

**Minutes of the Extraordinary Trust Unitholders' Meeting of  
TICON Freehold and Leasehold Real Estate Investment Trust  
No. 1/2017**

The Meeting was held on 19 October 2017 at 14.00 hrs. at Grand Hall (2nd Floor, Hotel Building), the Athenee Hotel Bangkok, a Luxury Collection Hotel, Wireless Road, Lumpini, Pathumwan, Bangkok.

**Introduction prior to the Meeting**

The Spokesman of the Meeting welcomed the Trust Unitholders and introduced the representatives of TICON Management Company Limited (the "REIT Manager"), as the REIT Manager of TICON Freehold and Leasehold Real Estate Investment Trust ("TREIT"), the representatives of BBL Asset Management Company Limited as the Trustee of TREIT, the Financial Advisors, Legal Advisors, and Independent Financial Advisors of TREIT to support the conversion of TFUND, TLOGIS and TGROWTH into TREIT, and the representatives from the Group Companies of TICON Industrial Connection Public Company Limited attending the Meeting as follows;

1. REIT Manager and the Chairman of the Meeting

Mr. Sun Vithespongse – Chairman of the Board and Independent Director

Mr. Sapon Punyaratabandhu – Independent Director

Mr. Peerapat Srisukont- Managing Director

Mr. Michio Maeda - Director

Mr. Virapan Pulges - Director

Mr. Sapon Racharaksa - Director

TICON Management Company Limited

2. Trustee

Mr. Thawatchai Lueangsurarungse

BBL Asset Management Company

3. Financial Advisor

Mr. Gong Vinaikulpong

Phatra Securities Public Company Limited

4. Legal Advisor

Mr. Charin Satchayan – Managing Partner

Ms. Tananan Thammakiat – Associate

Ms. Namita Tangpitukpaibul – Associate

Charin & Associates Limited

5. Independent Financial Advisor

Ms. Krongkarn Noppawan – Assistant Director

Baker Tilly Corporate Advisory Services (Thailand) Limited

After the introduction, the Spokesman of the Meeting explained an introductory information for voting consideration in each agenda prior to the Meeting as follows;

Background and rationale of the Conversion of Property Funds are that the Group Companies of TICON Industrial Connection Public Company Limited, as the Unitholders of (1) TICON Property Fund (“TFUND”) (2) TPARK Logistics Property Fund (“TLOGIS”) and (3) TICON Industrial Growth Leasehold Property Fund (“TGROWTH”) (collectively, “Property Funds”), have acknowledged and understood the regulations of the Office of the Securities and Exchange Commission (the “Office of the SEC”) concerning the conversion of property fund into real estate investment trust and the benefits of operation related to tax benefits and the discount incentive on the registration fee at relevant land office, the conversion of which must be completed by 31 December 2017. Therefore, the Group Companies of TICON Industrial Connection Public Company Limited deem it appropriate to call for the Extraordinary Trust Unitholders' Meetings to consider the proceedings of the conversion of TFUND, TLOGIS and TGROWTH, whereby TICON Freehold and Leasehold Real Estate Investment Trust (TREIT) will be the REIT that will support the conversions (the “Conversion of Property Funds”) to be able to invest in the additional assets to further benefit the Trust Unitholders as a whole. TREIT will proceed with the Conversion of Property Funds pursuant to the regulations in the Notification of the Capital Market Supervisory Board No. TorJor. 34/2559 Re: Conversion of Property Fund into Real Estate Investment Trust (the “Notification No. TorJor. 34/2559”).

In addition, TICON Management Company Limited, as the REIT Manager, intends to let TREIT invest in the assets of TFUND, TLOGIS and TGROWTH by receiving the transferred assets and liabilities of TFUND, TLOGIS and TGROWTH and issuing Trust Units of TREIT with cash as compensation for the said transferred assets and liabilities.

For the above reason, the REIT Manager deems it appropriate to propose to the Trust Unitholders of TREIT to consider and approve for TREIT to support the Conversion of Property Funds into TREIT (whereby TREIT will be the REIT that support the conversion of TFUND, TLOGIS and TGROWTH), and other related matters.

The Trustee has expressed its opinion as supporting information for voting consideration with respect to the transactions in the Meeting with details as appeared in Attachment 14 distributed to the Trust Unitholders together with the invitation to the Meeting.

The Spokesman of the Meeting then declared to the Meeting that there were 200 Trust Unitholders attending the Meeting in person and by proxy at the commencement of the Meeting, holding a total number of 394,787,047 Trust Units, representing 69.65 percent of the total issued Trust Units of TREIT of 566,800,000 Trust Units, thereby constituting a quorum. Then the Spokesman of the Meeting explained the meeting procedures and method of vote calculation for this Meeting as follows:

- (a) In voting for resolution in each agenda, all Trust Unitholders may cast their votes pursuant to the amount of Trust Unitholding or in accordance with their proxy with 1 vote per 1 Trust Unit.
- (b) The Trust Unitholders and proxies are asked to please cast their votes in the ballots prepared by the REIT Manager and sign the ballots of each agenda. In case of the Trust Unitholders who had appointed their proxies and has already casted their votes, the REIT Manager shall collect and count their votes in accordance with the proxy letters given at the meeting registration and such proxies attending the Meeting shall not be given another ballots.
- (c) Due to a great number of the Trust Unitholders attending the Meeting and in order to facilitate the vote counting of each agenda, the Trust Unitholders who disapprove or abstain votes are asked to please raise their hands in order for the officers to collect the ballots for vote calculation of each agenda. The Trust Unitholders who do not raise their hands shall not give their ballots to the officer and it shall be deemed that such Trust Unitholders approve the agenda.

- (d) As for the vote calculation, the REIT Manager will deduct disapproval and abstention votes from total votes of the Trust Unitholders attending the Meeting at the time of vote counting in each agenda. The residual shall be deemed as approval votes of such agenda.
- (e) In any cases, if the majority votes approve and comply with the conditions of resolution, it shall be deemed that the Meeting approve such agenda.
- (f) Agenda 1 and Agenda 2.2 are matters for acknowledgement and there shall not be any vote.
- (g) The voting results of Agenda 2.1, Agenda 2.3, Agenda 2.4, Agenda 3 and Agenda 4 shall be declared during the ballots collecting in the following agenda.
- (h) As for the vote counting of the Trust Unitholders being entitled to vote, the REIT Manager will not count the votes from the Trust Unitholders with special interest in the proposed agenda. The information of the Trust Unitholders with special interest in the proposed agenda is specified by the REIT Manager in the invitation to the Meeting.
- (i) Prior to the ballots collection for approval in each agenda, the attendances may raise any queries relating to such agenda as appropriate by writing their question together with their full name and indicating whether they are the Trust Unitholders attending the Meeting in person or by proxy.
- (j) For the counting of votes, there will be representatives from the Trustee of TREIT to witness the counting process together with the officer of REIT Manager.
- (k) The attendances who wish to cast their votes are asked to please affix their signature by pen every time.

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

Subsequently, the Spokesman of the Meeting invited Mr. Sun Vitthespongse, the Chairman of the Board and the Independent Director of TICON Management Company Limited as the Chairman of the Meeting to give the opening remarks.

Mr. Sun Vithespongse, the Chairman of the Meeting greeted and welcomed the Trust Unitholders then declared to the Meeting that TREIT had cooperated with TPARK Logistics Property Fund (TLOGIS) and TICON Industrial Growth Leasehold Property Fund (TGROWTH) to organize a rehearsal meeting prior to the Unitholders' Meeting and Trust Unitholders' Meeting (Pre-EGM) on 11 October 2017. After that the Chairman assigned Mr. Peerapat Srisukont, the Managing Director of TICON Management Company Limited to inform general information and any other relevant matters as supporting information for voting consideration in each agenda.

