	6	0	87.9	Freehold	Freehold
3	Pinthong	SF.A1.8/1 L_42	2,125	Single storey, reinforced concrete building with mezzanine floor, 1 building.	7435	4	0	18	Freehold	Freehold
4		SF.A1.8/2 L_42/2, L_43/2	2,125	Single storey, reinforced concrete building with mezzanine floor, 1 building.	181769, 181770	4	0	11.4	Freehold	Freehold
5		SF.M1.8 G_007	2,100	Single storey, reinforced concrete building with mezzanine floor, 1 building.	183315	4	0	29.2	Freehold	Freehold

No.	Industrial Estate/ Industrial Park	Factory	Factory Area (Sq.m.)	Detail of factory buildings	Land Title Deed No.	Land Area			Type of Investment	
						Rai	Ngan	Sq.wah	Land	Factory
6	Pinthong	SF.A3 G_025/3	3,250	Single storey, reinforced concrete building with mezzanine floor, 1 building.	185321, 185322	11	1	29.4	Freehold	Freehold
7		SF.A2.2 G_025/2	2,500	Single storey, reinforced concrete building with mezzanine floor, 1 building.					Freehold	Freehold
8		SF.L3.2 G_032/1	3,600	Single storey, reinforced concrete building with mezzanine floor, 1 building.	167088	20	3	60	Freehold	Freehold
9		SF.A2.7/3 G_032/2	3,000	Single storey, reinforced concrete building with mezzanine floor, 1 building.					Freehold	Freehold
10		SF.A2.7/2 G_032/3	3,000	Single storey, reinforced concrete building with mezzanine floor, 1 building.					Freehold	Freehold
11		SF.A2.7/1 G_032/4	3,000	Single storey, reinforced concrete building with mezzanine floor, 1 building.					Freehold	Freehold
12		SF.B3.5 G_033/2	3,850	Single storey, reinforced concrete building with mezzanine floor, 1 building.	167086	21	3	97.6	Freehold	Freehold
13		SF.L4.4 G_033	4,800	Single storey, reinforced concrete building with mezzanine floor, 1 building.					Freehold	Freehold

No.	IndustrialEstate/ Industrial Park	Factory	Factory Area (Sq.m.)	Detail of factory buildings	Land Title Deed No.	Land Area			Type of Investment	
						Rai	Ngan	Sq.wah	Land	Factory
14	Ban Wa (Hi-Tech)	SF.A1.3 G1/4-4	1,625	Single storey, reinforced concrete building with mezzanine floor, 1 building.	20170	5	2	1	Freehold	Freehold
15		SF.A1.5/3 G_1/4_5	1,750	Single storey, reinforced concrete building with mezzanine floor, 1 building.					Freehold	Freehold
16		SF.C2.2 F_7/12	2,750	Single storey, reinforced concrete building with mezzanine floor, 1 building.	59721	3	3	15	Freehold	Freehold
17		SF.M2.2 F_7/13	2,550	Single storey, reinforced concrete building with mezzanine floor, 1 building.	55952	4	1	42	Freehold	Freehold
18	Rojana	SF.A1.3/1 28_1	1,625	Single storey, reinforced concrete building with mezzanine floor, 1 building.	30621	2	2	72	Freehold	Freehold
19	Hemraj	SF.M1.5/2 D_1	1,800	Single storey, reinforced concrete building with mezzanine floor, 1 building.	52780	3	3	5	Freehold	Freehold
20		SF.M1.5/1 D_2	1,800	Single storey, reinforced concrete building with mezzanine floor, 1 building.	52781	3	1	84	Freehold	Freehold
Total			54,000	Total		101	1	92.2		
Grand Total			214,523	Grand Total		306	2	44.3		

Investment Value in Fiscal Year

For the period as from 12 December 2014 (the Establishment Date) to 31 December 2014

No.	Project / Industrial Park	Warehouse	Appraisal price of the Assets		Investment Value	Percentage of Net Asset Value
			Knight Frank Chartered (Thailand) Co., Ltd	Nexus Property Consultants Co., Ltd		
			As of 1 April 2014	As of 1 April 2014		
1	TICON Logistics Park Bangna	DG1/1	109,000,000	96,500,000	107,675,444.00	0.03
2		DG1/2				
3		DG1/3				
4		DG1/4				
5	TICON Logistics Park Eastern Seaboard 2	W2/1	105,400,000	106,300,000	117,606,133	0.03
6		W2/2	162,100,000	176,800,000	180,872,430	0.05
7		W5/2				
8		W5/2				
9	TICON Logistics Park Sriracha	W5/1	380,400,000	388,900,000	424,453,254	0.12
10		W5/2	81,200,000	75,800,000	84,578,225	0.02
11		W5/3				
12		W16				
13		W20				
14	TICON Logistics Park Laemchabang 2	W2	115,500,000	108,000,000	120,507,233	0.04
15		FZ4	81,800,000	88,300,000	91,273,071	0.02
16	TICON Logistics Park Bangpli 1	W1/1	222,600,000	224,900,000	248,378,795.00	0.09
17		W1/2	114,800,000	117,900,000	128,094,726.00	0.04
18		W1/3	151,500,000	152,800,000	169,044,869.00	0.03
19		W2	43,900,000	39,900,000	44,520,728.00	0.07
20		W3	164,200,000	168,100,000	183,215,627.00	0.04
21		W4	365,200,000	384,400,000	407,492,977.00	0.05
22		DG1/1	48,200,000	49,200,000	53,781,932.00	0.02
23		DG1/2				
24		DG1/3				
25	Rojana(Prachinburi)	W1	157,600,000	164,900,000	175,851,296.00	0.05
Total			2,438,500,000	2,445,900,000	2,837,610,596	0.83

No.	IndustrialEstate/ Industrial Park	Factory	Appraisal price of the Assets		Investment Value	Percentage of Net Asset Value
			Knight Frank Chartered (Thailand) Co., Ltd	Nexus Property Consultants Co., Ltd		
			As of 1 April 2014	As of 1 April 2014		
26	Amata City	SF.B1.9 A32,39	76,400,000.00	76,400,000.00	82,518,144.00	0.02
27		SF.M3.3 A220/1	87,900,000.00	86,500,000.00	96,517,367.00	0.03
3	Pinthong	SF.A1.8/1 L_42	51,300,000.00	51,400,000.00	55,462,129.00	0.02
4		SF.A1.8/2 L_42/2,L_43/2	51,100,000.00	51,200,000.00	57,017,774.00	0.02
5		SF.M1.8 G_007	50,600,000.00	50,000,000.00	55,790,386.00	0.02
6		SF.A3 G_025/3	80,300,000.00	79,100,000.00	88,260,390.00	0.03
7		SF.A2.2 G_025/2	59,900,000.00	60,500,000.00	65,020,841.00	0.02
8		SF.L3.2 G_032/1	86,400,000.00	87,100,000.00	93,696,976.00	0.03
9		SF.A2.7/3 G_032/2	73,000,000.00	72,100,000.00	78,359,834.00	0.02
10		SF.A2.7/2 G_032/3	72,000,000.00	72,600,000.00	78,089,814.00	0.02
11		SF.A2.7/1 G_032/4	72,000,000.00	72,600,000.00	78,089,814.00	0.02
12		SF.B3.5 G_033/2	92,300,000.00	93,100,000.00	100,123,455.00	0.03
13		SF.L4.4 G_033	115,000,000.00	116,100,000.00	124,803,294.00	0.04
14	Ban Wa (Hi- Tech)	SF.A1.3 G1/4-4	33,100,000.00	36,500,000.00	36,933,235.00	0.01
15		SF.A1.5/3 G_1/4_5	35,800,000.00	39,500,000.00	39,945,916.00	0.01
16		SF.C2.2 F_7/12	58,400,000.00	62,600,000.00	65,163,170.00	0.02
17		SF.M2.2 F_7/13	53,600,000.00	57,600,000.00	59,807,293.00	0.02
18	Rojana	SF.A1.3/1 28_1	34,700,000.00	37,100,000.00	38,718,528.00	0.01
19	Hemraj	SF.M1.5/2 D_1	43,300,000.00	43,500,000.00	48,314,474.00	0.01
20		SF.M1.5/1 D_2	42,800,000.00	43,000,000.00	47,756,570.00	0.01
Total			1,377,000,000	1,398,600,000	1,390,389,404	0.41
Warehouses and Factories			3,815,500,000	3,845,500,000	4,228,000,000	1.23

6. Policy on Making Profit from Property

6.1. Description of Making Profit from Properties

The Company as the founder of the Trust and the REIT Manager established a policy on making profit from properties in which the trust invests as follows:

1. Freehold and leasehold in land and warehouse buildings that the trust acquires or enter into a lease agreement or a sub-lease agreement with TICON Logistics Park Co., Ltd. ("TPARK");
2. Freehold in land and factory buildings that the trust purchased from TICON Industrial Connection Plc. ("TICON").

The REIT Manager let the properties where TPARK and TICON who are experienced and expert in managing of such properties are appointed a property manager. The property manager is responsible for finding tenants for such properties, conducting marketing activities through direct contact with target customers or through agents, organizing marketing promotion activities, facilitating visits of the properties, and negotiating with potential tenants. The fund manager pays the property manager the fee based on the performance of the properties in which the trust makes the first investment.

6.2 Description of Lease

After the Trust has made investment in the property, the trust by the trustee will become a party to a lease agreement with tenants of the property in which the trust makes investment. Income and cash flow received by the trust from investment in such property includes lease income, service income and/or common fee (if any) from letting of warehouse and factory buildings. Lease agreements are made in standard form which sets out similar criteria and conditions as follows:

- monthly lease income from lease of land, warehouse and factory buildings;
- monthly service income from repair, maintenance and restoring buildings of the rented properties in good condition;
- monthly common fee¹ comes from common services such as security service, cleaning service, plumbing service, garden maintenance and landscaping service, repair and maintenance of common properties;
- minimum lease and service period is fixed at 3 years minimum;

¹ Income from monthly common fee comes from properties located in the following projects and industrial parks: TICON Logistics Park Easter Seaboard 2, TICON Logistics Park Sriracha, TICON Logistics Park Lamchabang 2, TICON Logistics Park Bangplee 1, and Rojana Industrial Park (Prachinburi).

- lease income, service income, and common fee income are fixed and negotiated before existing agreements expire;
- some agreements are long-term lease of 5-10 years with fixed lease fee with some agreements provides for step-up increment which are used mainly for large companies that want to lease large space;
- lease agreement requires that tenants place a bond or a collateral with the landlord;

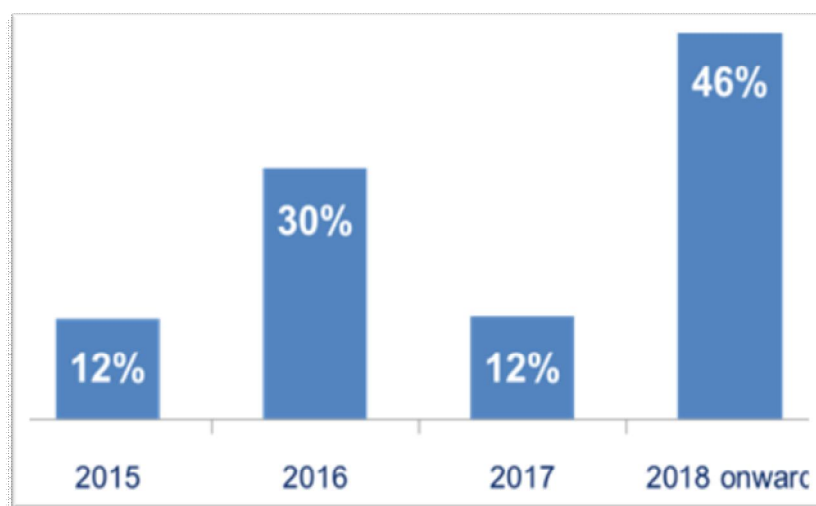
6.3 Lease Income Structure

Structure of income from properties in which the trust invests consists of income from lease of warehouse space and income from factory space. Lease agreements, service agreements and common service agreements (if any) are divided into three-year standard agreement with fixed lease fee, and long-term lease agreement between 5-10 years with fixed lease fee and/or with step-up increment in lease fee during the agreement term.

Lease agreements for assets in which the trust makes the first investment diversify in terms of lease term, tenant's business, tenant's nationality, major tenant's reliability as following details:

(a) Expiration of Lease Agreements

Lease agreements will be expired in various years and there is no cluster of expiration date in the first three years. More than 40 percent of all lease agreements will be expired after the year 2017, with detail as follows:



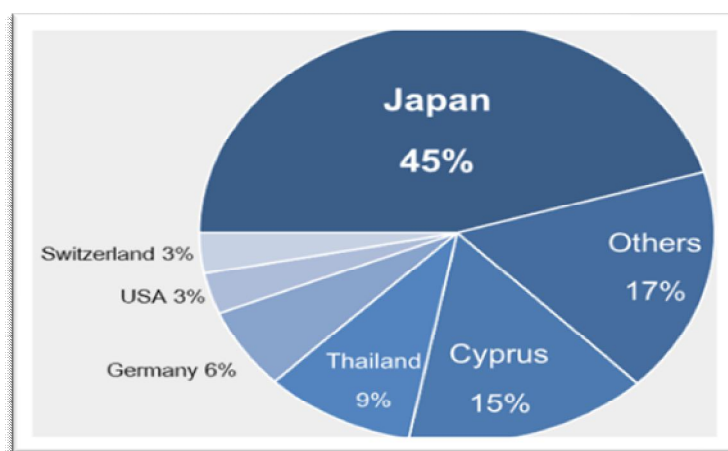
Source TPARK and TICON as at 30 June 2014

Lease Agreements those will be expired in the year 2015, 2016, 2017 and after 2017 are equal to 11.87, 29.81, 12.22 and 46.10 percent, respectively.