Consequently, the Chairman declared the total five agenda of the Meeting as follows:

- Agenda 1. To consider and adopt the minutes of the previous Trust Unitholders' Meeting.
- Agenda 2. To consider and approve the support of the Conversion of Property Funds, the Conversion Plan, the receiving of transferred Assets and Liabilities of Property Funds and the payment of compensation to Property Funds in Trust Units with cash.
  - Agenda 2.1 To consider and approve the support of the Conversion of Property Funds, the Conversion Plan, the receiving of transferred Assets and Liabilities of Property Funds to TREIT and the payment of compensation to Property Funds in Trust Units with cash.
  - Agenda 2.2 To consider and acknowledge the additional investment plan after the Conversion of Property Funds.
  - Agenda 2.3 To consider and approve the decrease of paid-up capital of TREIT (in the case where TREIT does not invest in the additional assets after the Conversion of Property Funds).
  - Agenda 2.4 To consider and approve the TREIT's loans and the provision of collateral related to the TREIT's loans.
- Agenda 3 To consider and approve the amendment of TREIT's Trust Deed to support the Conversion of Property Funds into TREIT and the amendment of the Trustee's compensation.
- Agenda 4 To consider and approve the amendment of the REIT Manager's fee in relation to performance fee and incentive fee as specified under REIT Manager Appointment Agreement.
- Agenda 5 Other matters (if any).

The consideration and approval of transactions in each agenda shall begin with the presentation of information, then the floor shall be opened for any queries from the Trust Unitholders afterwards.

Nevertheless, Agenda 2 (consists of Agenda 2.1, 2.3 and 2.4) to Agenda 4 to be proposed for approval at this Extraordinary Trust Unitholders' Meeting of TREIT No. 1/2017 are related agenda and conditional matter of each other. If any of the matter under Agenda 2 (consists of Agenda 2.1, 2.3 and 2.4) to Agenda 4 is not approved by this Extraordinary Trust Unitholders' Meeting of TREIT No. 1/2017, the agenda which are prior approved by this Extraordinary Trust Unitholders' Meeting of TREIT No. 1/2017 shall be deemed canceled and the other said agenda will not be presented to the Extraordinary Trust Unitholders' Meeting of TREIT No. 1/2017 for further consideration.

In addition, Agenda 2 (consists of Agenda 2.1, 2.3 and 2.4) to Agenda 4 of the Extraordinary Trust Unitholders' Meeting of TREIT No. 1/2017 (the "Trust Unitholders' Meeting of TREIT") and (1) Agenda 1 (consists of Agenda 1.1, 1.3 and 1.4) to Agenda 6 of the Unitholders' Meeting of TICON Property Fund No. 1/2017 (the "Unitholders' Meeting of TFUND"), (2) Agenda 1 (consists of Agenda 1.1, 1.3 and 1.4) to Agenda 6 of the Unitholders' Meeting of TPARK Logistics Property Fund No. 1/2017 (the "Unitholders' Meeting of TLOGIS") and (3) Agenda 1 (consists of Agenda 1.1, 1.3 and 1.4) to Agenda 6 of the Unitholders' Meeting of TICON Industrial Growth Leasehold Property Fund No. 1/2017 (the "Unitholders' Meeting of TGROWTH"), are related and are conditional matter of each other. Therefore, if any of the matter under the Unitholders' Meeting of TFUND, the Unitholders' Meeting of TLOGIS and the Unitholders' Meeting of TGROWTH is not approved, this Trust Unitholders' Meeting of TREIT shall be deemed canceled.

After the above clarification, the Chairman declared the Meeting opened in order to consider and approve the agenda as follows:

**Meeting commenced**

**To consider and adopt the minutes of the previous Trust Unitholders' Meeting.**

The Chairman proposed to the Meeting to consider and adopt the minutes of TREIT's 2017 Annual General Meeting of Trust Unitholders which was held on 26 April 2017, whereby a copy of the minutes of TREIT's 2017 Annual General Meeting of Trust Unitholders is as disclosed to the Stock Exchange of Thailand and

publicized on the company's website on 9 May 2017, a copy of which appeared in Attachment 1 distributed to the Trust Unitholders together with the invitation to the Meeting.

The Chairman asked the Meeting if there is any question. None of the Trust Unitholders raised any question.

In this agenda, there were additional 8 Trust Unitholders holding 40,122,388 Trust Units attending the Meeting, resulting in the total of 208 Trust Unitholders holding 434,909,435 Trust Units attending the Meeting.

**To consider and approve the support of the Conversion of Property Funds, the Conversion Plan, the receiving of transferred Assets and Liabilities of Property Funds and the payment of compensation to Property Funds in Trust Units with cash.**

The Chairman assigned Mr. Peerapat Srisukont as the REIT Manager to present the details of this agenda to the Meeting, then the REIT Manager informed the details of the conversion of TFUND, TLOGIS and TGROWTH into a REIT, whereby TREIT will be the REIT that will support this conversion, the Conversion Plan, the transfer of assets and liabilities of TFUND, TLOGIS and TGROWTH to TREIT and the receipt of compensation from TREIT in Trust Units with cash as follows:

#### **Objective of the Conversion of Property Funds**

The objective of this support of the Conversion of Property Funds is to receive the transferred assets and liabilities of TFUND, TLOGIS and TGROWTH whereby TREIT will compensate TFUND, TLOGIS and TGROWTH for the transfer of assets and liabilities in Trust Units of TREIT with cash as expressed in the intent letter sent by the REIT Manager to the Management Company.

#### **Background and reasons of the Conversion of Property Funds**

As TFUND, TLOGIS and TGROWTH cannot proceed with the increase of its registered capital in order to invest in the additional immovable properties pursuant to the Notification of the Office of the Securities and Exchange Commission No. SorNor. 25/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds (as amended) which requires to proceed with application for approval for increase of registered capital in order to invest in additional immovable properties to the Office of the SEC within 31 December 2013, and the tax benefits granted to property funds (value added tax, specific business tax and stamp duty to be exempted) and to unitholders (income tax to be exempted) and the discount on the registration fee of right and juristic act for the conversion of property fund to REIT) will end within 31 December 2017, the Management Companies of TFUND, TLOGIS and TGROWTH and the REIT Manager of TREIT have been

considering together the details of the Conversion of Property Funds and the process of the said procedures, including the specification of terms and conditions to be approved by the Unitholders' Meetings of TFUND, TLOGIS and TGROWTH and the Trust Unitholders' Meeting of TREIT which will be held during the similar period.

#### **Information related to TREIT and comparison of the essentials and differences of Property Funds and TREIT**

Details of summary of Trust Deed of TREIT as amended for the Conversion of Property Funds appeared in the Attachment 2, and Summary of the comparison of the material information and differences of Property Funds and TREIT and the features to be changed upon conversion appeared in the Attachment 3, distributed to the Trust Unitholders together with the invitation to the Meeting.

#### **Conversion Plan of Property Funds**

Mr. Peerapat Srisukont as the REIT Manager demonstrated the plan and procedures of the Conversion of Property Funds and the diagram demonstrating the structure of TREIT after the receiving of assets and liabilities from the Conversion of TFUND, TLOGIS and TGROWTH. The additional details of the diagram are as appeared in the invitation to the Meeting distributed to the Trust Unitholders as follows;

#### **The support of the conversion by issuing Trust Units of TREIT for offering the Trust Units of TREIT with cash to the Property Funds as consideration for the transfer of Assets and Liabilities of Property Funds**

The REIT Manager will need to procure the Trust Unitholders' Meeting of TREIT to approve the capital increase to support the Conversion of TFUND, TLOGIS and TGROWTH by issuing and offering the Trust Units of TREIT to TFUND, TLOGIS and TGROWTH with cash as consideration of the transferred assets and liabilities of TFUND, TLOGIS and TGROWTH. Once the approval from the Trust Unitholders' Meeting for the support of the said conversions has been obtained, the REIT Manager shall seek permission from the Office of the SEC to offer the Trust Units to TFUND, TLOGIS and TGROWTH to support the Conversion of TFUND, TLOGIS and TGROWTH. After the Office of the SEC has allowed the REIT Manager to offer the newly issued Trust Units for the support of the Conversion of Property Funds, the REIT Manager will set the offering date of the said Trust Units for TFUND, TLOGIS and TGROWTH, and the Property Funds, by their Management Companies, will subscribe the said Trust Units pursuant to the details and conditions in the filing for the offering of the Trust Units of TREIT for the Conversion of TFUND, TLOGIS and TGROWTH.