(b) Nationality of the Lessees

Most of the existing lessees in properties to be invested by TREIT in the first investment are Japanese companies, detail of nationality of the lessees per nationality are as follows:

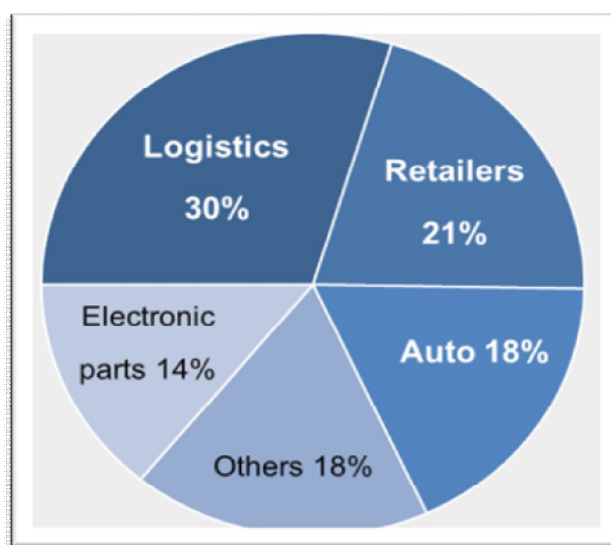
Rental Revenue by Nationality (%)*



Source TPARK and TICON as at 30 June 2014

(c) Lessees' Type of Business

Lessees of the properties operate in various types of business, and there is no cluster of any specific type of business. Majority of the lessee's business are logistics and consumer products respectively, detail of lessees per types of business can be divided as shown below:

Rental revenue by Industry (%)***(d) The Five Major Lessees by rental revenue generation**

Most of revenues from lease agreements come from lessees those are large corporation with high credibility. The revenue from first five major lessees can be calculated at 45.85 percent of the total revenue from lease agreements, with detail information as follows:

No.	Name of Lessee	Portion of Income under Lease Agreement (%)	Lease Period (Year)
1	Global Piping Solutions Ltd.	15.33	5
2	Mitsubishi Motors (Thailand) Co., Ltd	9.50	3
3	Siam Makro Public Co., Ltd.	9.49	10
4	Central Family Mart Co., Ltd	6.21	10
5	Fuji Xerox (Thailand) Co., Ltd.	5.32	9

In overall, the properties in which the Trust invests are leased by large companies that have good credit and therefore it is anticipated that the risk in relation to income from Lease Agreements due to concentration of tenants is limited.

6.4 Compensation

-None-

7. The Loan

7.1 Borrowing Policy

In the future, the Trust may take out borrowings for use as capital sources other than offering new trust units including applying for borrowing from financial institutions, issuance of debt instruments such as Debenture, or entering into agreements to borrow or other types of instruments. Such fund raising source made by the Trust will be in accordance with the objectives, restriction, and operation set out in Trust Deed.

Trust Deed specifies that the Trust may borrow for not only additional investment in core assets including, not limited to freehold real estate and/or leasehold in real estate but also for maintenance, expansion and/or building development on the trust's existing properties in which the Trust has freehold and/or leasehold in good conditions. The borrowing may also be utilized for refinancing of the existing debt owed by the trust and any other activities or necessary actions as deemed appropriate by Trust Manager for the best interest to unit holders.

7.2 Borrowing Limit

The Trust is able to borrow to the limit as follows:

1. The borrowing amount must not exceed 35% of the Trust's total asset value.
2. In case that the Trust has investment grading by a rating agency approved by the Securities and Exchange Commission within one year preceding the date of borrowing, the Trust's borrowing amount will not exceed 60% of the Trust's total asset value.

In case of the borrowing percentage exceeds the limit where it is not due to additional borrowing, the Trust Manager may maintain such borrowing provided that no further borrowing will be made until such borrowing is below the indicated limit.

7.3 Operation involving in Borrowing

To borrow or to create liability over the Trust's assets for benefit to the Trust's business operation or for investment in the trust's core assets or for other purposes as specified in

Trust Deed, Trust Manager will consider the necessity and suitability of such borrowings including consideration of collateral provision and report to the Trustee. Then the Trustee and the fund manager will jointly affix signatures in any agreements and/or related documents.

A part of the funding in the investment by TREIT comes from loan. TREIT entered into loan agreement with a commercial bank in Thailand, with details as follows:

Name of the Lender Bank	Bangkok Bank Public Company Limited								
Borrower	TREIT								
Loan Objective	To finance the property acquisition of TREIT								
Credit Limit	Up to 1,350 million Baht, which is used to: <ol style="list-style-type: none"> 1) To acquire the asset of TREIT first investment up to 860,000,000 Baht or approximately 20% of total asset value. 2) The remaining credit line to be used up for additional investment in properties in 2015 of which is subject to approval process, specified in the Trust Deed and the policy between the Trust and the REIT Manager. 								
Interest Rate	Upto Minimum Loan Rate ("MLR") of the Lender Bank minus 1.25%								
Interest Payment	Monthly								
Repayment Period	<table border="0"> <tr> <td>Year 1 to Year 7</td><td>Grace Period</td></tr> <tr> <td>Year8</td><td>Repayment at 9.00percent of the total loanamount</td></tr> <tr> <td>Year9</td><td>Repayment at 14.00percent of the total loan amount</td></tr> <tr> <td>Year 10</td><td>Repay all the remain unpaid loan amount</td></tr> </table>	Year 1 to Year 7	Grace Period	Year8	Repayment at 9.00percent of the total loanamount	Year9	Repayment at 14.00percent of the total loan amount	Year 10	Repay all the remain unpaid loan amount
Year 1 to Year 7	Grace Period								
Year8	Repayment at 9.00percent of the total loanamount								
Year9	Repayment at 14.00percent of the total loan amount								
Year 10	Repay all the remain unpaid loan amount								
Grace Period	Grace period for 84 months, subsequently the Trust shall have principal repayment every 6months								
Collateral	None								

Loan Covenant	<ol style="list-style-type: none"> 1. The Trust agrees not to dispose or place the main properties of the Trust into any obligation (Negative Pledge). 2. The Trust agrees to grant the lending bank the first right to offer its financial services before any other financial institution, in case that the price offered to the Trust by the lending bank is equivalent to or better than the price offered by other institution. (Right to Match) 3. The Trust agrees not to perform any activities under Loan Agreement's condition, The Loan for the First Investment in Main Properties of the Trust unless there is a written consent from the lending bank.
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Overview of the Business in which TREIT invests

Thailand's economy in 2014 improved only 0.7% from 2013 due to factors from both in Thailand and outside Thailand. In the first half of the year, Thailand economy was in recession because of the political situation which hampered certain part of the government sector's operation, the confident of business operators and tourism. Other factors also included high level of household debt that caused consumers to be more caution in spending and financial institutions to have more careful in lending. Export was recovering at a slow pace according to the gradually increased demand from foreign countries. Thai manufacturers experienced some limitation in production of goods that required high technology in production process. Under these circumstances resulted in postponement of production and new investment.

In the second half of 2014, Thailand economy gradually rebounded, starting with the improvement of domestic spending and Touristic Industry after the political situation had been resolved. The government sector resumed the process of spending of its expenditure as normal. Also there was more investments in telecommunication and retail business to serve the growing demand. However, the growth of the overall economy was remained slow because export sector was still weak owing to the weak economic condition of major trade partner countries particularly European countries. Furthermore, there was also the decrease in household spending impacted by reduction in income of agriculturists and high debt level. Thailand has not gained full confidence from tourists because many countries continue to issue warnings for their people who will travel to Thailand. Moreover, many businesses have pending their investment from wait and see the recovery of the economy and investment of the government sector in infrastructure.

According to the Board of Investment's report, the industrial sector in 2014 applied for BOI promotion for 3,469 projects with total value of 2,192,700 million Baht. The highest number of applications for promotion came from service and infrastructure industry, followed by chemical, paper and plastic industry while automotive parts, machines and metal products industry came third.

Regarding to warehouse and factory for lease business in 2014, the demand for the leasable warehouse was 2,300,000 SqM. In the 4th quarter of the year, the occupancy rate was 75% which reflected a decrease from 80% year on year. The demand for the leasable factory was 2,400,000 SqM. In the 4th quarter of the year, the occupancy rate was 67% which decreased from 76% year on year. The major factor of the decrease in both warehouse and factory occupancy rate was from the rental fee reduction to major tenants and also there was higher supply while the demand level remained unchanged.

2015 Industry Trend

The year 2014 was the year that Thailand's economy has no growth which was the same with the weak economic worldwide. However, given that the domestic political situation was improved in the second half of 2014, it is anticipated that Thailand's economy will grow and there will be more investments in private sectors due to the decrease in oil price. Commencement of ASEAN Economic Community in 2015 will also contribute to the growth of the economy in Thailand and ASEAN region which will boost demand in real estate sector especially warehouse and factory for rent.

Key Risks

1. Risk from Operation of TREIT

1.1 Risk in relation to the performance of obligations

In order to invest in and seek benefit from the Properties, the Trust will enter into agreements in relation to the investment and administration of the Trust's properties in order to seek benefit from the properties, and take any action to ensure that the other party complies with the terms and conditions of the agreements.

Although there are terms and conditions set out in the agreements, the other party may breach the agreements or any event may arise which causes an event of default or the termination of the agreements. In case of nonperformance which causes an event of default or the termination of the agreements, it is entitled to terminate the agreement, and claim for damages including the loss of income.

1.2 Risk in relation to the solicitation of lessees when lease term is close to expire

As part of the Properties to be invested by the Trust are leasehold rights in lands with a leased term of 28 and 30 years as the case may be, the Trust can seek benefit from the Investment Properties for a period of 28 and 30 years. Therefore, the trust may have risk in soliciting lessees when the leased term is close to expiry, due to the fact that leased term is one of the factors lessees take into consideration prior to entering into the lease agreement.

1.3 Risk that the lessees do not grant consent in relation to the change of the lessor from the property owner to TREIT or the lease agreements are not renewed

Once the Trust invested in the Investment properties, the lessees of the Investment properties must grant consent to the change of the counterparty in the relevant lease agreement and the service agreement from the Property Owners to the Trust, and to pay rentals to the Trust as the lessor. In case the lessees refuse to grant the relevant consent and refuse to make rental payment to the Trust, the Trust may take the risks relating to not receiving the rentals which may directly affect the income of the Trust and hence its ability to pay dividend to the unitholders.

1.4 Risk that operational result of TREIT rely on ability of REIT Manager

For the Investment, the trust will appoint TICON and TPARK as the Property Managers for factories and warehouses respectively. The Property Managers will be responsible for operating and managing the properties as assigned by REIT Manager which includes seeking benefits

from such properties, for example, soliciting new lessees, renewing lease agreements and service agreements with existing lessees, the advertisement, public relations, maintenance and development of the Investment Properties to be in a good condition. The ability of the Property Manager to perform its tasks will have direct impact to the trust's operational and financial results. Additionally, if TICON and TPARK cannot perform their duties as the Property Managers for any reasons, the trust may not be able to appoint another manager to manage the Investment properties as good as TICON and TPARK although the trust would offer competitive remuneration for the Property Manager, which would have an adverse effect to the operational ability, financial results of the trust.

1.5 Risk from conflict of interest between TREIT and TPARK or TICON that may affect performance of TREIT

TMAN as REIT Manger will appoint TPARK and TICON as Property Manager for warehouses and factories respectively, meanwhile TPARK and TICON still holds some Real Properties in the same area as the trust investment. In addition, TICON is the major shareholders of 3 existing property funds namely TFUND, TLOGIS and TGROWTH. Moreover, TPARK and TICON is the seller of the Real Properties to the trust. Overall, there could be conflict of interest arisen from such roles TICON and TPARK participate in, however there are mechanism in place to prevent such conflict.

1.6 Risk associates to loan

As the trust wishes to initially obtain a loan not exceeding Baht 860,000,000 or no exceeding 20 percent of the Total Asset Value of the trust. Therefore, the trust may have risks associated to such loan since changes of economic conditions and interest rate may affect overall performance of the trust and ability of the trust to pay dividends to the unitholders.

2. Risks in relation to the Ability to Seek Benefit from the Properties

2.1 Risk from higher competition which may result in the decrease of number of the lessees

Real Properties business operators of the similar nature as the trust may compete for credible lessees to lease their Real Properties. Such competition may have an adverse effect on performance of the trust. In addition, such competitors may have access to trust and other advantages to compete with the trust. Such competition may increase cost of the Real Properties management, decrease the occupancy rate or the rental that the trust collects from the lessees.

2.2 Risk in relation to the ability to pay rental and service fees of the lessees

The rentals that the Trust will receive from the lessees under the lease agreements and the service agreements are major income of the Trust. Therefore, financial weakness of the lessees due to company-specific or industry wide reasons will adversely impact the performance of the Trust. Normally, the lessees have to pay rental deposit as a security at the rate of approximately 3 months of rental, whereby the Trust may forfeit such deposit if the Trust cannot collect the rentals from the lessee when due. However, in the case that the Trust has to evict the lessees pursuant to the laws because the lessees fail to pay the rentals or breach the lease agreements. In practice, it may take more than 3 months for the lessees to move out and/or for the Trust to find new lessees. Such delays may directly affect income of the Trust.

2.3 Risk from termination or non-renewal of the lease agreement

The Trust has risks in case where certain lessees may not renew the lease agreements or certain lessees may request for an adjustment of the terms and conditions in the lease agreements which are less favourable to the Trust compared with the existing lease agreements or several lessees do not renew the lease agreements and the Trust is not able to find new lessees within a suitable timeframe. The abovementioned situations may directly affect cash flow and the operational results of the Trust. Nevertheless, in the normal proceeding, the Property Managers will discuss with the lessees in advance prior to the termination of the lease term. As a result, the Property Managers will be able to look for new lessees to replace the existing lessees who do not wish to renew the lease agreements. This is shown in the track record of the Property Managers' operational results, who had managed to achieve high occupancy rate of the Investment Properties.

2.4 Risk relating to construction permit

The lessee may modify the property leased from the trust which requires a modification permit from the relevant local authority. In cases where the leased property is modified without obtaining the buildings modification permit, the local authority may request the modifier or the owner of the buildings to reinstate the illegal modification to original conditions or suspend the use of the modified parts of the buildings. Therefore, there are risks that the trust may incur expenses from demolishing the modified part if the local officer has such order but the lessee fails to do so.

2.5 Risk associates to the handover of the land after the land lease agreement has ended

As the trust will invest in the leasehold of the land whereby the trust will enter into the land lease agreements and the land and constructions lease agreements with TICON and TPARK, which, according to the lease agreements, the Fund has obligations to demolish the buildings

and any constructions on the land in order to handover the land back to TICON and TPARK at the end of the lease term. The Fund, therefore, has risks associated to obligations and incurred expenses in order to demolish the buildings and constructions.