## **The Amendment of the Trust Deed of TREIT and the establishment of property rights between REIT Manager and Trustee of TREIT**

The REIT Manager will amend the Trust Deed of TREIT dated 11 December 2014 and the Amendment Agreement to the Trust Deed No. 1 dated 17 December 2015 by and between TICON Management Company Limited as the REIT Manager and BBL Asset Management Company Limited as the Trustee (the "Trust Deed") to support the conversion and to bind as the establishment of property rights that the REIT Manager will procure TREIT to accept the transfer of assets and liabilities of TFUND, TLOGIS and TGROWTH and to pay the consideration for the transfer of such assets in newly issued Trust Units of TREIT with cash for TFUND, TLOGIS and TGROWTH. In addition, the Trustee's compensation shall be amended.

## **Assets and liabilities of Property Funds to be transferred to TREIT for the Conversion of Property Funds and the existing Main Assets information of TREIT**

After the Office of the SEC has allowed the REIT Manager to offer the newly issued Trust Units to support the Conversion of Property Funds, the Management Company and the REIT Manager will jointly determine the date of the transfer of assets and liabilities of the TFUND, TLOGIS and TGROWTH to TREIT (the "Assets and Liabilities Transfer Date"). The assets and liabilities of TFUND, TLOGIS and TGROWTH to be transferred to TREIT consist of assets, debts and liabilities of TFUND, TLOGIS and TGROWTH, exclusive of the following items:

- (1) Asset or cash reserved for debt settlement
  - (2) Dividend or the average return of the decrease of the registered capital of the Property Funds, which has not yet been paid to the Unitholders or the persons entitled to receive such money;
  - (3) Fees and expenses for the liquidation of the Property Funds.
- (the "Assets and Liabilities of Property Funds")

The liability for the asset or cash reserved for liability settlement is the liability of TFUND, TLOGIS and TGROWTH that is due before or on the Assets and Liabilities Transfer Date and TFUND, TLOGIS and TGROWTH have not yet settled or plan to settle prior to the due date, such as liability of the account payable, lending interest rate, the items reserved for the expenses of the obligation that TFUND, TLOGIS and TGROWTH will be responsible before the Assets and Liabilities Transfer Date, including the debt and related expenses (if any) pursuant to the loan agreement of TGROWTH which will be settled prior to the conversion of TGROWTH into TREIT, etc. The said liabilities shall not be transferred to TREIT.

The dividend or the average return from the decrease of the registered capital of Property Funds, which has not been paid to the Unitholders or the person entitled to receive such money, includes the dividends or the average return from the decrease of the registered capital of Property Funds declared by the Management Company prior to the Assets and Liabilities Transfer Date and are scheduled to be paid after the Assets and Liabilities Transfer Date. The Management Companies for each of the Property Funds have an intention to declare the dividends from the retained earnings and/or the cash distribution from the capital decrease of the Property Funds to the Unitholders.

The assets of TFUND, TLOGIS and TGROWTH to be transferred to TREIT are including but not limited to, all Main Assets of TFUND, TLOGIS and TGROWTH as follows:

TFUND has invested in lands, factory buildings, and standard warehouse buildings in the total of 243 buildings which have the approximate total leasable area of 579,475 square meters, situated on lands with total approximate area of 874 rai 0 ngan 7.8 square wah, divided into factory buildings of 235 buildings, approximate leasable area of factory is 559,875 square meters, situated on lands with approximate area of 850 rai 1 ngan 96.8 square wah in 8 industrial estates, industrial promotion area, and industrial park and lands of warehouse buildings in the total of 8 buildings, with approximate leasable area of 19,600 square meters situated on lands with approximate area of 23 rai 2 ngan 11 square wah, which located in TICON Logistics Park Bang Na Project.

TLOGIS has invested in lands and warehouse buildings at the total amount of 63 units in 5 projects, having approximate leasable area of 243,625 square meters, situated on lands with total approximate area of 285-3-64 rai.

TGROWTH has invested in leasehold rights in land and leasehold right or ownership in warehouse buildings at the total amount of 16 warehouses, divided into 50 units in 2 projects with warehouse total approximate area of 182,095 square meters, situated on lands with total approximate area of 214 rai and leasehold right or ownership in factory buildings at the amount of 38 buildings in 6 projects with factory total approximate area of 114,450 square meters, situated on lands with total approximate area of 181 rai.

The additional details of all Main Assets of Property Funds appeared in Attachment 4 distributed to the Trust Unitholders together with the invitation to the Meeting.

Liabilities of TFUND, TLOGIS and TGROWTH to be transferred to TREIT will include debts, responsibilities, obligations and liabilities of TFUND, TLOGIS and TGROWTH under various agreements entered into by and between each of the Property Funds and the third party and are still currently effective but not yet due

at the Assets and Liabilities Transfer Date, whereby the debt pursuant to the existing loan agreement of TGROWTH shall not be transferred to TREIT since the cash received together with the swapped Trust Units shall be used as the repayment of debt and related expenses (if any) prior to the Conversion of Property Funds. Whereby the summarized information regarding the various agreements entered into by and between each of TFUND, TLOGIS, and TGROWTH and the third party and are still effective as at 31 August 2017 and the status of obtaining the counterparties' agreement or consent to change the counterparties from the Property Funds to TREIT appeared in Attachment 5 distributed to the Trust Unitholders together with the invitation to the Meeting.

The value of the assets and liabilities of TFUND, TLOGIS and TGROWTH to be transferred to TREIT will be determined based on the value of consideration which TREIT will pay to TFUND, TLOGIS and TGROWTH which can be considered from the value of the assets from the latest accounting data and/or the price appraised by the independent appraisers of TREIT.

As for the current Total Main Assets of TREIT are the assets in the type of land and warehouse buildings at the amount of 25 buildings, divided into 71 units with the approximate total building area of 293,805 square metres and the assets in the type of land and factory buildings at the amount of 27 buildings with the approximate total building area of 75,900 square metres, totaling 52 buildings, divided into 98 units with the total approximate building area of 369,705 square metres, located on the lands with the approximate total area of 503 rai 71.50 square wah, situated in 16 projects.

The details of all existing Main Assets of TREIT appeared in Attachment 6 distributed to the Trust Unitholders together with the invitation to the Meeting.

Therefore, after the completion of the Conversion of Property Funds, the assets of TREIT shall consist of: (1) all existing Main Assets of TREIT, (2) all Main Assets of TFUND, (3) all Main Assets of TLOGIS and (4) all Main Assets of TGROWTH.

The receipt of transferred Assets and Liabilities of Property Funds from the Conversion of Property Funds to TREIT shall be under the following conditions:

- (1) TREIT obtained the approval from the Trust Unitholders' Meeting to increase its registered capital in order to issue the Trust Units with cash for TFUND, TLOGIS, and TGROWTH to support the Conversion of Property Funds and to proceed with other related matters;
- (2) the Office of the SEC allows TREIT to increase its registered capital to issue and offer the Trust Units to support the Conversion of Property Funds;

- (3) TFUND, TLOGIS, and TGROWTH obtained the approval from the Unitholders' Meetings to proceed with the Conversion of Property Funds into REIT and other related matters as specified in this agenda;
- (4) The transfer of assets and liabilities of TFUND, TLOGIS and TGROWTH to TREIT for the Conversion of Property Funds shall be completed within 31 December 2017 or within the extended period of which the value added tax, specific business tax and stamp duty will be exempted and also the discount on the registration fee of right and juristic act for the conversion of property fund to REIT will be received pursuant to the law.

**The Issuance of Trust Units of TREIT with cash for the Property Funds as consideration for the transfer of Assets and Liabilities of the Property Funds and the swap ratio of the Investment Units of the Property Funds and the Trust Units of TREIT**

The REIT Manager will proceed with the issuance and the delivering of Trust Units of TREIT with cash to TFUND, TLOGIS and TGROWTH on the Assets and Liabilities Transfer Date as consideration for the transfer of Assets and Liabilities of the Property Funds transferred to TREIT. The details of the issuance and the offering of such Trust Units with cash shall be in accordance with the filing for the offering of Trust Units of TREIT to support the Conversion of Property Funds which the REIT Manager shall submit to the office of the SEC.

The issued Trust Units of TREIT with cash, which shall be obtained by TFUND, TLOGIS and TGROWTH, shall be exchanged with the Investment Units of TFUND, TLOGIS and TGROWTH which are held by the Unitholders.

The Management Company and the REIT Manager have already considered together and deem it appropriate to set the swap ratio of Investment Units to Trust Units with cash which is the amount of the Investment Units of TREIT with cash to swap with 1 Investment Unit of Property Funds, as follows:

- 1) At the rate of 1 Investment Unit of TFUND to 0.9874 Trust Units of TREIT with Baht 1.6977 cash per unit, whereby the total amount of 1,135,057,711 Trust Units with Baht 1,951,577,352 cash will be exchanged with the asset and liabilities of TFUND.
- 2) At the rate of 1 Investment Unit of TLOGIS to 1.0129 Trust Units of TREIT with Baht 1.7415 cash per unit, whereby the total amount of 419,177,837 Trust Units with Baht 720,701,158 cash will be exchanged with the asset and liabilities of TLOGIS.
- 3) At the rate of 1 Investment Unit of TGROWTH to 0.8673 Trust Units of TREIT with Baht 1.4911 cash per unit, whereby the total amount of 481,351,500 Trust Units with Baht 827,560,500 cash

and cash not exceeding Baht 294,000,000 for the repayment of the existing loan of TGROWTH will be exchanged with the asset and liabilities of TGROWTH.

(the “Swap Ratio of Investment Units to Trust Units with cash”).

The details of the Swap Ratio of Investment Units to Trust Units with cash are as follows;

Property Fund	Total Current Investment Units (units)	Total Trust Units offering to the Property Funds (units)	Cash (Baht)
TFUND	1,149,541,940	1,135,057,711	1,951,577,352
TLOGIS	413,839,310	419,177,837	720,701,158
TGROWTH	555,000,000	481,351,500	827,560,500 and 294,000,000 (for the repayment of existing loans)

In addition, the cash which TREIT will deliver to the Property Funds is expected to be the loan from commercial banks and/or financial intuitions.

The swap ratio of Trust Unit to 1 Investment Units of Property Funds proposed to the Unitholders for consideration is calculated from the following formula:

$$\begin{array}{lcl}
 \text{The swap ratio of Trust} & & \\
 \text{Unit to 1 Investment Units} & \text{Each Property Fund's Adjusted Net Asset Value per Unit (as at 30 June} & \\
 \text{of Property Funds} & = & \text{2017) – Cash Distribution to Unitholders of each Property Fund per Unit} \\
 & & \hline
 & & \text{TREIT's Adjusted Net Asset Value per Unit (as at 30 June 2017)}
 \end{array}$$

Each Property Fund's Adjusted Net Asset Value per Unit (as at 30 June 2017) pursuant to the formula is calculated as follows:

## TFUND

Net Asset Value (NAV) of TFUND as at 30 June 2017

Adjust: The asset value to reflect appraised assets value by independent appraisers (appraised assets value as at 15 December 2017 on which TREIT is expected to conduct its investment)

Deduct: Accrued dividend from the operating result for the three month period ending as at 30 June 2017.

Deduct: Dividend from the retained earnings and/or the cash distribution from capital decrease in the excess cash part ending as at 30 June 2017 to be paid to the Unitholders prior to the Assets and Liabilities Transfer Date.

Deduct: Adjustment of the asset value that may be disposed to the asset cost excluding the profit from the disposal since the REIT Manager will consider paying dividends from the gain on sale of the asset.

## TLOGIS

Net Asset Value (NAV) of TLOGIS as at 30 June 2017

Adjust: The asset value to reflect appraised assets value by independent appraisers (appraised assets value as at 15 December 2017 on which TREIT is expected to conduct its investment)

Deduct: Accrued dividend from the operating result for the three month period ending as at 30 June 2017.

Deduct: Dividend from the retained earnings and/or the cash distribution from capital decrease in the excess cash part ending as at 30 June 2017 to be paid to the Unitholders prior to the Assets and Liabilities Transfer Date.

## TGROWTH

Net Asset Value (NAV) of TGROWTH as at 30 June 2017

Adjust: The asset value to reflect appraised assets value by independent appraisers (appraised assets value as at 15 December 2017 on which TREIT is expected to conduct its investment)

Deduct: Accrued dividend from the operating result for the three month period ending as at 30 June 2017.

Deduct: Dividend from the retained earnings and/or the cash distribution from capital decrease in the excess cash part ending as at 30 June 2017 to be paid to the Unitholders prior to the Assets and Liabilities Transfer Date.

Deduct: Adjustment of the asset value that may be disposed to the asset cost excluding the profit from the

disposal since the REIT Manager will consider paying dividends from the gain on sale of the asset.

TREIT's Adjusted Net Asset Value per Unit (as at 30 June 2017) pursuant to the formula is calculated as follows:

Net Asset Value (NAV) of TREIT as at 30 June 2017

Adjust: The asset value to reflect appraised assets value by independent appraiser (appraised assets value as at 15 December 2017 on which TREIT is expected to conduct its investment)

Deduct: Accrued dividends from the operating result for the three month period ending as at 30 June 2017.

The details of the appraised assets value of independent appraisers applied for the adjustment of Net Asset Value of each Property Fund and TREIT, and other supporting details for the calculation of the Swap Ratio are as appeared in Attachment 7 distributed to the Trust Unitholders together with the invitation to the Meeting.

Mr. Peerapat Srisukont as the REIT Manager would like to clarify that the Swap Ratio of Investment Units to Trust Units with cash is a fixed ratio; therefore, the number of the Trust Units of TREIT to be issued with cash as consideration for the transfer of assets and liabilities of the TFUND, TLOGIS and TGROWTH, which will be transferred to TREIT, will be fixed as well. The Swap Ratios of Investment Units to Trust Units with cash will not be varied by the market price of Investment Units of TFUND, TLOGIS and TGROWTH and the market price of Trust Units of TREIT or the value of the assets and liabilities of TFUND, TLOGIS and TGROWTH to be transferred to TREIT on the Assets and Liabilities Transfer Date. The value of the assets and liabilities of TFUND, TLOGIS and TGROWTH to be transferred to TREIT shall be determined by the consideration paid from TREIT to TFUND, TLOGIS and TGROWTH which may be considered from the asset value from the latest accounting data and/or the price appraised by the independent appraisers of TREIT. For that reason, the value of assets and liabilities of TFUND, TLOGIS and TGROWTH to be transferred to TREIT on the Assets and Liabilities Transfer Date may vary from the value of the assets and liabilities of TFUND, TLOGIS and TGROWTH calculated pursuant to the above Swap Ratio of Investment Units to Trust Units with cash formula, as a result the value of Investment Units held by the Unitholders may also vary from the value calculated pursuant to the above Swap Ratio of Investment Units to Trust Units with cash formula.

In this regard, from such Swap Ratio of Investment Units to Trust Units with cash, the estimated proportion of Trust Unitholding of the first 10 major Trust Unitholders of TREIT after the Conversion of Property Funds by reference to information of (1) the first 10 major Unitholders of TFUND as at 29 August 2017, (2) the first 10 major Unitholders of TLOGIS as at 29 August 2017, (3) the first 10 major Unitholders of TGROWTH as at 16

August 2017 and (4) the first 15 major Trust Unitholders of TREIT as at 24 August 2017 can be summarized as follows:

The estimated proportion of Trust Unitholding of the first 10 major Trust Unitholders of TREIT  
after the Conversion of Property Funds

No.	Major Trust Unitholders	Trust Units
1	Social Security Office	16.5%
2	TICON Industrial Connection Public Company Limited	16.2%
3	Bangkok Life Assurance Public Company Limited	6.1%
4	Bangkok Bank Public Company Limited	4.0%
5	HSBC (SINGAPORE) NOMINEES PTE LTD	2.2%
6	SCB INCOME PLUS FUND	2.0%
7	Muang Thai Life Assurance Public Company Limited	1.8%
8	TICON Hotel Holding Co., Ltd.	1.7%
9	Bangkok Insurance Public Company Limited	1.4%
10	MITSUI & CO. (ASIA PACIFIC) PTE. LTD.	1.3%

The list of the first 10 major Trust Unitholders of TREIT after the Conversion of Property Funds may be different from the list referred to above as supporting information of the invitation to the Meeting.