2.6 Risk in relation to clustering of the lessees and the concentration of the lessees by industries and/or geographical nationalities

The ratio of the top five main lessees of warehouses and factories as at 30 June 2014 approximately of 46 percent of total rental income and the largest tenants considered to be approximately 15 percent of total rental income. Therefore, if all of such five lessees cannot pay the rentals, terminate the agreements or do not renew the agreements, these will have an adverse effect to income of the trust.

2.7 Risk from expropriation of land, in whole or in part, of the first investment of TREIT according to the law on the expropriation and TREIT cannot seek benefit in the real properties which may affect operational result of TREIT

If there is an expropriation of land, whether in whole or in part, after the First Investment according to the rules and procedures under the Land Expropriation Act B.E. 2530 (and its amendments) and any other relevant laws ("Expropriation Law"), the trust may not receive any compensation under the Expropriation Law due to non-compliance with any conditions under such laws or the trust may receive compensation in an amount less than the investment amount which will have an adverse effect to business, operational results and financial status of the trust.

2.8 Risk in relation to the exercise of right under lease agreement between lessee and properties seller to re-purchase some properties

There are 9 lease agreements that trust take on from the previous lessor which contains a specific clause granting the right for lessee to purchase the underlying property at a specific price in the future (Detail specified in the section "Details of option to buy of the lessee in relation to the first investment properties of TREIT").

2.9 Risk in relation to long term lease of land in TICON Logistics Park Bangplee 1

The trust initial investment contain sublease right from TPARK over the land of TICON Logistics Park Bangplee 1. Such sublease may have additional risks compare to the ordinary lease agreement. In fact TPARK lease these lands from 8 retails land owners. As the case may be, if these 8 retails land owners default on their lease agreements with TPARK, this may end the sublease right of the trust as the result.

2.10 Risk in relation to limitation and/or obligation to lease out some properties

One of the lease agreements for the Real Property of 16,236 Sqm considered to be approximately 8 percent of the rental area of the trust initial investment. The lessee of such property does not fully occupied the whole rental area of the building, additional to that the lessee have the right to refuse on leasing the remaining area if the trust offer the remaining area to third party ("Right of First Refusal").

Legal Dispute

The Trust had no legal disputes that may significantly impact the Trust's business operation.

Table of Expense charged to the Trust

1st Year expense from 12 December 2014 to 31 December 2014

Expense	Amount Unit : Thousand Baht	Net Asset Value (%)
Trust Manager Fee	642	0.02%
Trustee Fee	193	0.01%
Registrar Fee	59	0.00%
Property Management Fee	649	0.02%
Other Expenses	1,967	0.06%
Total Expense*	3,510	0.11%

(*excluding brokerage fee and other fee incurred from selling and/or purchasing of securities)

Information of the Trust

1. Unit Trust

Total Investment	4,285,000,000.00 Baht
Authorized Capital	3,425,000,000 Baht
Paid-up Capital	3,425,000,000 Baht
Par Value	10 Baht
Term of Trust	Indefinite
Type of Trust Units	Unredeemable

2. Information of Unitholders

As of 12 December 2014

No.	Major Unitholders	No. of Units	Percentage (%)
1	Social Security Office	50,000,000	14.60%
2	TICON Logistics Park Company Limited	41,100,000	12.00%
3	MITSUI & CO. (ASIA PACIFIC) PTE. LTD.	35,000,000	10.22%
4	Bangkok Life Assurance PCL.	20,000,000	5.84%
5	Muang Thai Life Assurance PCL.	20,000,000	5.84%
6	Bangkok Insurance PCL.	10,000,000	2.92%
7	Government Savings Bank	10,000,000	2.92%
8	Southeast Life Insurance PCL.	10,000,000	2.92%
9	MFC Property Wealth Fund	3,986,500	1.16%
10	Muang Thai Insurance PCL.	3,000,000	0.88%

3. Restriction on Allocation of Units to Persons, Persons in the Same Group, and Foreign Investors, and Restriction on holding/transferring units

Restriction on Allocation of Units to Persons, Persons in the Same Group, and Foreign Investors

1. A person or persons in the same group does not hold more than 50% of the total paid-up units as specified in the notification of The Office of the Securities and Exchange Commission or The Capital Market Supervisory Board.
2. In case the trust makes investment in real estate in Thailand, foreign investors may not hold more than 49% of the total paid-up units as specified by law, rules or regulations on foreign investors' investment ratio.
3. The trust founder or REIT Manager will not hold more than 50% of the total paid-up units as specified in the notification of The Office of the Securities and Exchange Commission or The Capital Market Supervisory Board. This ratio includes units held by persons in the same group as the trust founder members or REIT Manager.
4. The Trustee may not hold units in the trust in which it acts as a trustee more than 50% of the total paid-up units as specified in the notification of The Office of the Securities and Exchange Commission or The Capital Market Supervisory Board. This ratio includes units held by persons in the same group as the trustee.

(The above allocation ratio shall apply unless otherwise stated by The Securities and Exchange Commission, The Capital Market Supervisory Board or The Office of the Securities and Exchange Commission.)

Furthermore the restriction applies where a unit holder holds units in the number exceeding the specified ratio in which such case the unit holder will not receive dividend and does not have right in voting for the portion of units that exceed the specified limit. The dividend of the portion which exceeds the specified limit shall be given to other unit holders in proportion to their holding ratio and that shall be deemed acknowledged and agreed to all unit holders.

Restriction on transferring units

The Trust has no restriction on unit trust transfer. However, if there is a transfer of unit trust making any unit holders holding units in the number exceeding the specified ratio, the Trust Registrar will refuse to transfer the portion of unit trust that causes in any unit holders holding unit trust in the number exceeding the specified ratio.

4. Dividend Payment Policy

4.1 Rules, Policy and Dividend Payment to Unit Holders

The Trust has dividend payment policy to be made at least 2 times per year. However, Trust Manager may consider more dividend payments to unit holders. Dividend would be paid under:

1. Trust Manager will pay dividend to unit holders at least 90% of the adjusted net profit of the accounting year within 90 days from the end of the accounting year or the accounting period in which the benefits are to be paid, as the case may be or in any ratio as specified by The Securities and Exchange Commission.
2. In case that the trust has accumulated loss, the Trust Manager will not pay dividend to unit holders.

4.2 Restriction and Method of Dividend Payment to Unit Holders

1. Where the facts appear to Trust Manager that a person or persons in the same group holds unit trust over 50% of the total outstanding trust units, Trust Manager will notify such person(s) without delay regarding restriction on benefits payment. Trust Manager will not pay dividend to such person or persons in the same group who holds over 50% of the total outstanding unit trust unless otherwise stated or exempted by the relevant laws. The dividend of the portion exceeding 50% of the total outstanding units trust shall be given to other unit holders in proportion to their holding ratio and REIT Manager will consider such dividend allocation to unit holders in that payment period.
2. Trust Manager will make announcement of dividend payment, the book closing date, by the following means:
 - a) Publication in at least 1 newspaper;
 - b) Posting a notification in anywhere of Trust Manager's official place;
 - c) Sending a notification to the unit holders whose name appear in TREIT's register as at the book closing date and to the Trustee or announcing through The Securities and Exchange Commission.
3. Trust Manager would pay dividend by bank transfer to unit holders' bank account or in form of an A/C payee cheque payable to the unit holder only in the name and at the address under registered name at the book closing date.
4. If unit holders do not exercise the right to receive dividend within the period prescribed in the Civil and Commercial Code, REIT Manager will not use such dividend for purposes other than interest of TREIT.
5. If dividend payment per unit during the accounting year are equal or lower than 0.10 Baht, REIT Manager reserves the right not to pay dividend and accumulate such dividend amount to be paid in the next payment period.

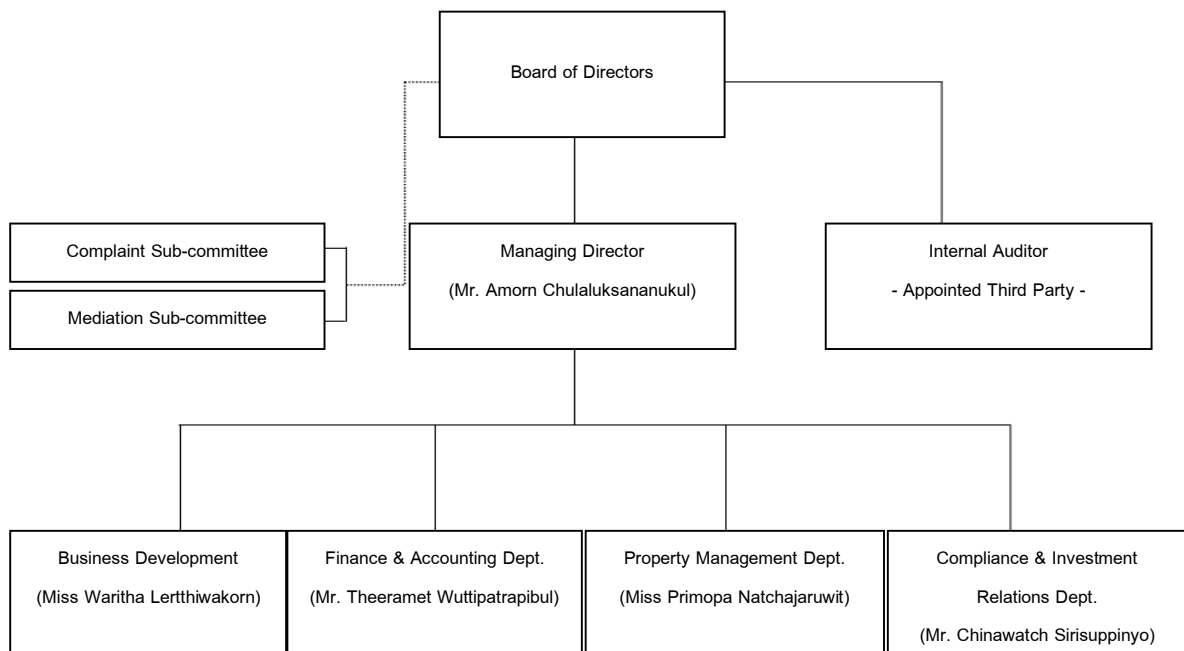
4.3 Dividend paid during the year 2014 (12 December 2014 to 31 December 2014)

No dividend has been paid.

Management Structure

The management structure of the Company as REIT Manager consists of the board of directors and the executives as shown below:

1. Management Structure Chart



2. Board of Directors

The Company's board of directors consists of six qualified members as follows:

No.	Name	Title	Education	Professional Experience
1.	Mr.Sun Vithespongse	Chairman of the Board and Independent Director	Bachelor of Economics	<ul style="list-style-type: none"> • Secretary to Minister of Finance (Present) • Director, Energy Regulatory Commission –Office of the Energy Regulatory Commission • Fiscal Analyst, Advisory Level – Ministry of Finance • Managing Director – The World Bank, Washington D.C.
2.	Mr.Sopon Boonyaruttapunth	Independent Director	Master of Accounting	<ul style="list-style-type: none"> • Managing Director – Vnet Capital Co., Ltd • Independent Director and Audit Director – Asia Plus Securities Plc. • Committee, Academic and Accounting Technology Profession – Federation of Accounting Professions • Committee, Management Accounting Profession – Federation of Accounting Professions • Subcommittee, Audit Practice Test – Federation of Accounting Professions • Director – Koan Co.,Ltd. • Director – Anchor Solutions Co., Ltd. • Director – Sanko Die-casting (Thailand) Plc. • Director – Copperwired Co., Ltd. • Director – Center for Intellectual Property Management, Mahidol University • Director – Morison CKS Co., Ltd. • Director – Netband Consulting Co., Ltd. • Director – Vintcom Technology Co., Ltd. • Director – NTN Solution Co., Ltd. • Director – I-Vision Solution Co., Ltd. • Director – Thai Automotive VCF Co., Ltd. • Director – Blue Fish Solution Co., Ltd. • Director – The Value Systems Co., Ltd. • Managing Director – Thai Incubator Dot Com Co., Ltd.

No.	Name	Title	Education	Professional Experience
3.	Mr. Virapan Pulges	Director	Master of Engineering	<ul style="list-style-type: none"> • Director – Shanghai TICON Investment Management Co.,Ltd. • Managing Director – TICON Industrial Connection Plc. • Director – TICON Logistics Park Plc. • Director – Eco Industrial Services Co., Ltd.
4.	Mr. Kiyoshi Okubo	Director	Master of Engineering	<ul style="list-style-type: none"> • General Manager of Financial & New Business Department - Mitsui & CO. (Asia Pacific) Pte. Ltd. • General Manager in Corporate Planning Division - JA Mitsui Leasing Corporation • General Manager of Corporate Investment Division - Mitsui & Co Ltd.
5.	Mr. Chai Vinichbutr	Director	Bachelor of Business Administration	<ul style="list-style-type: none"> • Director – Eco Industrial Services Co., Ltd. • Director – TICON Industrial Connection Plc. • Director – Bangkok Office Plc. • Director – Rojana Industrial Park Plc. • Managing Director – Rojana Property Plc.
6.	Mr. Amorn Chulaluksananukul	Managing Director	Master of Management	<ul style="list-style-type: none"> • Being responsible for clients of CIMB Thai Bank Plc., recruitment of new clients, presentation of new products including loan and investment banking. • Participating in consideration, screening, and decision of the bank regarding approval of the above services to clients in various industries particularly property industry.

2.1 Authorized Directors who may act on behalf of the Company as REIT Manager

Authorized directors who may act on behalf of the Company as REIT Manager are two directors of the directors listed in No. 3 to No. 6 who must jointly affix signatures and the company seal.