**The payment of the dividend from the retained earnings and/or the cash distribution from the capital decrease of the Property Funds to the Unitholders**

Prior to the Assets and Liabilities Transfer Date, the Management Company will consider the payment of the dividend from the retained earnings and/or the cash distribution from the capital decrease in the remaining cash part ended at 30 June 2017. The amount of the said dividend and/or the cash distribution from the capital decrease of each Property Fund is expected to be as follows:



Approximately Baht 83,916,562 to the Unitholders of TFUND<sup>1</sup>;

Approximately Baht 47,591,521 to the Unitholders of TLOGIS; and

Approximately Baht 9,934,500 to the Unitholders of TGROWTH <sup>2</sup>

These dividends and/or the cash distribution from the capital decrease are expected to be paid out of from excess of liquidity of the TFUND, TLOGIS and TGROWTH. In this regards, the consideration of the payment of such dividend and/or the cash distribution from the capital decrease depend upon the possibility of the Conversion of Property Funds and the amount of cash/ level of liquidity of the Property Funds.

**The dissolution of the Property Funds, the liquidation and the swap of the Investment Units and the Trust Units**

After the completion of the transfer of the Assets and Liabilities of the Property Funds to TREIT, the Management Company will announce the payment of dividend and/or cash distribution from the capital decrease of the Property Funds (including cash received from TREIT) to the Unitholders prior to the dissolution and liquidation of TFUND, TLOGIS and TGROWTH. The dissolution of the Property Funds and the appointment of a liquidator must be approved by the Unitholders.

At this stage, the liquidator will distribute the Trust Units of TREIT (including to return the capital at the par value and/or the dividend to the Unitholders from the liquidation (if any)), which the Property Funds received as consideration of the transfer of Assets and Liabilities of the Property Funds to TREIT, to the Unitholders pursuant to the Swap Ratio of Investment Units to Trust Units with cash. The Unitholders who will be entitled to swap the Investment Units with the Trust Units and cash will be the Unitholders whose names appeared in the Unitholders registration book at the record date for the right to swap the Investment Units with the Trust Units with cash, which may be different from the names of the Trust Unitholders appeared in registration book at the record date to determine the right to attend this Meeting.

The Management Company will announce, 14 days in advance, the closing date of Unitholders registered book in order to determine the right to swap the Investment Unit with the Trust Unit with cash and shall request the Stock Exchange of Thailand to suspend the trading of the Investment Units of the Property Funds for 3 business days prior to the book closing date. The Stock Exchange of Thailand shall continue to suspend the

---

<sup>1</sup> The said amount does not include the profit that may occur from the sale of the asset of factory building of TFUND which is in the process of considering to sell to a customer at the amount of 1 building

<sup>2</sup> The said amount does not include the profit that may occur from the sale of the asset of factory building of TGROWTH which is in the process of considering to sell to a customer at the amount of 1 building

trading of the Investment Units of the Property Funds until the date that the Stock Exchange of Thailand approves the delisting of Investment Units of the Property Funds and accepts listing of newly issued Trust Units of TREIT issued for the Conversion of TFUND, TLOGIS and TGROWTH as listed securities in the Stock Exchange of Thailand.

In cases where there is a fraction of Trust Unit which cannot be allocated in whole number. It shall be rounded down to the nearest whole number. If there is any Trust Unit remaining from the swap that cannot be allocated to an integer, the liquidator shall dispose the said remaining Trust Units to the Group Companies of TICON Industrial Connection Public Company Limited at the amount of Baht 9.6986 per Unit which is the price equal to the adjusted net asset value of TREIT per Unit (as of 30 June 2017) and the money received from the disposal of such Trust Units shall be proceeded further in accordance with the related rules, conditions and procedures of liquidation of property fund.

For this matter, in the seeking for resolution from the Unitholders of the Property Funds for the Conversion of Property Funds, there will be no offer to purchase the Investment Units of TFUND, TLOGIS and TGROWTH from the Unitholders who attend the Meetings and object the Conversion of the Property Funds.

**The delisting of Investment Units of the Property Funds and the listing of newly issued Trust Units of TREIT for the conversion on the Stock Exchange of Thailand**

When the Management Companies have successfully dissolved the Property Funds and the liquidator has completely distributed the Trust Units to the Unitholders of the Property Funds, the Management Companies shall request the delisting of the Investment Units of the Property Funds from the Stock Exchange of Thailand.

The REIT Manager shall apply for the listing of newly issued Trust Units of TREIT to be listed on the Stock Exchange of Thailand, which shall be completed within 15 working days from the closing date of the subscription of the Trust Units offering to the Property Funds in order to receive the transferred Assets and Liabilities of the Property Funds. The Stock Exchange of Thailand by the SET Board of Governors will complete the consideration of the request within 7 days from the date that the Stock Exchange of Thailand has received the complete and accurate documents. After the Stock Exchange of Thailand has accepted the listing of the Trust Units, the Trust Units will commence trading on the Stock Exchange of Thailand within 2 business days from the date the Stock Exchange of Thailand accept the Trust Units as the listed securities. Unless there is a necessity resulting in the inappropriateness in trading the listed securities in the Stock Exchange of Thailand within that period, the President of the Stock Exchange of Thailand may set other trading commencement dates. Unless and until the Stock Exchange of Thailand accepts the Trust Units as the listed securities, the offered Trust Units will not be able

to trade on the Stock Exchange of Thailand and the Trust Unitholders can only sell their Trust Units by making transactions outside the Stock Exchange of Thailand.

**The implementation period of the Conversion Plan for the Conversion of Property Funds and the tentative timeline of each procedure and step**

After the Unitholders' Meeting of TFUND, TLOGIS and TGROWTH and the Trust Unitholders' Meeting of TREIT have resolved to approve the Conversion of the Property Funds, there will be the details of the implementation period of the Conversion Plan, the dissolution of the Property Funds, the liquidation, and the tentative timeline of each procedure and step (Conversion Timeline) as appeared in Attachment 8.

**The procedure to be taken in the case where the Conversion of Property Funds cannot be completed within the timeline**

In the case where the transfer of Assets and Liabilities of the Property Funds to TREIT for the Conversion of Property Funds cannot be completed within 31 December 2017 or within the extended period of which the value added tax, specific business tax and stamp duty will be exempted and also the discount on the registration fee of right and juristic act for the conversion of property fund to REIT will be extended pursuant to the law, the Management Companies and the REIT Manager will not proceed with the Conversion of Property Funds.

**The impact to the Trust Unitholders from the Conversion of Property Funds**

The REIT Manager has summarized the impact to Trust Unitholders from the Conversion of Property Funds which appeared in Attachment 9 distributed to the Trust Unitholders together with the invitation to the Meeting.

**The conversion expenses**

The REIT Manager has summarized the expenses of TREIT for the conversion of Property Funds as appeared in Attachment 10 distributed to the Trust Unitholders together with the invitation to the Meeting.

## Procedure Plan after the Conversion of Property Funds

After the Conversion of the Property Funds, the Unitholders will become the Trust Unitholders in TREIT, whereby the REIT Manager will act as the manager. Therefore, the REIT Manager will provide the information regarding the procedures, which will be processed after the completion of the consideration of the Conversion of the Property Funds, to the Trust Unitholders for consideration, including the additional investment plan after the Conversion of Property Funds, the reduction of paid-up capital of TREIT (in the where case TREIT does not invest in the additional properties after the Conversion of the Property Funds) the TREIT's loans and the provision of collateral related to the loan of TREIT as follows:

### The additional investment plan after the Conversion of Property Funds

In the case where the transfer of Assets and Liabilities of the Property Funds to TREIT for the Conversion of Property Funds can be completed within 31 December 2017 or within the period of which the value added tax, specific business tax and stamp duty will be exempted and also the discount on the registration fee of right and juristic act for the conversion of Property Funds to REIT will be extended pursuant to the law, the REIT Manager has the additional investment plan after the Conversion of Property Funds by procuring TREIT to have the right to invest in the assets of TICON Industrial Connection Public Company Limited ("TICON") and/or its subsidiaries which are 1) Right to Invest and 2) Right of First Refusal with the details and the investment plan of TREIT as follows:

#### 1) Right to invest in the assets of TICON and/or its subsidiaries and the investment plan of TREIT

TICON agrees that TREIT will have the right to invest in the assets used in the business operation of warehouse and/or factory which TICON and/or its subsidiaries is entitled to or has the leasehold right ("Assets under Right to Invest") after the Conversion of Property Funds (Right to Invest). Such investment may be in the form of purchase and/or lease and/or any other form and TICON agrees that it shall procure the amount of Assets under Right to Invest to have the total investment value of not less than Baht 3,500 Million. If TREIT would like to invest in the said Assets under Right to Invest, TREIT shall complete the investment transaction by 31 December 2018. Such transaction will be subject to various conditions, including the extent to which the relevant party can negotiate and reach the agreement in details in various relevant agreement, such as asset list, type, location, form, price, investment method, as well as significant terms and conditions, etc. and the obtaining of approval from the relevant government agencies or from the Trust Unitholders' Meeting or the Shareholders' Meeting (as the case may be), in the case where such investment is a transaction that must be approved by the Trust Unitholders' Meeting or Shareholder' Meeting.

Pursuant to TICON's proposal above, the REIT Manager wishes to enable TREIT to exercise the right to invest in the Assets under Right to Invest or to additionally invest in other Main Assets ("Additional Assets after the Conversion of Property Funds") by way of consideration of fund sourcing from (1) loans or (2) issuance of debenture (the details of the issuance of debenture shall be in accordance with the relevant rules and laws to be further informed by the REIT Manager. The proceeding of which is under consideration) in the first place, whereby the REIT Manager wishes to invest in the Additional Assets after the Conversion of Property Funds in the amount of not less than Baht 3,500 Million ("Additional Investment Plan of TREIT")

In the case where the Additional Investment Plan of TREIT could not be proceed within 31 December 2018, the REIT Manager shall proceed for the additional loans or debenture issuance to make a dividend payment from retained earnings and/or to decrease the capital to make a capital decrease payment to TREIT's Trust Unitholders. By considering the amount of dividend payment and/or capital decrease payment which would maintain TREIT's debts to total assets ratio at about 25 – 30 percent after the loans or debenture issuance for the payment of such dividend and/or capital decrease payment (whereby the REIT Manager shall announce the dividend payment and/or capital decrease payment and the book-closing date to determine the name of the Trust Unitholders who are entitled to the dividend payment from retained earnings and/or capital decrease payment afterwards, which may be different from the Trust Unitholders list whose names appeared in the Trust Unitholders registration book on the record date for the rights to attend this Meeting or those who are entitled to receive the Trust Units of TREIT and cash from the conversion). In the case where TREIT cannot invest in the Additional Assets after the Conversion of Property Funds, the REIT Manager expects that the dividend and/or capital decrease payment will be in the total amount of approximately Baht 3,000 - 3,500 Million, to be mentioned later on.

The said loans to proceed pursuant to the Additional Investment Plan of TREIT or to make the said dividend payment and/or capital decrease payment may come from commercial banks and/or financial institutions that may include Persons Related to the Trustee, or may be a fundraising by means of TREIT's debenture issuance, whereby the said loans or the debenture issuance will be at the amount of not less than the dividend payment and/or capital decrease payment amount. The entering into a loan transaction with the said Persons related to the Trustee, the REIT Manager may proceed by the virtue of the resolution as approved by this Unitholders' Meeting of TFUND, the Unitholders' Meeting of TLOGIS and the Unitholders' Meeting of TGROWTH and the Trust Unitholders' Meeting of TREIT which will be held in the similar period, and the said resolutions shall be deemed as the approval of the Trust Unitholders' Meeting of TREIT to proceed with the loans after the

Conversion of Property Funds into TREIT. The details as appeared in Attachment 12, Information Memorandum on the Related Party Transactions of TICON Freehold and Leasehold Real Estate Investment Trust and the Related Party (Persons Related to the Trustee) and to be mentioned later on.

In any cases, if the dividend payment from retained earnings and/or capital decrease payment to TREIT's Trust Unitholders by way of loan or debentures issuance could not be completed as a result of Force Majeure or any other causes, which are not under the control of REIT Manager or the REIT Manager deems that such proceedings would not be beneficial to the Trust Unitholders, the REIT Manager shall consider for appropriate means which would primarily be for the benefits of the Trust Unitholders, and shall propose for the Trust Unitholders Meeting's approval if it is required to do so.

## **2) Right of First Refusal**

TICON agrees that TREIT has the right of first refusal in the event that TICON and/or its subsidiaries wish to sell, dispose, transfer or lease in all or in part of the assets used in the business operation of warehouse and factory for rent, which TICON and/or its subsidiaries is entitled to or has the leasehold right, to any person who wishes to acquire the said assets as an investment or as a fundraising of TICON. The grant of this right of first refusal to TREIT will not apply (a) in the event that the grant or the exercise of such right of first refusal by TREIT will cause TICON and/or its subsidiaries, as the Promisor; to breach any contract or obligation or to become the defaulting party under any contract or agreement entered into by TICON and/or its subsidiary prior to 8 September 2017, the date on which TICON's Board of Directors resolves this matter (b) the sale or lease to the general customers who use the said assets in the normal business operation whether such agreements are made with those customers before or after 8 September 2017, the date on which TICON's Board of Directors resolves this matter and (c) the Promisor does not include the companies that TICON or the subsidiary of TICON cannot or do not have control over the operation in those companies to operate in compliance with the obligation regarding the first right of refusal, for example, the listed companies in the Stock Exchange or joint venture, etc.

In this regards, the right of first refusal granted by TICON shall be effective for as long as (1) TICON Management Company Limited or other companies that TICON still has control over and remains as the REIT Manager of TREIT and (2) TICON and/or its subsidiaries remain as the Property Manager of the current assets of TREIT, the assets that TREIT receives the transfer from TFUND, TLOGIS, and TGROWTH, and the assets to be additionally invested by TREIT from TICON and/or its subsidiaries.

**The decrease of paid-up capital of TREIT (in the case where TREIT does not invest in the additional assets after the Conversion of Property Funds)**

The REIT Manager deems it appropriate to proceed with the decrease of paid-up capital of TREIT, in the case where the investment in the Additional Assets after the Conversion of Property Funds (including the Assets under Right to Invest in the assets of TICON and/or its subsidiaries), and the Additional Investment Plan of TREIT could not be completed within 31 December 2018, whereby the REIT Manager may proceed for the additional loans or debenture issuance and proceed with the decrease of paid-up capital of TREIT in order to make a capital decrease payment to TREIT's Trust Unitholders, whereby the amount of dividend payment and/or capital decrease payment would maintain TREIT's debt to total asset ratio at about 25 – 30 percent after the loans or debenture issuance for the payment of such dividend and/or capital decrease payment.

Upon the decrease of paid-up capital of TREIT, such decrease of paid-up capital will have the total amount of not exceeding Baht 3,500 Million, whereby the REIT Manager shall announce the capital decrease payment and the book-closing date to determine the name of the Trust Unitholders who are entitled to the capital decrease payment afterwards, which may be different from the Trust Unitholders list whose names appeared in the Trust Unitholders registration book on the record date for the rights to attend this Meeting or those who are entitled to receive the Trust Units of TREIT with cash from the conversion. The REIT Manager shall proceed to complete the aforementioned within the second quarter of 2019.