2.2 Board of Directors' Duty and Responsibility

The board of directors' duty and responsibility consists of two parts: duty towards the company and duty towards the trust as described below:

2.2.1 Duty and responsibility of the Board of Directors towards the Company

1. Perform his duty in accordance with the law, the Company's objectives and regulations and the resolutions of the shareholders' meeting with honesty, integrity, caution, and protect the interest and be responsible for the shareholders;

2. Establish a policy and a guideline on the Company's operation and supervise to ensure that the management comply with the policy and the regulations efficiently and effectively under the good governance principle;
3. Report the Company's operation result to shareholders in a shareholders' meeting;
4. Organize efficient and reliable financial reporting, internal control, and internal audit;
5. Control and supervise the management to ensure fair and equal treatment to all stakeholders;
6. Exercise discretion independently when considering strategy, management of the business, director appointment, setting performance standard, as well as opposing to actions taken by other directors or the management in case of conflict that affects equality of all shareholders;
7. consider and approve connected transactions in accordance with the relevant criteria and rules where a director who has interest in such matter shall have no rights to vote;
8. An independent director shall consider and give opinion on reasonableness of connected transactions or transactions that may create conflict with the interests of the trust to ensure the transaction proceeds in accordance with the relevant criteria including material acquisition and disposal of assets;
9. An internal auditor shall be appointed by an independent director;
10. Consider meeting agenda if any particular matters that should be considered by the board of directors are not included in the agenda of the board of directors' meeting;
11. Prepare a report in the form of "Disclosure of Director / Management's Interest" to the Company according to the Company's criteria;
12. Consider and appoint a director to replace a resigned director, select and propose additional directors to the Company's shareholders;
13. If necessary, the board of directors may obtain advice or professional opinion from an external consultant regarding the Company's business at the Company's expenses;
14. Consider and approve matters related to major operation of the Company such as paying benefits to shareholders, organizing a shareholders' meeting, selection and proposing compensation for an accounting auditor;
15. Conduct an induction so that the board of directors or an assigned person can give information on the Company's business to a new director.

2.2.2 Duty and Responsibility towards the Trust

1. Establish significant policies for the trust such as investment policy, property lease policy, property manager selection policy;
2. Consider and approve acquisition or disposal of core assets according to the criteria specified in the Company's policy;

3. Consider and approve sourcing of fund for the trust including source of fund, fund amount, requirement, and related conditions;
4. Ensure that the management report performance of the trust and important issues to the board of directors every quarter or when appropriate;
5. Consider and approve payment of benefits to units holders;
6. Consider and approve meeting of unit holders;
7. Consider and approve connected transactions entered into between the trust and the fund manager and between the trust and connected persons and the fund manager in accordance with the relevant criteria and rules where a director who has interest in such matter shall have no rights to vote;
8. An independent director, consider and give opinion on reasonableness of connected transaction or transaction that may create conflict with the interests of the trust to ensure the transaction proceeds in accordance with the relevant criteria including material acquisition and disposal of assets
9. An internal auditor shall be appointed by an independent director;
10. Consider and approve a guideline on risk management for potential risks to the trust;
11. Ensure that the trust has an internal control that meets the criteria specified in the trust's internal control procedure;
12. Appoint a complaint and dispute subcommittee as deemed appropriate to solve trust-related complaints and disputes raised by a third party which is proposed by Compliance and Investment Relations Department;
13. Select and propose for appointment, propose compensation of an accounting auditor and organize a meeting with an accounting auditor as deemed appropriate;
14. In case a director receives internal information that are material to a change in securities price of the trust, he/she must suspend acquisition or disposal of units for an appropriate period of time before the information is disclosed to public and such material information must not be disclosed to a third party otherwise he/she will be subject to punishment as prescribed by law.

3. The Management

The Company's management consists of the following members:

Name	Title	Education	Professional Experience
1. Mr. Amorn Chulaluksananukul	Managing Director	Master of Management	<ul style="list-style-type: none"> • Being responsible for clients of CIMB Thai Bank Plc., recruitment of new clients, presentation of new products including loan and investment banking. • Participating in consideration, screening, and decision of the bank regarding approval of the above services to clients in various industries particularly property industry.
2. Miss Waritha Lerthiwakorn	Director, Business Development Department	Master of Management (Finance)	<ul style="list-style-type: none"> - Consider investment in various projects such as construction of factory buildings and/or warehouses for lease, and investment of assets in various forms; - Consider disposal of assets in TICON Group in various forms to property fund and incorporate the following property funds: <ul style="list-style-type: none"> • TICON Property Fund ("TFUND") • TPARK Logistics Property Fund ("TLOGIS") • TICON Industrial Growth Leasehold Property Fund ("TGROWTH")
3 .Mr. Theeramet Wuttiaptrapibul	Director, Finance and Accounting Department	Master of Business Administration / Bachelor of Accounting	<ul style="list-style-type: none"> - Oversee financial procedure and budget of the Company and TREIT, manage liquidity of the Company, calculate NAV and dividend of the fund, prepare reports related to Finance and Accounting Department in accordance with the requirement of SEC, SET, and the trustee; - Prepare an estimate of revenue, calculate break-even point, prepare analysis for the management, analyze difference in budget, cash flow statement, change in cash account, manage tax affairs of the Company, closing of bank accounts, liaise with The Revenue Department, accounting auditors, distributors, clients, and other parties.

4 .Miss Primopa Natchajaruwit	Director, Property Management Department	Bachelor Degree / วารสารศาสตร์ and สื่อสารมวลชน	<ul style="list-style-type: none"> - Be responsible for sourcing and give information regarding factory buildings to Japanese corporate clients or potential tenants; - Prepare lease agreements, and service agreements for leased properties; - Assist tenants in application of permits required for business such as Land Use Permit, RorNgor. 3 (Factory Permit), Work Permit; - Coordinate and facilitate contact with government authorities for tenants such as Industrial Estate Authority of Thailand, Board of Investment. - Manage and maintain TICON Group's properties including factory properties owned by TFUND and TGROWTH in good conditions with or without tenants; - Supervise Sales Department regarding entering into agreements and terms of lease of factory buildings, renewal of lease agreement in accordance with the conditions specified in the policy. - Coordinate and prepare information and documents related to performance of assets of the fund for the fund manager regarding routine maintenance and ad-hoc maintenance requested by the fund manager; - Be in charge of insurance of TICON Group to ensure all factories are insured.
5. Mr. Chinawatch Sirisuppinyo	Director, Compliance and Investment Relations Department	Bachelor of Law	<ul style="list-style-type: none"> - Take actions regarding freehold and leasehold of lands; - Take actions regarding business registration with Department of Business Development, Ministry of Commerce such as company registration, registration of amendment in paid-up capital, registration of memorandum of association, submission of a list of shareholders, applying for a company affidavit, and registration of branches. - Take actions regarding trademarks at Trademark Office, Ministry of Commerce; - Make inquiries regarding urban planning, building constructions to ensure the Company complies with the law; - Give legal advice and suggestions in drafting agreements, memorandum, and prepare power of attorney for various departments.
- Under recruitment process -	Director, Internal Audit Department	-	-

4. Controlling Person

- Nil. –

5. Independent Director

In relation to recruitment of an independent director for the Company as Trust Manager, he/she must possess minimum qualification as follows:

Independent Director's Minimum Qualification	1. An independent director may not hold more than 1% of total shares with voting rights of the Company, its subsidiaries, affiliated companies, or a person who may have a conflict of interest (including connected persons as prescribed in the Securities and Exchange Act B.E. 2535).
	2. An independent director must not be involved in management or be a worker, employee, advisor who received fixed salary from the Company or its affiliated companies or a person who may have a conflict of interest where such interest must not exist for minimum of two years [preceding appointment].
	3. An independent director must have no direct or indirect business relationship or interest in the management and the finance of the Company, its affiliated companies or a person who may have a conflict of interest in a manner that may affect independency.
	4. An independent director must not be a close relative to a director or a major shareholder of the Company, its subsidiaries or a person who may have a conflict of interest and is not appointed an agent to protect the interest of directors or major shareholders.
	5. An independent director must exercise discretion independently as necessary in the interest of the Company and must be prepared to make objection to actions taken by other directors or management.
	6. An independent director is able to attend meetings of the board of directors to make a decision on important activities of the Company.
	7. An independent director must possess appropriate knowledge and experience or be a person with high level of competency and be accepted.
	8. An independent director must not be a person whose name is listed in the list deemed by The Stock Exchange of Thailand to be unfit to be in the management according to the regulations of The Stock Exchange of Thailand.

	9. An independent director must have never been convicted of an offence against the securities law, the business law, the financial institution law, the non-life insurance law, the suppression and anti-money laundering law or other laws related to finance regardless of whether it is Thai law or foreign laws by the authority regarding offence on unfair acquisition and disposal of securities or bad-faith or fraudulent management.
	10. An independent director has no other characteristic that may prevent him/her from giving independent opinion on the Company's operation performance.

The Company has set out scope of duty and responsibility of an independent director as follows:

Scope of duty and responsibility of an independent director	1. Consider, follow up, and give necessary advice to the Company regarding preparation of and disclosure of financial information of the Company and the trust to ensure accuracy, completeness, sufficiency and timely submission.
	2. Consider, following and giving necessary advice regarding suitable internal control and work procedure to the Company as Trust Manager.
	3. Consider and give opinion on connected transaction or other transactions that may have conflict of interest with the trust to ensure compliance with the law and related requirement and that the transactions are justifiable and in the best interest of the trust.
	4. Take any other actions assigned by the board of directors in the best interest of the trust.

According to the above scope of duty, relevant departments must report the following matters to an independent director for consideration and acknowledgement and necessary advice:

Information to be reported to Independent Director regularly for consideration and acknowledgement	1. Connected transactions or transactions that may create conflict with the interests of the trust.
	2. Weakness in internal control procedure and work procedure that the Company as Trust Manager needs to improve and improvement progress.

The board of directors and independent directors have an important role in follow up and giving necessary advice to the Company in its capacity as Trust Manager in accordance with the regulations and related agreements.

6. Managing Director

The managing director has a duty to supervise and monitor performance of the Company as Trust Manager to ensure efficiency performance. The Company sets out the scope of duty and responsibility of the managing director as follows:

Scope of duty and responsibility of the managing director	1. Manage day-to-day operation and/or management and oversee performance of the Company as Trust Manager to ensure compliance with the rules, regulations and related agreements.
	2. Establish an organization structure, approach in management, selection, training, hiring, and termination of employees, and set the rate for wage, salary, compensation, bonus and welfare of employees.
	3. Monitor and control performance in various aspects of the Company as Trust Manager.
	4. Act on behalf of the Company and grant power to a person to make contact with government agencies and regulatory authorities.
	5. Be empowered in issuing, amending, adding rules, instructions, regulations regarding operation of the Company as Trust Manager.
	6. Have duty and responsibility as assigned by or as specified in the policy received from the board of directors.
	7. Be empowered to sub-grant the power and/or authorize other persons to take actions on his/her behalf provided that the sub-granting of the power must be within the scope of the power of attorney and/or in accordance with the regulations or instruction of the board of directors and the granting of the power regarding duty and responsibility by the managing director must not be a granting or a sub-granting of the power that enables the managing director or the attorney to approve transactions that he/she or other person may have a conflict, interest or benefit in any way or may have a conflict of interest with the trust.

7. Duty and responsibility of the Company as Trust Manager

The Company as Trust Manager has duty and responsibility to control and manage the trust and the trust's investment in assets as well as control performance of the Property Manager. The fund manager must take any actions as assigned by the trustee and as specified in the Trust Deed in the interest of unit holders including, but not limited to, the following:

7.1 General Duty of the fund manager

1. Perform his/her duty with diligence and care, integrity in the best interest of unit holders and in accordance with the Trust Deed and related laws and obligations specified in the disclosure to investors (if any);
2. Manage the trust's assets in accordance with the disclosure of offering of units, the trust's operation plan, the resolution of the meetings of unit holders, the rules, regulations and related laws, and the notification of Office of the Securities and Exchange Commission;
3. Organize meetings of unit holders as specified in the Trust Deed;
4. Take actions to increase capital of the trust as specified in the Trust Deed;
5. Take actions to decrease capital of the trust as specified in the Trust Deed.

7.2 Duty of the fund manager in preparation of reports and disclosure

1. Prepare and disclose information of the trust and information as prescribed in Section 56 and Section 57 of Securities and Exchange Act B.E. 2535 and other information as specified in the Trust Deed.
2. Upon request of the Securities and Exchange Commission, make clarification, submit documents or evidence related to compliance or non-compliance to the Securities and Exchange Commission including, but not limited to, the following to the Securities and Exchange Commission, The Stock Exchange of Thailand, and unit holders;
 - (1) Information regarding conflict with the interest of the trust and measures to resolve such conflict to be disclosed to investors clearly during an initial public offering and whenever a conflict of interest arises (if any);
 - (2) Information regarding transactions entered into between the trust and connected persons and information regarding transactions entered into between the trust and the fund manager or connected person and the fund manager, information regarding acquisition or disposal of core assets and equipment of the trust, information regarding borrowing transactions and encumbrance made by the trust;
 - (3) Information regarding interest or benefits received from a company / person who is a vendor of the trust (if any);
 - (4) Ensure that unit holders receive complete and correct information and sufficient for voting to approve matters within a period specified in the Trust Deed and the regulations of The Stock Exchange of Thailand;
 - (5) Prepare and send information, report and/or documents to the trustee within the specified period such as full report of property evaluation, monthly report presenting revenue and expenses, right of claim, due debts, market environment report, information regarding the trust's investment in properties, information regarding acquisition or disposal of core assets.

7.3 Duty of the fund manager regarding Investment or Disposal of the Trust's assets

1. organize and/or make appropriate investment in core assets and other assets according to the investment plan and manage risks related to the trust and the trust's assets and the criteria specified in the Trust Deed;
2. take necessary actions to ensure that disposal of assets or connected transactions related to the property for the trust is valid and effective;
3. make analysis of the probability and review and conduct a due diligence of assets as well as assess risks that may be caused by investments in such assets and provide risk management procedure;
4. value core assets in accordance with the criteria specified in the Trust Deed;
5. maintain core assets in good conditions ready for generating income including repair, improvement, restoration, and maintenance of assets;
6. take out sufficient insurance that covers the period of the trust's investment in core assets including non-life insurance that may occur to the assets, public liability insurance for damage that may be caused by the assets or the operation in the assets;
7. assist the trustee on disposal of the trust's core assets and find buyers for the core assets;
8. give assistance to enable the trustee to dispose or acquire or enter into transactions with a third party in case of disposal, acquisition or any transaction that generates income from the trust's assets;
9. prepare an investment plan and a risk management plan related to the trust and the trust's assets, a borrowing plan and an annual financial management plan of the trust.

7.4 Duty of the Fund Manager regarding the Trust's benefits

1. coordinate with retail tenants for collection of lease fee, bond, service fee, miscellaneous fees, penalty, and other related expenses (if any);
2. facilitate the trustee or a person assigned by the trustee and a third party during survey of core assets;
3. consider and inspect conditions of core assets before handing over to retail tenants or the trustee when entering into or renewing a new lease agreement or a new service agreement or when a lease agreement or a service agreement expires (as the case may be);
4. take necessary and appropriate actions in case a disaster occurs to the trust's assets;
5. manage budget and cash flow of the trust;
6. prepare financial statements of the trust in accordance with the accounting standard as prescribed by the accounting law;
7. withdraw assets of the trust from a petty cash account only or for other purposes as agreed with the trustee within the limit approved by the trustee;

8. pay benefits to unit holders in accordance with the criteria and conditions specified in the Trust Deed;
9. exercise the right of claims, take actions in defense, or exercise other legal rights on behalf of the trustee regarding management of the trust as authorized by the trustee from time to time;
10. retain documents related to the operation of the trust;
11. give advice to the trustee regarding property market conditions or trend and potential impact on the trust.

7.5 Duty of the Fund Manager regarding Transaction with Potential Conflict of Interest

In case of a transaction with potential conflict of interest, the fund manager must consider justification and necessity of the transaction and obtain approval from the trustee and request that the trustee establish conditions on such transaction. If the trustee does not approve the transaction or the transaction is not justifiable and necessary, the fund manager may not proceed with the transaction.

7.6 Other Duty of the Fund Manager

If an advisor is appointed to give advice or suggestion on the trust's investment in properties and management of the trust's assets, the advisor must have no direct or indirect interest in the matter under consideration. If the fact has changed and the advisor has interest in the matter under consideration, the fund manager must prevent the advisor who has direct or indirect interest from considering the matter and take actions as specified in Trust Manager Appointment Agreement.

8. Management

The Company was established with objective to engage in business of acting as Trust manager. The Company's core business is divided into five departments for the Company's duty as Trust Manager to comply with the conditions specified in the Trust Deed, Trust Manager Appointment Agreement, the resolution of unit holders and related laws, regulations and/or rules. Duty and responsibility of the departments is summarized below.

Business Development Department

Business Development Department's main duty is to ensure that the trust makes investment in quality core assets in suitable volume, that the trust continues to grow, and that the trust generates best return to unit holders. Business Development Department will find suitable source of fund for the trust to make investment in such assets.

Business Development Department is also responsible for making decision regarding investment in and disposal of core assets according to the investment policy, find suitable source of fund from the money market and the capital market based on an appropriate investment structure, value assets at the specified time, consider payment of benefits for proposal to the board of directors for approval.

Finance and Accounting Department

Finance and Accounting Department's main duty includes preparation of financial reports of the trust, managing budget and cash flow of the trust, making investment in other quality assets, collecting lease fee and service fee from tenants of the trust, and managing the trust's payment.

Finance and Accounting Department is also responsible for managing budget, cash flow and investment in other assets according to the investment policy, preparing financial reports of the trust with review and audit by a certified auditor, collecting lease fee of the trust's assets, and calculating net asset value of the trust for disclosure to investors.

Property Management Department

Property Management Department's main duty includes finding tenants for the trust in order to generate regular income, maintaining the trust's assets in good condition and ready for use, and repairing assets upon request from a tenant.

Property Management Department is also responsible for creating a marketing plan, establishing a strategy in making profit from the trust's properties, finding tenants, maintaining the trust's properties in good condition and ready for use, repairing and improving assets, coordinating and facilitating tenants in relation to the trust's application for or renewal of permits, and taking out insurance for assets.

Compliance and Investment Relations Department

Compliance and Investment Relations Department's main duty is to ensure that the Company comply with the rules and regulations applicable to the trust which are issued by relevant authorities, provide information on the trust to investors and securities analysts, and managing complaints and disputes.

Compliance and Investment Relations Department is also responsible for monitoring to ensure that the trust and the Company's management comply with the Securities and Exchange Act B.E. 2535, Trust for Transactions in Capital Market Act, B.E. 2550 and regulations of Office of the Securities and Exchange Commission, The Stock Exchange of Thailand, and other related authorities, make disclosure of information of the trust according to relate criteria, organize a meeting of the board of directors and a meeting of unit holders, receive complaints and suggestions regarding the trust from a third party (if any).

Internal Audit Department

The Company appoints a third party to act as an internal auditor who is responsible for audit of compliance of all departments with policies and procedures. Internal Audit Department reports to an independent director.

Internal Audit Department is also responsible for making a work plan, audit performance of various departments, report audit result to an independent director, ensure that connected transactions or transactions with potential conflict of interest (if any) comply with relevant regulations.

Trust Manager's Employees by Department

No.	Department	Number	As of 31 December 2014
1.	Managing Director	1	1
2.	Finance and Accounting Department	1	1
3.	Business Development Department	1	1
4.	Property Management Department	2	2
5.	Compliance and Investment Relations Department	2	2
6.	Internal Audit Department	Third Party	Under recruitment process
Total		7	7

Trustee

Name	BBL Asset Management Company Limited
Office of the Trustee	175 Sathorn City Tower, 7th, 21st and 26th Floor, South Sathorn Road, Tungmahamek Sub-district, Sathorn District, Bangkok 10120
Nature of Business	Asset Management Company
Telephone	02-674-6400
Fax	02-679-6882
Homepage	www.bblam.co.th

Other Related Parties

Registrar

Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110

Telephone: 02-229-2800

Fax: 02-359-1259

Auditor

Miss Pimjai Manitkajohnkit, CPA (Thailand) No. 4521

EY Office Limited

33rd Floor, Lake Ratchada Office Complex

193/136-137 Ratchada Pisek Road, Klongtoey, Bangkok 10110

Corporate Governance

1. Rules for proper use Inside Information

Director and management must not make use of the material information of the trust which not been revealed to the public for their own benefit or others. For making control over this matter, the company has a policy that directors and management have to report on trading unit trust to compliance and investor relations and submit staff dealing report to the Securities and Exchange Commission.

2. Process and Factors in Consideration of Investment and Management of the Trust

2.1 The Trust Investment in Core Assets

The Company takes the following actions before acquisition of each core asset.

1. Conduct a due diligence on assets;
2. Organize valuation of assets under investment as specified in the Trust Deed;
3. Establish risk prevention measure or remedy measure for potential damage caused by breach of agreements or non-enforcement under lease agreements, and disclose such risk prevention measures to the trustee and unit holders in case of leasehold investment in form of sub-lease.

For acquisition of additional core assets, the Company shall take additional actions as follows:

1. Propose to the trustee for consideration and approval of investment in assets as specified in the Trust Deed and related laws;
2. Apply for approval for investment in assets as follows:
 - 2.1.1 Investment in assets owned by the fund manager or a connected person
 - a) Except applies to transactions that have already been disclosed in this disclosure;
 - b) For transactions value over 1 million Baht or 0.03% of the net asset value of the trust, whichever is higher, an approval must be obtained from the board of directors;
 - c) For transactions value over 20 million Baht or 3% of the net asset value of the trust, whichever is higher, an approval must be obtained by resolution of a meeting of unit holders;
 - d) The Company shall appoint a financial advisor regarding connected transactions to be entered into with the fund manager so that the board

of directors and/or unit holders can make informed decision on approval of investment in such assets;

- e) The Company shall prohibit a person who is connected to the assets under disposal from participating in approval of investment in such assets.

2.1.2 Investment in assets owned by a person who is not the fund manager or a connected person

- a) For investment in assets with value equal to or above 10% of the total value of assets of the trust, an approval must be obtained from the board of directors;
- b) For investment in assets with value equal to or above 30% of the total value of assets of the trust, an approval must be obtained by a three-fourth of total votes of unit holders who attended the meeting and are eligible to vote.

2.2 **Criteria for Investment in Core Assets and Equipment**

Acquisition of core assets and equipment by the trust must be in accordance with the criteria specified in the Trust Deed. The material details are summarized below:

1. It must an investment in property in category of land and factory, warehouse and/or office buildings for acquisition of ownership or possessory right.
2. It must be an investment in other assets classified as core assets as prescribed in the notifications of the Securities and Exchange Commission and/or The Capital Market Supervisory Board.
3. In case of acquisition of possessory right, the property must be acquired by mean of issuance of a Nor.Sor.3 Kor. In case of leasehold, the property must be acquired by mean of issuance of a title deed or a possessory right deed in a form of Nor.Sor.3 Kor.
4. Properties to be acquired must not be enforced under the law on property right or dispute unless the fund manager and the trustee jointly consider and issue a written opinion that such enforcement under the law on property right or such dispute has no material effect on making profit from the property and condition of acquisition of such property will benefit unit holders.
5. An agreement for acquisition of a property must not specify an agreement or an obligation that may prevent the trust from disposing the property at a fair price (at the time of disposal) such as a pre-emption right at fixed price.
6. Properties and/or assets to be acquired which are classified as core assets as prescribed in the notification of The Capital Market Supervisory Board must be ready for profit making with minimum aggregate value of 75% of the units under offering (if any) for each issuance including borrowing amounts (if any). The trust may make investment

in projects under construction where the total value of investment amount for acquisition and development of the property until ready for profit making must not exceed 10% of total value of assets of the trust (after offering of units) and the trust must be able to prove that there is sufficient working capital for such development without affecting the survival of the trust.

7. Properties to be acquired must be fully valuated including verification of title deed for disclosure to investors at least six months prior to application for acquisition but not exceeding one year preceding investment in such property minimum two valuers who are approved by the Securities and Exchange Commission.
8. Properties to be acquired must have minimum aggregate value of 500million Baht for the first time investment in core assets.
9. In case of indirect investment in core assets by the trust, it must be an investment in property specified in (a) - (h) above through shareholding in a company incorporated with objectives to engage in the same business as the trust as specified in the Trust Deed. Such investment must meet the following criteria:
 - a) The trust must hold shares in such company in a ratio as prescribed in the notification of the Securities and Exchange Commission or The Capital Market Supervisory Board.
 - b) The trust must be able to prove that there are measures or mechanism to enable the trustee and the fund manager to take care and control such company to ensure the operation as specified in the Trust Deed and the criteria of the Securities and Exchange Commission in a similar manner as if the trust makes direct investment in such core assets.
10. If value of properties to be acquired is higher than 5% of the minimum valuation price assigned by the valuation company within one year preceding the acquisition, facts and reasons of acquisition at such price must be provided.

2.3 Disposal of Core Assets of the Trust

The Company may consider disposing core assets of the trust under the following procedure:

1. The Company must have core assets valuated by an independent valuator in accordance with the criteria specified in the notification of Office of the Securities and Exchange Commission;
2. Disposal of core assets must be overt and contain transaction details and approval procedure as specified in the Trust Deed and it must be approved by the trustee or a resolution of a meeting of unit holders in the same manner as acquisition of the assets.

3. Disposal of core assets in the following categories is permitted only when necessary and appropriate and with approval from the board of directors:
 - a) Disposal of core assets before one year anniversary from the date on which the trust acquires such core assets;
 - b) Disposal of core assets that the trust acquired ownership to the previous owner.

2.4 Management of Core Assets of the Trust

In relation to management of core assets of the trust, the Company as REIT Manager appoints a property manager who is selected based on experience in management of each type of properties in which trust will make investment for the first investment. The fund manager appointed TPARK as the property manager for asset in category of warehouse, TICON as the property manager for asset in category of factory which are as specified in Section 2 Clause 4 Making profit from properties. The fund manager supervises and controls the property manager by the following means:

- a) The fund manager will establish a marketing policy and strategy in property management for the property manager to comply with.
- b) The fund manager will control and oversees the property manager's performance on a regular basis and check accuracy and completeness of property-related tasks such as lease fee, outstanding payment, marketing activities, property conditions, repair expenses, and insurance of core assets.

2.5 Selection of a Connected Persons to manage the Trust

The Company selects personnel to manage the trust based on related experience and conducts a background check to assess if a person to be appointed to manage the trust possesses qualification as prescribed in the notification of the Securities and Exchange Commission as follows:

1. Having experience in managing investment or making profit from property for minimum period of three years within five years preceding commencement of employment for the Company;
2. Having no prohibited characteristics of a person who has a power to manage the trust as prescribed in the notification of The Capital Market Supervisory Board re: Prohibited Characteristics of Persons in Capital Market Business;
3. Being selected by the board of directors or an assigned person (as the case may be) based on the above qualification with Compliance and Investment Relations Department to participate in checking qualification of the candidate.

Persons who are selected for each position are restricted from taking duty in other positions which may create conflict with their assigned positions.

2.6 Investment in Other Assets for Cash Flow Management

The Company implements a procedure to control investment in other assets for management of cash flow of the trust, checking category of assets under investment and investment ratio in other assets to ensure it is as specified in the Trust Deed.

3. The Trust's Interest Tracking Procedure

The Company as REIT Manager will appoint TPARK, TICON and/or other persons as deemed appropriate to collect revenue and manage spending of the trust. In this regards, the Company will have a procedure to track interest of the trust which requires the appointed person to submit a report of such to the fund manager such as lease income report, lease cost report, selling and administrative expenses report, outstanding debt report, debt collection report, occupancy report, repair and maintenance hiring report, tenant's core assets insurance report.

4. The Fund Manager's Compensation

Current Rate of Fee received from the Trust	% (annual)	Base Units
Management fee	0.25	of total assets of the trust
Core assets management fee		
- Warehouse	2	of net income
- Factory	4	of net income
Extra fee		
- Warehouse	0.00-10.50	of profit from operation
- Factory	0.00-19.50	of profit from operation
Broker fee for recruiting new retail tenants	Not exceeding 3 months	of lease fee and service fee as specified in the agreements
Broker fee for acquisition, disposal, transfer of leasehold, receiving leasehold	3	of value of acquisition, disposal, transfer of leasehold, receiving leasehold

5. Other Duty related to the Trust

- Nil.—

6. Business relationship with the trust manager.

In 2014, Trust Manager has no business relationship with independent directors complied with Notification of the Capital Market Supervisory Board; Application for and Approval of Offer for Sale of Newly Issued Shares exceed specification.

7. Criteria for Prevention of Conflict of Interest

The Company as REIT Manager implements a procedure to prevent conflict with the interests of the Company and other persons who may have potential conflict. In this regards, the management of the department in charge of transactions that may have potential conflict of interest and Compliance and Investment Relations Department will make a joint decision to ensure that the transaction is in accordance with the following criteria:

1. The transaction must be in accordance with the Trust Deed and the related laws and it must be in the best interest of the trust.
2. The transaction must be justifiable at fair price and fair market conditions.
3. Persons who have interest in the transaction will not participate in decision making for approval of the transaction.