**The TREIT's loans and the provision of collateral related to the TREIT's loans**

The REIT Manager deems it appropriate for TREIT to proceed with the loans and may place the Main Assets of TFUND, TLOGIS and TGROWTH transferred to TREIT, in whole or in part, as the collateral related to such loans. The loans shall be divided into 2 credit amounts as follows:

**1) Loan for investment in the assets of Property Funds from the Conversion**

The said loans may come from commercial banks and/or financial institutions that may include Persons Related to the Trustee. The said loans when combined with the long-term and/or short-term credit amount will be at the amount of approximately not exceeding Baht 3,794 Million, comprising of the following:

- 1) The approximate amount of not exceeding Baht 1,952 Million to invest in the assets of TFUND;
  - 2) The approximate amount of not exceeding Baht 721 Million to invest in the assets of TLOGIS; and
  - 3) The approximate amount of not exceeding Baht 1,122 Million which shall be divided into the approximate amount of not exceeding Baht 828 Million to invest in the assets of TGROWTH and the approximate amount of not exceeding Baht 294 Million to repay the loan pursuant to the existing loan agreement of TGROWTH.
- 2) **Loan for investment in the additional assets after the Conversion or for the payment of the dividend and/or the return from the capital decrease**

The said loans may come from commercial banks and/or financial institutions that may include Persons Related to the Trustee. The said loans when combined with the long-term and/or short-term credit amount will be at the amount of approximately not exceeding Baht 3,500 Million.

Upon combining with loans under TREIT's existing loan agreements and debentures, the amount of TREIT's debt will still be in accordance with the relevant regulations where the REIT may procure a loan in the amount of not exceeding 35% of the total asset value or not exceeding 60% of the total asset value of the REIT in case the REIT has the latest rating level in the investment grade, determined not more than 1 year before the date of applying for the loan by a credit rating agency approved by the Office of the SEC (TREIT is rated in the level of investment grade as at 22 March 2017). When combining with loan under the existing loan agreement entered into by TREIT, the loan debt of TREIT will not exceed 60% of the total asset value of TREIT after the loan (which is in accordance with the relevant regulations where TREIT may procure a loan in the amount of not exceeding 60% of the total asset value of the TREIT in case TREIT has the latest rating level in the investment grade, determined not more than 1 year before the date of applying for the loan by a credit rating agency approved by the Office of the SEC)

The loans and the provision of collateral related to the TREIT's loans shall be in accordance with the details of the loan agreement which may jointly determine by the borrower and the lender. The REIT Manager reserves the right to set out any terms or conditions on the loan and perform any transactions related to such loan as it deems appropriate, where the collaterals of this loans may include (1) the mortgage of TFUND, TLOGIS and TGROWTH's Main Assets to be received by TREIT from the Conversion of Property Funds and/or the mortgage of TREIT's Main Assets and/or the main assets which TREIT will additionally invest after the Conversion of Property



Funds and/or the transfer of leasehold right as collateral (2) the conditional transfer of insurance policy and the endorsement of the lender as the co-beneficiary and the co-assured (3) the conditional transfer of lease agreement and service agreement of lessee with the term exceeding 3 years (4) the registration of leasehold right and/or claims and/or insurance policy as business collaterals under the Business Collaterals Act, and (5) other loan collaterals as the borrower and the lender may mutually agree to include in the loan agreement, the REIT Manager reserves the right to set out any terms or conditions on the loan and perform any transactions related to such loan by primarily taking into account the benefits of the TREIT and the Unitholders with respect to, for example, loan amount, interest rate, loan period, repayment period, negotiation, signing, submission of any documents related to the loan, including appointment and/or removal of person(s) sub-authorized to perform the aforementioned acts so as to ensure a success in the said acts, the details of the loan for investment in the assets of Property Funds from the Conversion will be provided in the filing for the offering of Trust Units for Conversion of Property Funds.

After the Conversion of the Property Funds has been completed, the REIT Manager may consider the entering into a loan transaction with the financial institutions which are the Persons related to the Trustee by the virtue of the resolution as approved by this Trust Unitholders' Meeting of TREIT, the Unitholders' Meeting of TFUND, the Unitholders' Meeting of TLOGIS and the Unitholders' Meeting of TGROWTH which will be held during the similar period and no further resolution shall be proposed for from the Trust Unitholders' Meeting of TREIT after the Conversion of Property Funds into TREIT.

For further reference in the consideration and approval of the transaction, the Chairman invited Ms. Krongkarn, the Independent Financial Advisor of Baker Tilly Corporate Advisory Services (Thailand) Limited to express their opinion on the appropriateness of the conversion of TFUND, TLOGIS and TGROWTH whereby TREIT will be the REIT that support the conversion, the appropriateness of the Swap Ratio of Investment Units to Trust Units with cash, and other Independent Financial Advisor's comments to support the consideration and approval of transactions which can be summarized as follows:

Ms. Krongkarn explained that, the conversion of TFUND, TLOGIS and TGROWTH whereby TREIT will be the REIT that support the conversion, shall cause an effect on the Unitholders which can be summarized as follows:

The Conversion of Property Funds shall cause the loss of control effect since in the Conversion of Property Funds, the Property Funds will receive the Trust Units of TREIT, where TFUND will receive the amount of

1,135.06 Million Trust Units, equivalent to the Unitholding ratio of 43.62 percent of TREIT's Trust Units after the conversion, TLOGIS will receive the amount of 419.18 Million Trust Units, equivalent to the Unitholding ratio of 16.11 percent of TREIT's Trust Units after the conversion, and TGROWTH will receive the amount of 481.35 Million Trust Units, equivalent to the Unitholding ratio of 18.50 percent of TREIT's Trust Units after the conversion, while the existing Trust Unitholders of TREIT will retain the Unitholding ratio of 21.78 percent of TREIT's Trust Units after the conversion with the amount of 566.80 Million Trust Units, equivalent to the control dilution effect on the existing Trust Unitholders of approximately 78.22 percent.

As for the effect on the investment policy, after the Conversion of Property Funds, TREIT will be administered by the REIT Manager, which may have different investment policy and strategy from the Management Companies. While TFUND and TLOGIS have invested in assets with freehold rights, TGROWTH has invested in assets with leasehold rights, and TREIT has invested in assets with both freehold and leasehold rights, after the Conversion of Property Funds, TREIT will invest in assets with both freehold and leasehold rights, whereas the Property Funds have restrictions in additional investments.

In any case, the Conversion of Property Funds will also cause an effect on the tax calculation basis after the Conversion of Property Funds as the natural person Trust Unitholders, who have foreign domicile, shall be withheld for the withholding tax at the rate of 10% or at the rate as specified in the Double Taxation Convention, and such Trust Unitholders shall have the option whether to include the dividend payment with the calculation of their personal income taxes at the end of the year. While the juristic person Trust Unitholders, who had not been withheld for the withholding tax, shall be withheld for the withholding tax from the dividend payment after the Conversion of Property Funds. Even though the Thai corporate investors in the type of limited company or listed company in the SET shall not be withheld for the withholding tax at the rate of 10%, they shall include it to the calculation of net profit for tax payment at the end of fiscal year, while the foreign investors who do not conducted any business in Thailand shall be withheld for the withholding tax at the rate of 10% or at the rate as specified in the Double Taxation Convention, and their capital gain from the sales of their securities. Only the foreign investors who do not conducted any business in Thailand, shall also be withheld for the withholding tax at the rate of 15% or at the rate as specified in the Double Taxation Convention.

After that Ms. Krongkarn pointed out the advantages of the conversion of TFUND, TLOGIS and TGROWTH into a REIT, whereby TREIT will be the REIT that will support this conversion, that the Conversion of Property Funds into a REIT will internationally standardize TREIT to be comparable to global standard, which

would attract more investors and lead to additional liquidity of the Trust Units. As TREIT will be able to invest in assets with both Freehold and Leasehold rights, this will give an opportunity in expanding its businesses into additional type of assets. Another advantage is the increasing loan limit as TREIT may procure a loan at the limit of not exceeding 35 percent of the Total Asset Value or up to 60 percent of the Total Asset Value in case TREIT has the credit rating level in the investment grade and above, comparing to a property fund which may take the loan at the amount not exceeding 10 percent of the Total Asset Value and only for the purpose of property renovation. In addition, if the conversion could be completed by 31 December 2017, TREIT will be entitled to a tax exemption and fee discount in accordance with the promotion of investment in immovable property through Real Estate Investment Trust policy under the laws on investment trust in the capital market. After the conversion into TREIT, the assets of the Property Funds and TREIT will be managed by the same manager which will present more diverse options to the lessees, increase the variety of service providing, help lessen the conflict of interests and business competition, and the conversion will strengthen the business conducts and decrease the business competition which are beneficial to the investors.