However, if it is necessary to enter into a transaction that may create conflict of interest, the Company has the following procedure to ensure the best interest of the trust / its unit holders:

1. The transaction must be certified by the trustee that it is in accordance with the Trust Deed and related laws.
2. For transactions value over 1 million Baht or 0.03% of the net asset value of the trust, whichever is higher, an approval must be obtained from the board of directors;
3. For transactions value equal to or over 20 million Baht or 3% of the net asset value of the trust, whichever is higher, an approval must be obtained by resolution of a meeting of unit holders by a three-fourth of total votes of unit holders who attended the meeting and are eligible to vote with a financial advisor's opinion to support a request for a resolution from unit holders.

8. Transaction between the Trust and its Related Parties who may have a Conflict of Interest

8.1 Related party Transaction with REIT Manager

1. Related party Transaction with Major Shareholders of REIT Manager

Major shareholder of REIT Manager, namely TICON Industrial Connection Public Company Limited (“TICON”)

Person/Juristic Person Who May Have Conflict of Interest

TICON Industrial Connection Company Limited (“TICON”)

Nature of Relationship

TICON sold assets to TREIT and TMAN appointed TICON to act as the Property Manager.

Nature of Transaction

TREIT acquired factories from TICON and also paid the Property Management Fee for invested factories to TMAN and TMAN paid the fee to TICON under subcontract in form of Property Management Agreement.

Necessity and Reasonableness of Transactions

TICON provides international standard factories and logistics warehouses for rent and sale in industrial estates, industrial park and other potential locations, and also offers other services in regard to commencing their production in Thailand. For investing in TICON's assets, TREIT will be benefits from TICON's customer coverage and marketing skills of TICON.

Directors and management team of TICON are equipped with experiences in the industry; therefore, it is considered appropriate to act as TREIT's Property Manager.

Opinion and Conditions

Under investment in TICON's assets, TREIT might invest at the price higher than the lowest bound of appraised value more than 5 percent but not over 11.59 percent which is considerably acceptable because these factories can potentially generate value-added to TREIT and unit trust holders in the future.

2. Related party Transaction with Juristic Person who has the same Major Shareholder with REIT Manager

Juristic person who is also the major shareholder of REIT Manager, namely TICON Logistics Park Company Limited ("TPARK")

Person/Juristic Person Who May Have Conflict of Interest

TICON Logistics Park Company Limited ("TPARK")

Nature of Relationship

TPARK sold and lease assets to TREIT and TMAN appointed TPARK to act as the Property Manager.

Nature of Transaction

TREIT acquired and lease warehouses from TPARK and also paid the Property Management Fee for invested warehouses to TMAN and TMAN paid the fee to TPARK.

Necessity and Reasonableness of Transactions

TPARK develops ready-built warehouses for rent in Logistic Parks located in the high potential locations. For investing in TPARK's assets, TREIT will be benefits from TPARK's customer coverage and marketing skills of TPARK.

Directors and management team of TPARK are equipped with experiences in the industry; therefore, it is considered appropriate to act as TREIT's Property Manager.

Opinion and Conditions

This investment in TPARK's assets, TREIT might invest at the price higher than the lowest bound of appraised value more than 5 percent but not over 11.59 percent which is considerably acceptable because these assets can potentially generate value-added to TREIT and unit trust holders in the future.

3. Policy on Transaction between the Trust and its Related Parties

Trust Deed prescribes the regulations on transaction between TREIT and REIT Manger or any person related to REIT Manager as follows:

1. Transaction between TREIT and REIT Manager or any person related to REIT Manager must comply to the conditions follow:
 - a) Compliance with Trust Deed and applicable laws;
 - b) Must be for the best benefit of TREIT;
 - c) Must be reasonable and use fair value;
 - d) Any expense to enter into such transaction to be collected from TREIT must be a fair and suitable rate; and
 - e) Any person who has special interest in such transaction must not take part to approve the transaction.
2. The approval of any transaction between TREIT and REIT Manager or any person related to REIT Manager must comply with the following procedures:
 - a) Must be approved by Trustee as transaction that complies to Trust Deed and any applicable laws;
 - b) In case the transaction has value more than Baht 1,000,000 or more than 0.03 percent of net asset value of TREIT, depending on which one will have higher value, the transaction must be approved by the board of REIT Manager; and
 - c) In case the transaction has value more than Baht 20,000,000 or more than 3.00 percent of net asset value of TREIT, depending on which one will have higher value, the transaction must receive consent from the general meeting of unit holders with the vote not less than three third of the total votes from total unit trust holders who present in the meeting and have the right to vote.
3. If the related party transaction is a transaction to acquire or sell of main properties, the calculation of value will base on acquisition or sell value of all properties of each project that will make it ready to seek benefit, including all properties relating to that project.
4. In order to seek approval from Trustee or unit trust holders meeting, REIT Manager and Trustee shall have the following responsibilities:
 - a) REIT Manager shall prepare a paper requesting for approval or notice for unit holders meeting with REIT Manager's opinion on nature of transaction according to clause 1) together with supporting reasons and clear information; and
 - b) Trustee must attend in the unit trust holders meeting to provide its opinion weather the transaction is conform to Trust Deed and relating applicable laws. In case that approval from the unit trust holders meeting is required, the notice for meeting must include opinion from financial advisor for such approval.

5. In case that the information on related party transaction between TREIT and REIT Manager or any person relating to REIT Manager has been clarified in the information memorandum, such transaction shall not require approval in clause 2) and does not require to follow procedures to request for approval in clause 4).

8.2 Transaction between the Trustee and the Related Parties who may have a Conflict of Interest

Related party Transaction between the trustee and its major shareholders

The major shareholders of the trustee include Bangkok Bank Public Company Limited

Person/Juristic Person Who May Have Conflict of Interest

Bangkok Bank Public Company Limited ("BBL")

Nature of Relationship

BBL holds more than 75% of shares in the Trustee of TREIT.

Nature of Transaction

TREIT will make principal and interest repayment to BBL during the borrowing term.

Necessity and Reasonableness of Transactions

TREIT will use source of fund from loan from BBL for acquiring the properties.

Opinion and Conditions

1. Trustee will look after the payment of any service fees according to the loan agreements as disclosed in the Prospectus and agreed by REIT Manager.
2. The loan is the customized transaction provided to TREIT, for example, terms and conditions conforming with specific characteristics of TREIT. Such conditions can be compared to the general conditions that BBL offers to other customers in similar industries and under similar conditions (such as right between creditors and shareholders/unitholders and other risk factors) which BBL acknowledges and well aware of such conditions. Trustee will pay the principal and interest

repayments according to the loan agreements as disclosed in the Prospectus and agreed by REIT Manager.

Financial Highlights

1. Financial Status and Operating Results

The followings are the audited financial reports:

1.1 Statements of Financial Position as at December 31st, 2014

Unit: Million THB

ITEM	2014	%
Assets		
Investment in properties at fair value	4,228.00	93.81
Cash at banks	223.74	4.96
Accounts receivable		
From rental and services	2.20	0.05
From interest	0.45	0.01
Other	8.39	0.19
Deferred expenses	42.69	0.95
Other Assets	1.30	0.03
Total assets	4,506.77	100.00
Liabilities and unitholders' equity		
Liabilities		
Accrued expenses	49.43	1.10
Withholding tax payable	61.73	1.37
Deposits from rental and services	99.02	2.20
Long-term loan	860.00	19.08
Other liabilities	3.63	0.08
Total liabilities	1,073.80	23.83
Unitholders' equity		-
Capital from unitholders	3,425.00	76.00
Retained earnings	7.97	0.18
Total unitholders' equity	3,432.97	76.17
Total liabilities and unitholders' equity	4,506.77	100.00

1.2 Statements of Comprehensive Income for the period of December 12th, 2014

(Establishment date) to December 31st, 2014

Unit: Million THB

ITEM	2014	%
Investment income		
Rental and service income	8.92	76.25
Interest income	1.39	11.88
Other income	1.39	11.87
Total income	11.70	100.00
Expenses		-
Trust management fee	1.51	12.87
Trustee fee	0.19	1.65
Registrar fee	0.06	0.50
Professional fee	0.10	0.85
Operating expenses	0.12	1.03
Deferred expenses	0.79	6.78
Interest expenses	0.95	8.16
Total expenses	3.72	31.84
Net investment income	7.97	68.16
Net increase in net assets resulting from operations	7.97	68.16

1.3 Cash Flow Statements for the period of December 12th, 2014 (Establishment date) to December 31st, 2014

Unit: Million THB

ITEM	2014
Net cash flows used in operating activities	(4,060.51)
Net cash flows from financing activities	4,284.26
Net increase in cash at banks	223.74
Cash at banks at the beginning of the period	-
Cash at banks at the end of the period	223.74

1.4 Significant Financial Ratios

Financial Ratio	2014
Net assets at the end of the period (Million THB)	3,432.97
Average net assets during the period (Million THB)	3,425.40
Ratio of net investment income to total income (%)	68.16
Ratio of total expenses to average net assets during the period (%)	0.11
Ratio of investment income to average net assets during the period (%)	0.34
Ratio of liabilities to average net assets during the period (%)	31.35
Ratio of weighted average investment turnover during the period to average net assets during the period (%)*	123.43

Remarks * The value of investment purchases and sales during the period does not include cash at banks and is calculated by a weighted average basis over the accounting period.

2. Analysis of Financial Status and Operating Results of Trust

2.1 Financial Status

1. Assets

As at December 31st, 2014, TREIT had the total assets of THB 4,506.77 million, which was mainly the investment in properties of THB 4,228 million or 93.81 per cent of the total assets. This amount was the Trust's investment in land, warehouses, and factories of TICON Logistics Park Co., Ltd. and TICON Industrial Connection Co., Ltd. who are related parties to TREIT. The investments have taken the form of contracts which result in the sub-lease of land and leasehold of land and warehouse, which all have about 28-30 years leasehold, as well as the freehold of land, and warehouse and/or factories.

2. Liabilities

As at December 31st, 2014, TREIT had the total liabilities of THB 1,073.80 million, which was mainly the long-term loan of THB 860 million, or 80.09 per cent of the total liabilities, and the deposits for rental and services of THB 99.02 million or 9.22 per cent of the total liabilities. The long-term loan from Bangkok Bank is for TREIT's investments in the immovable properties with the conditions of the first repayment in December 2021 and the repayment of the rest of the loan by June 2024. The rate of interest to repay equals to the MLR minus the fixed interest rate per annum. Moreover, the deposits for rental and services are the deposits paid by the warehouse and factory tenants that TPARK and TICON have transferred to TREIT.

3. Unitholders' Equity

As at December 31st, 2014, TREIT had the total unitholders' equity of THB 3,432.97 million which comprised of the unitholders' capital of THB 3,425 million and the retained earnings of THB 7.97 million.

2.2 Operating Results

For the period of December 12th, 2014 (Establishment date) to December 31st, 2014, TREIT had the net investment income of THB 7.97 million which comprised of the total income of THB 7.97 million and the total expenses of THB 3.72 million.

The rental and services income accounts for THB 8.92 million, the interest income accounts for THB 1.39 million, and the income from tenant guarantees received from TPARK and TICON accounts for THB 1.39 million.

The total expenses comprises of the followings: 1.) Trust management fee paid to TICON Management Co., Ltd. ("TMAN") of THB 1.51 million or 40.40 per cent of the total expenses, consisting of the expenses relating to the Trust management and the property management, other special fees and commissions for providing tenants and for purchasing/selling/transferring and receiving leasehold rights 2.) Interest expenses of THB 0.95 million or 25.62 per cent of the total expenses, and 3.) Deferred expenses of THB 0.79 million or 21.30 per cent of the total expenses.

TICON Freehold and Leasehold Real Estate Investment Trust

Report and financial statements

31 December 2014

Independent Auditor's Report

To the Unitholders of TICON Freehold and Leasehold Real Estate Investment Trust

I have audited the accompanying financial statements of TICON Freehold and Leasehold Real Estate Investment Trust which comprise the balance sheet, including the details of investments as at 31 December 2014, and the related statements of income, changes in net assets, cash flows and significant financial information for period as from 12 December 2014 (the establishment date) to 31 December 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trust Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as the Trust Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

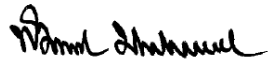
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trust Manager, as well as evaluating the overall presentation of the financial statements.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TICON Freehold and Leasehold Real Estate Investment Trust as at 31 December 2014, and its financial performance, changes in its net assets, cash flows and significant financial information for the period as from 12 December 2014 (the establishment date) to 31 December 2014, in accordance with Thai Financial Reporting Standards.

PimjaiManitkajohnkit

Certified Public Accountant (Thailand) No. 4521



EY Office Limited

Bangkok: 23 February 2015

TICON Freehold and Leasehold Real Estate Investment Trust

Balance sheet

As at 31 December 2014

(Unit: Baht)

	<u>Note</u>	
Assets		
Investments in properties at fair value		
(at cost: Baht 4,228,000,000)	7	4,228,000,000
Cash at banks	8	223,744,343
Accounts receivable		
From rental and service	9	2,203,778
From interest	16	450,865
Other	16	8,387,820
Deferred expenses	10	42,687,007
Other assets		1,300,450
Total assets		4,506,774,263
Liabilities		
Accrued expenses	16	49,428,513
Withholding taxes payable		61,726,483
Deposits from rental and service		99,016,087
Long-term loan	11, 16	860,000,000
Other liabilities		3,630,396
Total liabilities		1,073,801,479
Net assets		3,432,972,784

The accompanying notes are an integral part of the financial statements.

TICON Freehold and Leasehold Real Estate Investment Trust

Balance sheet (continued)

As at 31 December 2014

(Unit: Baht)

	<u>Note</u>	
Net assets:		
Fund registered		
342,500,000 units of Baht 10 each		3,425,000,000
Capital from unitholders		
342,500,000 units of Baht 10 each	12	3,425,000,000
Retained earnings	13	7,972,784
Net assets		3,432,972,784
Net asset value per unit		10.0232
Number of units issued - end of period (units)		342,500,000

The accompanying notes are an integral part of the financial statements.

TICON Freehold and Leasehold Real Estate Investment Trust

Details of investments

As at 31 December 2014

The details of investments were classified by asset type

Type of investments/ Land title deed	Area (Rai-Ngan-Sq. Wah)	Location	Factory / warehouse building no.	Fair value (Baht)	Percentage of investments (%)
Investments in properties					
Leasehold on land and freehold on warehouses					
29466	7-0-46	TICON Logistics Park Bangna Bang Wua Sub-district, Bang Pakong District, Chachoengsao Province	DG1/1 DG1/2 DG1/3 DG1/4	107,675,444	2.55
Leasehold on land and warehouses					
2806, 18808, 18811, 18812, 60712	98-3-7.6	TICON Logistics Park Bangplee 1 SrisaChorakheYai Sub-district, Bang Sao Thong District, Samutprakan Province	W1/1 W1/2 W1/3	248,378,795 128,094,726 169,044,869	5.87 3.03 4.00
				545,518,390	12.90
2806			W2	44,520,728	1.05
2805, 60712, 60713, 60714			W3	183,215,627	4.33
18789, 18790, 18791, 18792, 2806			W4	407,492,977	9.64
2806, 60712, 60713			DG1/1 DG1/2 DG1/3	53,781,932	1.27
Freehold on land and warehouses					
195065	6-1-71.4	TICON Logistics Park Eastern Seaboard 2 Bo Win Sub-district, Si Racha District, Chonburi Province	W2/1 W2/2	117,606,133	2.78
195062	9-2-77	TICON Logistics Park Eastern Seaboard 2 Bo Win Sub-district, Si Racha District, Chonburi Province	W5/1 W5/2	180,872,430	4.28
177126	24-0-56	TICON Logistics Park Sriracha Surasak Sub-district, Si Racha District, Chonburi Province	W5/1 W5/2 W5/3	424,453,254	10.04
173839, 11303	8-1-22	TICON Logistics Park Sriracha Surasak Sub-district, Si Racha District, Chonburi Province	W16	84,578,225	2.00
194794	24-0-37.9	TICON Logistics Park Sriracha Surasak Sub-district, Si Racha District, Chonburi Province	W20	300,263,856	7.10
178448	7-0-21.4	TICON Logistics Park Laemchabang 2 Nong Kham Sub-district, Si Racha District, Chonburi Province	W2	120,507,233	2.85
177198	6-2-4.8	TICON Logistics Park Laemchabang 2 Nong Kham Sub-district, Si Racha District, Chonburi Province	FZ4	91,273,071	2.16
47950	13-0-8	Rojana Industrial Park (Prachinburi) Huawa Sub-district, Si Maha Phot District, Prachinburi Province	W1	175,851,296	4.16
Freehold on land and factories					
9994, 14727	5-1-39.7	Amata City Industrial Estate Mabyangporm Sub-district, PluakDaeng District, Rayong Province	SF.B1.9 A32,39	82,518,144	1.95
31698	6-0-87.9	Amata City Industrial Estate Mabyangporm Sub-district, PluakDaeng District, Rayong Province	SF.M3.3 A220/1	96,517,367	2.28
7435	4-0-18	Pinthong Industrial Estate Nong Kham Sub-district, Si Racha District, Chonburi Province	SF.A1.8/1 L_42	55,462,129	1.31
181769, 181770	4-0-11.4	Pinthong Industrial Estate Nong Kham Sub-district, Si Racha District, Chonburi Province	SF.A1.8/2 L_42/2, L_43/2	57,017,774	1.35
183315	4-0-29.2	Pinthong Industrial Estate Bo Win Sub-district, Si Racha District, Chonburi Province	SF.M1.8 G_007	55,790,386	1.32
185321, 185322	11-1-29.4	Pinthong Industrial Estate	SF.A3 G_025/3	88,260,390	2.09

Bo Win Sub-district, Si Racha District, Chonburi Province

SF.A2.2 G_025/2

65,020,841

1.54

153,281,231

3.63

TICON Freehold and Leasehold Real Estate Investment Trust
Details of investments (continued)
As at 31 December 2014

The details of investments were classified by asset type

Type of investments/ Land title deed	Area (Rai-Ngan-Sq. Wah)	Location	Factory / warehouse building no.	Fair value (Baht)	Percentage of investments (%)
167088	20-3-60	Pinthong Industrial Estate Bueng Sub-district, Si Racha District, Chonburi Province	SF.L3.2 G_032/1 SF.A2.7/3 G_032/2 SF.A2.7/2 G_032/3 SF.A2.7/1 G_032/4, G_033/1 SF.B3.5 G_033/2 SF.L4.4 G_033	93,696,976 78,359,834 78,089,814 78,089,814 100,123,455 124,803,294	2.22 1.85 1.85 1.85 2.37 2.95
				553,163,187	13.09
20170	5-2-1	Ban Wah Industrial Estate (Hi-Tech) Ban Len Sub-district, Bang Pa-in District, PhraNakhon Si Ayutthaya Province	SF.A1.3 G1/4-4 SF.A1.5/3 G_1/4_5	36,933,235 39,945,916	0.87 0.94
				76,879,151	1.81
59721	3-3-15	Ban Wah Industrial Estate (Hi-Tech) Ban Len Sub-district, Bang Pa-in District, PhraNakhon Si Ayutthaya Province	SF.C2.2 F_7/12	65,163,170	1.54
55952	4-1-42	Ban Wah Industrial Estate (Hi-Tech) Ban Len Sub-district, Bang Pa-in District, PhraNakhon Si Ayutthaya Province	SF.M2.2 F_7/13	59,807,293	1.42
30621	2-2-72	Rojana Industrial Park Ban Chang Sub-district, Uthai District, PhraNakhon Si Ayutthaya Province	SF.A1.3/1 28_1	38,718,528	0.92
52780	3-3-5	HemarajChonburi Industrial Estate Bo Win Sub-district, Si Racha District, Chonburi Province	SF.M1.5/2 D_1	48,314,474	1.14
52781	3-1-84	HemarajChonburi Industrial Estate Bo Win Sub-district, Si Racha District, Chonburi Province	SF.M1.5/1 D_2	47,756,570	1.13
Total Investments in Properties				4,228,000,000	100.00

The accompanying notes are integral part of the financial statements.

TICON Freehold and Leasehold Real Estate Investment Trust

Statement of Income

For the period as from 12 December 2014 (the Establishment Date) to 31 December 2014

(Unit: Baht)

	<u>Note</u>	
Investment Income		
Rental and service income		8,919,891
Interest income	16	1,389,221
Other income	15, 16	1,388,619
Total income		<u>11,697,731</u>
Expenses		
Trust management fee	14, 16	1,505,003
Trustee fee	14, 16	193,040
Registrar fee	14, 16	58,644
Professional fees		100,000
Operating expenses		120,589
Amortisation of deferred expenses		793,424
Interest expenses	16	954,247
Total expenses		<u>3,724,947</u>
Net investment Income		<u>7,972,784</u>
Net increase in net assets resulting from operations		<u><u>7,972,784</u></u>

The accompanying notes are an integral part of the financial statements.

TICON Freehold and Leasehold Real Estate Investment Trust**Statement of changes in net assets****For the period as from 12 December 2014 (the Establishment Date) to 31 December 2014**

(Unit: Baht)

	<u>Note</u>	
Increase in net assets resulting from operations		
during the period		
Net investment income		7,972,784
Increase in net assets resulting from operations		<u>7,972,784</u>
Increase in capital from unitholders		
Trust units sold during the period		
342,500,000 units at Baht 10 each	12	3,425,000,000
Increase in capital from unitholders		<u>3,425,000,000</u>
Increase in net assets during the period		<u>3,432,972,784</u>
Net assets at the beginning of period		-
Net assets at the end of period		<u><u>3,432,972,784</u></u>

The accompanying notes are an integral part of the financial statements.

TICON Freehold and Leasehold Real Estate Investment Trust**Statement of cash flows****For the period as from 12 December 2014 (the Establishment Date) to 31 December 2014**

(Unit: Baht)

Cash flows from operating activities

Increase in net assets resulting from operations 7,972,784

Adjustments to reconcile the increase in net assets resulting

from operations to net cash provided by (used in) operating activities:

Purchases of investments in properties (4,228,000,000)

Amortisation of deferred expenses 793,424

Increase in accounts receivable from rental and service (2,203,778)

Increase in accounts receivable from interest (450,865)

Increase in other receivables (8,387,820)

Increase in deferred expenses (43,480,431)

Increase in other assets (1,300,450)

Increase in withholding tax payables 61,726,483

Increase in accrued expenses 49,216,458

Increase in deposits for rental and service 99,016,087

Increase in other liabilities 3,630,396

Interest expenses 954,247

Net cash flows used in operating activities (4,060,513,465)**Cash flows from financing activities**

Cash received from long-term loan 860,000,000

Interest paid (742,192)

Sales of trust units 3,425,000,000

Net cash flows from financing activities 4,284,257,808**Net increase in cash at banks** 223,744,343

Cash at banks at the beginning of period -

Cash at banks at the end of period (Note 8) 223,744,343

-

The accompanying notes are an integral part of the financial statements.

TICON Freehold and Leasehold Real Estate Investment Trust**Significant financial information****For the period as from 12 December 2014 (the Establishment Date) to 31 December 2014**

(Unit: Baht)

Operating performance (per unit)

Net asset value - beginning of period	-
Income from investment operations	
Net investment income	0.0232
Total income from investment operations	0.0232
Add: Increase in capital from unitholders	10.0000
Net asset value - end of period	10.0232

Ratio of increase in net assets resulting from**operations to average net assets during the period (%) 0.23****Significant financial ratios and additional information**

Net assets - end of period (Baht)	3,432,972,784
Ratio of total expenses to average net assets during the period (%)*	0.11
Ratio of investment income to average net assets during the period (%)*	0.34
Ratio of weighted average investment turnover during the period to average net assets during the period (%)*	123.43
Average net assets during the period (Baht)	4,325,398,639

* The value of investment purchases and sales during the period does not include cash at banks and is calculated by a weighted average basis over the accounting period.

The accompanying notes are an integral part of the financial statements.

TICON Freehold and Leasehold Real Estate Investment Trust

Notes to financial statements

For the period as from 12 December 2014 (the Establishment Date) to 31 December 2014

1. Information of TICON Freehold and Leasehold Real Estate Investment Trust

TICON Freehold and Leasehold Real Estate Investment Trust ("the Trust") is a closed-end trust with specific the purpose. The Trust was established as a trust on 12 December 2014, with no project life stipulated, with a capital of Baht 3,425 million.

The Trust's objectives are to raise funds from general investors and to use the proceeds from such fundraising to acquire, lease and/or sub-lease of immovable properties. The Trust will take the transfer of the ownership and/or leasehold rights and/or sub-leasehold rights therein and seek benefits from those properties by way of lease, sub-lease, transferring and/or disposing of immovable properties the Trust invests in or acquires. The Trust will also improve, modify, construct and/or develop immovable properties by taking the transfer of a construction permit and/or applying for other permits and/or executing any transactions necessary and advisable for immovable properties, with the aim of generating income and returns for the Trust and its unitholders. This includes investment in other properties and/or securities and/or seeks interest by any other means as prescribed by securities laws and/or other relevant law.

The Stock Exchange of Thailand approved the listing of the Trust's units and permitted their trading from 9 January 2015 onwards.

TICON Management Company Limited acts as the Trust Manager, BBL Asset Management Company Limited acts as the Trustee, TICON Logistics Park Company Limited and TICON Industrial Connection Public Company Limited are hired as the Property Management Managers and Thailand Securities Depository Company Limited acts as the Trust Registrar.

As at 31 December 2014, the Trust's major unitholders are Social Security Office and TICON Logistics Park Company Limited which holds 14.60% and 12.00% of the trust units, respectively.

2. Distribution policy

The Trust has a policy to pay distributions to unitholders at least twice a year. However, the Trust Manager might consider paying special dividends to unitholders as it deems necessary and appropriate.

- (1) In the event that the Trust has net profit in any accounting period, the Trust Manager shall distribute distributions to unitholders for not less than 90% of the net profit after deducting unrealised gain on revaluation or valuation review of the properties or leasehold rights of the properties in that accounting period, including other adjustments according to the Notification of the Office of the Securities and Exchange Commission.

- (2) In the event that the Trust has accumulated losses remaining, the Trust Manager will not pay distributions to unitholders.

Distributions will not be paid from either profit or retained earnings if the payments would result in an increase in the Trust's deficit in the period that payment is made.

In consideration of making a distributions payment, if the value of the interim dividend per unit to be paid during the financial year is equal or below Baht 0.10, the Trust Manager reserves its right to withhold that distributions payment and carry the whole amount over the next distributions payment.

3. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and in accordance with the regulations and format specified in Accounting Standard No. 106 "Accounting for Investment Business".

The financial statements in Thai language are the official statutory financial statements of the Trust. The financial statements in English language have been translated from the Thai language financial statements.

4. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures

TAS 28 (revised 2012) Investments in Associates

TAS 31 (revised 2012) Interests in Joint Ventures

TAS 34 (revised 2012) Interim Financial Reporting

TAS 36 (revised 2012) Impairment of Assets

TAS 38 (revised 2012) Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012) Share-based Payment

TFRS 3 (revised 2012) Business Combinations

TFRS 5 (revised 2012) Non-current Assets Held for Sale and Discontinued Operations

TFRS 8 (revised 2012) Operating Segments

Accounting Standard Interpretations:

TSIC 15 Operating Leases – Incentives

TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease

TSIC 29 Service Concession Arrangements: Disclosures

TSIC 32 Intangible Assets – Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRIC 4 Determining whether an Arrangement contains a Lease

TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7 Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary Economies*

TFRIC 10 Interim Financial Reporting and Impairment

TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The Trust Manager believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, TFRS 13 Fair Value Measurement involves changes to key principles, as discussed below:

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the Trust Manager believes that this standard will not have any significant impact on the Trust's financial statements.

5. Significant accounting policies

5.1 Revenue and expenses

Rental and service income is recognised as revenue in the statement of income on a straight line basis over the lease term. The recognised revenue which is not yet due per the operating lease agreements has been presented under the caption of "Accounts receivable from rental and service" at the end of reporting period.

Premium or discounts on debt instruments are amortised evenly over the remaining term of the debt instruments, using the effective interest rate, and are treated as part of interest income.

Interest income is recognised on an accrual basis based on the effective interest rate.

Expenses are recorded on an accrual basis.

5.2 Measurement of Investments

Investments are recognised as assets at cost, on the date when the Trust receives the rights in the investments. The cost of investments comprises the purchase price and all direct expenses incurred by the Trust in their acquisition.

Investments in properties

Investments in properties are stated at fair value with no depreciation charge. The Trust Manager measured their fair value as at the first balance sheet date at the acquisition cost of investments in properties. At subsequent balance sheet dates, they are presented at fair value, using the appraisal value assessed by an independent appraiser approved by Thai Valuer Association and The Valuers Association of Thailand (Pursuant to the Notification of the Office of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principle valuers for public use). Valuation will be made when economic conditions change, but at least every two years, commencing from the date of the appraisal made for the purposes of investing or leasing the properties. In addition, the valuation will be reviewed within one year after the latest valuation date.

Gains or losses on valuation of investments in properties are presented as net unrealised gains or losses in the statement of income.

Investments in securities

Investments in marketable debt securities which can be freely traded on an open market are presented at their fair value, based on the latest yield rate quoted by the Thai Bond Market Association as of the date on which the investments are valued. The fair value of investments which cannot be freely traded on an open market is based on the yield rate as quoted by a market maker which the Trust Manager considers to be the nearest equivalent to fair value. The Trust uses the amortised cost method to determine the fair value of debt securities, which time to maturity is within 90 days from investment date. Gains or losses from the valuation of investments in securities are recorded as net unrealised gains or losses in the income statements. To determine the cost of investments which are disposed of, the weighted average method is used.

Investments in bank deposits, bill of exchange and non-transferable promissory notes are presented using the sum of principal and accrued interest as of the date on which the investment is valued to determine fair value. Accrued interest is separately presented under the caption of "Accounts receivable from interest" at the end of reporting period.

Investments in transferable promissory notes are stated based on the yield rate quoted by a market maker which the Trust Manager considers to be the nearest equivalent to fair value. Gains or losses from the valuation of investments are presented as net unrealised gains or losses in the statement of income.

5.3 Accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debtor aging.

5.4 Deferred expenses

Deferred expenses consist of expenses incurred for issuing and initial public offering the Trust units such as underwriting fee, Trust setup costs and other direct expenses. Amortisation is charged to expense on a straight-line basis for 3 years.

5.5 Related party transactions

Related parties comprise enterprises and individuals that own a voting interest of at least 10% in the Trust, control, or are controlled by, the Trust, whether directly or indirectly, or which are under common control with the Trust.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Trust that gives them significant influence over the Trust, the Trust Manager, key management personnel, directors, and officers of the Trust Manager with authority in the planning and direction of the Trust's operations.

<u>Company's Name</u>	<u>Relationship</u>	<u>Details of Business Transactions</u>
TICON Logistics Park Company Limited	- The Trust's major unitholder	<ul style="list-style-type: none"> - Entered into the lease agreements on land and warehouses as the lessor or sub lessor - Entered into the selling agreements on warehouses as the seller
TICON Industrial Connection Public Company Limited	- The major shareholder of the Trust's major unitholder	<ul style="list-style-type: none"> - Entered into the selling agreements on land and factories as the seller
TICON Management Company Limited	- The Trust Manager	<ul style="list-style-type: none"> - Receive base fee for managing the Trust - Receive performance fee for managing main Trust's properties - Receive incentive fee and commission from the Trust

<u>Company's Name</u>	<u>Relationship</u>	<u>Details of Business Transactions</u>
BBL Asset Management Company Limited	- Trustee	- Receive Trustee fee
Thailand Securities Depository Company Limited	- Trust Registrar	- Receive registrar fee
Bangkok Bank Public Company Limited	- A director is as the same family member of the major shareholder of the Trust's major unitholder	- Receive deposit and provide loan to the Trust

5.6 Distribution to unitholders

Decreases in retained earnings are recognised as at the date a cash distribution is declared.

5.7 Long-term leases

Lease of assets not transferred a significant portion of risks and rewards of ownership to lessee are classified as operating leases. The Trust as the lessor, receipts money under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

5.8 Provisions

Provisions are recognised when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle obligation, and a reliable estimate can be made of the amount of the obligation.

5.9 Income tax

The Trust has no corporate income tax liability since it is exempted from corporate income tax in Thailand.

6. Use of significant judgement and accounting estimates

The preparation of financial statements in conformity with financial reporting standards at times requires the Trust Manager to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements and estimates are as follows:

Fair value of assets

The Trust measures its investments in leasehold rights to properties on the balance sheet date at fair value based on the value as assessed by an independent appraiser. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The Trust considers such fair value is appropriate. However, the actual returns to be received by the Trust on such investments in properties could differ depending upon certain factors and conditions which will be incurred to the assets in the futures.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the Trust Manager is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the Trust Manager needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the Trust Manager exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

7. Investments in properties

(Unit: Thousand Baht)

Investments in properties - beginning of the period	-
Add: Purchases of investments in properties during the period	4,228,000
Investments in properties - end of the period	4,228,000

On 22 and 23 December 2014, the Trust invested in properties by entering into the sublease on land agreements, lease on land and warehouse buildings agreements and agreements to buy and to sell land and building premises with TICON Logistics Park Company Limited and TICON Industrial Connection Public Company Limited, related companies, with the leasehold life 28 – 30 years totally Baht 4,228 million (the appraisal value from income approach by 2 independent appraisers are in the amount of Baht 3,866 million and Baht 3,900 million respectively as follow:

1) Land and warehouse buildings of TICON Logistics Park Company Limited, with total rental warehouse area of approximately 160,523 Sq.m. covering an area of approximately 205 Rai, as detailed below:

- Leasehold on land and freehold on 1 warehouse building (4 units) located in TICON Logistics Park Bangna
- Leasehold on land and 5 leased warehouse buildings (9 units) located in TICON Logistics Park Bangplee 1
- Freehold on land and 2 warehouse buildings (4 units) located in TICON Logistics Park Eastern Seaboard 2
- Freehold on land and 3 warehouse buildings (5 units) located in TICON Logistics Park Sriracha
- Freehold on land and 2 warehouse buildings (2 units) located in TICON Logistics Park Laemchabang 2
- Freehold on land and 1 warehouse building (1 units) located in Rojana Industrial Park (Prachinburi)

2) Land and factory buildings of TICON Industrial Connection Public Company Limited, with total rental factory area of approximately 54,000 Sq.m. on land covering an area of approximately 101.5 Rai, as detailed below:

- Freehold on land and 2 factory buildings located in Amata City Industrial Estate
- Freehold on land and 11 factory buildings located in Pinthong Industrial Estate
- Freehold on land and 4 factory buildings located in Ban Wah Industrial Estate (Hi-Tech)
- Freehold on land and 1 factory building located in Rojana Industrial Park
- Freehold on land and 2 factory buildings located in HemarajChonburi Industrial Estate

8. Cash at banks

As at 31 December 2014, the Trust has the following deposits with the following banks.

Bank	Principal (Thousand Baht)	Interest rate per annum (%)
<u>Saving accounts</u>		
Bangkok Bank Public Company Limited	223,744	0.75
Total Cash at Banks	223,744	

9. Accounts receivable from rental and service

The balances of accounts receivable from rental and service as at 31 December 2014, aged on the basis of due dates are summarised below.

(Unit: Thousand Baht)

Age of receivables

Accounts receivable - past due of up to 3 months	1,752
Unbilled operating leases receivables	452
Accounts receivable from rental and service	2,204

10. Deferred expenses

(Unit: Thousand Baht)

31 December 2014

Deferred expenses - beginning of the period	-
Add: Increase during the period	43,480
Less: Amortised during the period	(793)
Deferred expenses - end of the period	42,687

11. Long-term loan

On 23 December 2014, the Trust has drawn down long-term loan with Bangkok Bank Public Company Limited, amounting to Baht 860 million for purchase of land, leased/sub-lease of land and/or buildings and/or factories/warehouses. The payment term of principal will be paid by semi-annual which 1st principal payment on December 2021 with the last payment in June 2024 and interest will be paid within last working day of month, with interest rate at MLR minus certain rates per annum.

On 31 December 2014, the Trust has unused long-term loan facilities under the loan agreement amounting to Baht 490 million.

12. Trust units

On 12 December 2014, the Trust Manager established the Trust under the Trust Act for transactions in capital market 2550 B.E., with 342.5 million trust units at a par value of Baht 10 each, a total of Baht 3,425 million. The Trust called up payment for all of these trust units and has already notified the Office of the Securities and Exchange Commission of this called-up capital.

13. Retained earnings

(Unit: Thousand Baht)

Retained earnings - beginning of period	-
Add: Increase in net assets resulting from operations during the period	7,973
Retained earnings - end of period	7,973

14. Expenses

Details of the trust management fee, trustee fee and registrar fee are summarised below.

Expenses	Percentage	
1. Trust management fee		
-Base fee	0.25	% per annum of the Trust's total assets
-Performance fee	2.0	% per annum of net income from rental and service agreement on warehouse buildings
	4.0	% per annum of net income from rental and service agreement on factory buildings
-Incentive fee	0.00 –10.50	% per annum of net operating income of warehouse buildings of the Trust
	0.00 –19.50	% per annum of net operating income of factory buildings of the Trust
-Commission fee for acquiring a new lessee		In proportion to rental and service periods but not over 3 months based on the latest rental and service rate of new lessee (no transaction occurred in current period)
-Commission fee for buying/selling/transferring leasehold/receiving leasehold	3.0	% of the value of buying/selling/transferring leasehold/receiving leasehold (no transaction occurred in current period)

2. Trustee fee	0.09875	% per annum of the Trust's net assets
3. Registrar fee	0.03	% per annum of the Trust's net assets

The above fees are calculated and charged to the Trust's account on a monthly basis. Operating expenses include expenses incurred specifically for the Trust such as the Trust's setting up expenses, utilities, insurance premium, bank charge, postage and various expenses which are incurred legally and in accordance with regulations.

15. Income from rental and service guarantees

TICON Logistics Park Company Limited and TICON Industrial Connection Public Company Limited, hired by the Trust Manager to be as the Property Management Managers, have agreed to guarantee the occupancy for only properties that have been vacant after the registration of the transfer of ownership or leasehold rights of properties was completed or the tenants exercise their right to move out from the rental properties by compensating the Trust at the same rate of rental and service fee that the latest tenant had paid until the Property Management Manager is able to find a new tenant and the new tenant pays the rental and service fee to the Trust or until after 12 months from date that the Trust first invested in the properties.

16. Related party transactions

During the period, the Trust had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Trust and those related parties.

(Unit: Thousand Baht)

Pricing policy

TICON Logistics Park Company Limited

Compensation from rental and service income guarantee	1,251	As specified in property management agreement (Note 15)
Purchase investment in properties	2,838,000	Prices close to appraisal value (Note 7)

(Unit: Thousand Baht)

Pricing policy

TICON Industrial Connection Public Company Limited

Compensation from rental and service income guarantee	138	As specified in property management agreement (Note 15)
Purchase investment in properties	1,390,000	Prices close to appraisal value (Note 7)

TICON Management Company Limited

REIT Management fee	1,505	As detailed in Note 14
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BBL Asset Management Company Limited

Trustee fee	193	As detailed in Note 14
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Thailand Securities Depository Company Limited

Registrar fee	59	As detailed in Note 14
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Bangkok Bank Public Company Limited

Interest income	1,389	Market rate
Underwriting fee	34,600	Contract amount
Financial advisor fee	5,196	Contract amount
Interest expense	954	As detailed in Note 11

The balances of the accounts as at 31 December 2014 between the Trust and those related companies are as follows:

(Unit: Thousand Baht)

BBL Asset Management Company Limited

Accrued trustee fee	199
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Thailand Securities Depository Company Limited

Accrued registrar fee	60
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TICON Management Company Limited

Accrued trust management fee	1,550
Other payables	557

TICON Industrial Connection Public Company Limited

Other receivables	1,837
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TICON Logistics Park Company Limited

Other receivables	6,550
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Bangkok Bank Public Company Limited

Interest receivables	451
Long-term loan	860,000
Accrued underwriting fee	35,625
Accrued financial advisor fee	5,350
Accrued interest	212

Long-term loan from related party

The outstanding balances and the movements of the borrowing between the Trust and its related party are as follows.

(Unit: Thousand Baht)

	Increase	Decrease	Balance as at
Long-term loan	during the period	during the period	31 December 2014
Bangkok Bank Public			
Company Limited	860,000	-	860,000

17. Information on trading in investments

The Trust's investment trading transactions during the period amounted to Baht 4,228 million which is 123.43% of the average net assets value during the period.

18. Commitments

The Trust is committed to pay the trust management fee, trustee fee and registrar fee under the terms and conditions specified in Note 14.

19. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Trust is principally engaged in the rental of immovable properties. Its operation is carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

For the year 2014, the Trust has revenue from one major customer in the amount of Baht 1 million, arising from rental and service income.

20. Financial instruments

20.1 Financial risk management

The Trust's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash at banks, accounts receivable from rental and service, accounts receivable from interest, accrued expenses and long-term loan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Trust is exposed to credit risk primarily with respect to accounts receivable from rental and service. The Trust Manager manages such risk by stipulating that lessees are to provide lease deposits as security against collection losses. In addition, the Trust does not have high concentration of credit risk since it has a large and varied base of creditworthy customers. As a result, it does not anticipate material loss from its debt collection. The maximum exposure to credit risk is limited to the carrying amounts of accounts receivable from rental and service as stated in the balance sheet.

Interest rate risk

The Trust's exposure to interest rate risk relates primarily to its cash at banks and long-term loan. Most of the Trust's financial assets and liabilities bear fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2014					
	Fixed interest rates within 1 year	Floating Interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial assets					
Cash at banks	-	224	-	224	0.75
Accounts receivable					
from rental and service	-	-	2	2	-
Other receivables	-	-	8	8	-
	-	224	10	234	
Financial liabilities					
Accrued expenses	-	-	49	49	-
Long-term loan	-	860	-	860	4.50
	-	860	49	909	

20.2 Fair values of financial instruments

Since the majority of the Trust's financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the balance sheet.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

21. Capital management

The primary objectives of the Trust's financial management are to maintain its ability to continue as a going concern and to maintain an appropriate capital structure in order to provide returns for unitholders in accordance with the Trust's establishment objective.

22. Events after the reporting period

On 23 February 2015, the meeting of the Board of Directors of the Trust Manager approved omission of dividend payment from the operating results for the year 2014.

23. Approval of financial statements

These financial statements were authorised for issue by the authorised director of the Trust Manager on 23 February 2015.