In addition, Ms. Krongkarn summarized the disadvantages of the conversion that there will be additional tax burdens to both domestic and foreign corporate investors after the conversion into TREIT from its distribution payment, and additional tax burdens to the foreign corporate investors from their capital gain derived from the sales of Trust Units. Moreover, upon the approval of the Conversion of Property Funds into TREIT by its Unitholders, the cost of conversion for the total amount of Baht 91.25 Million will be borne by the Property Funds, which are expenses incurred prior to the conversion (i.e. the expenses concerning the preparation of Unitholders' Meeting and documents, Independent Financial Advisor fees, Property Funds liquidation expenses, and early termination fees, and expenses incurred after the conversion that the REIT Manager will collect from TREIT after the conversion i.e. the expenses concerning the preparation of Pre-EGM meeting, public relations expenses, Financial Advisor fees, Legal Advisor fees, and appraiser fees.

The Conversion of Property Funds has risks which are from the risk of loans at a higher loan limit rate after the conversion into TREIT, which might be higher than its ability to repay, from the risk of investment in the real estate that is not well performed as anticipated, from the risk of investment in various type of real estate which may cause higher investment risks to TREIT, and from the risk of land expropriation as the registration records of land title deed No. 24728, 25513 and 28625 in which TLOGIS's warehouses are situated, were amended to devolve to the Motorway No. 6 Route Bang Pa-in – Nakhon Ratchasima, which may affect the entering into transaction and the Swap Ratio of Investment Units to Trust Units with cash. However, on 26 September 2017, the

Ayutthaya Highway District had sent a letter to the land officer of the Ayutthaya Land Office Wang Noi Branch to repeal the registration records as the current highway construction plan is not including the 3 plots of land. However, TICON will consider to support any remedy for damage that may occur by facilitate in the claim of appropriate compensation and being responsible for the differences between the expropriation compensation from the Department of Highway and the value of properties as appraised by the independent appraiser, as well as requesting for the right to buy the properties of Wang Noi project from the owner at the appraised value for the Conversion of Property Funds.

In this regards, Ms. Krongkarn summarized the Opinion of the Independent Financial Advisor concerning the Swap Ratio that the calculation is based on the Net Asset Value (NAV) as at 30 June 2017 adjusted with the different fair value of each Property Fund's assets, whereby 15 Business Advisory Limited was hired to be the independent appraiser to appraise the value of the assets whereby each Property Fund has different adjustment of asset value pursuant to the immovable properties of each Property Fund, deducted with accrued dividend ended as at 30 June 2017, deducted with dividend from the retained earnings and/or the cash distribution from capital decrease in the excess cash part ended as at 30 June 2017, and deducted with dividends from the gain on sale of the asset, resulting in the Adjusted Net Asset Value as at 30 June 2017 for the calculation of NAV per unit i.e. TFUND's NAV per Unit is Baht 11.27, TLOGIS's NAV per Unit is Baht 11.57, TGROWTH's NAV per Unit is Baht 9.90 and TREIT's NAV per Unit is Baht 9.70. Then the above Adjusted Net Asset Value per Unit will be deducted by the cash distribution to Unitholders of each Property Fund per Unit, which is calculated from the share of Baht 3,500 Million in cash from loan at the portion of Adjusted Net Asset Value as at 30 June 2017 divided by the total Investment Units of each Property Fund, resulting in NAV per Unit after cash deduction, then the NAV per Unit after cash deduction of each Property Fund shall be divided by TREIT's Net Asset Value per Unit resulting in the Swap Ratio of Investment Units to Trust Units with cash at the rate of each Property Fund as 1 Investment Unit of TFUND to 0.9874 Trust Units of TREIT with Baht 1.6977 cash per Unit, 1 Investment Unit of TLOGIS to 1.0129 Trust Units of TREIT with Baht 1.7415 cash per Unit, and 1 Investment Unit of TGROWTH to 0.8673 Trust Units of TREIT with Baht 1.4911 cash per Unit.

Nevertheless, Ms. Krongkarn explained the appropriateness of the Swap Ratio of Investment Units by considering the 4 approaches as follows:

1. Net Asset Value: NAV Approach. The Independent Financial Advisor is of the opinion that this approach is inappropriate for the appraisal of Net Asset Value per Unit for the calculation of the Swap Ratio as it

reflects the position of the Property Funds and TREIT at a point of time without concerning the fair value of some property and profitability and operating results in the future.

2. Adjusted Net Asset Value Approach. The Independent Financial Advisor is of the opinion that this approach is appropriate for the appraisal of Net Asset Value per Unit for the calculation of the Swap Ratio as it has adjusted the accounting value in compliance with current fair value of property.
3. Weighted Average Market Value Approach. The Independent Financial Advisor is of the opinion that this approach is inappropriate for the appraisal of Net Asset Value per Unit for the calculation of the Swap Ratio as it reflects the demand and supply of investors based on the news concerning the Property Funds and TREIT, overall global market data, as well as other forecasts which may affect the operating results of the Property Funds and TREIT.
4. Discounted Cash Flow Approach. The Independent Financial Advisor is of the opinion that this approach is appropriate for the appraisal of Net Asset Value per Unit for the calculation of the Swap Ratio as it reflects the business plans, profitability, and cash flow in the future, however, the operating results in the future may not be able to meet the forecast if there is any variation to the assumptions, then the Swap Ratio will be varied.

The above 4 approaches of Swap Ratio calculation resulted in the Swap Ratio of Investment Units to Trust Units with cash of each Property Fund and TFUND has appropriate Swap Ratio with cash between 0.9790 to 1.0709, TLOGIS has appropriate Swap Ratio with cash between 1.0107 to 1.1047, and TGROWTH has appropriate Swap Ratio with cash between 0.8109 to 1.0191.

For the above reasons, the Swap Ratio of Investment Units to Trust Units at 1 Investment Unit of TFUND to 0.9874 Trust Units of TREIT with Baht 1.6977 cash per Unit, 1 Investment Unit of TLOGIS to 1.0129 Trust Units of TREIT with Baht 1.7415 cash per Unit, and 1 Investment Unit of TGROWTH to 0.8673 Trust Units of TREIT with Baht 1.4911 cash per Unit, shall be deemed appropriate, and the Independent Financial Advisor, therefore, is of the opinion that the Trust Unitholders should approve the Conversion of Property Funds into TREIT.

In addition, the Independent Financial Advisor had calculated the Internal Rate of Return (IRR) of pre-conversion and post-conversion by estimation of the IRR of each Property Fund and TREIT under the assumption that TREIT will procure a loan at the amount Baht 3,500 Million after the Conversion of Property Funds for the decrease of paid-up capital of TREIT to make a capital decrease payment to the Trust Unitholders of TREIT based

on the calculation of the investors' IRR of pre-conversion from the weighted average value of the Investment Units of 15 business days consecutively prior to the REIT Manager's Board of Directors Meeting (on 11 September 2017), which is the Board approval date of the Conversion of TFUND, TLOGIS and TGROWTH into TREIT, and the calculation of the investors' IRR of post-conversion from the weighted average value of the Investment Units of TFUND, TLOGIS and TGROWTH, and Trust Units of TREIT of 15 business days consecutively prior to the REIT Manager's Board of Directors Meeting (on 11 September 2017) deducted by the conversion expenses, added with the cash to be received by the Property Funds from the loan for investment in the Property Funds' assets from the conversion and the loan for Additional Investment Assets after the conversion or for dividend payment from the retained earnings and/or the cash distribution from capital decrease. For the above calculation, the Independent Financial Advisor found that the investors' IRR after the conversion are higher as TFUND which had the pre-conversion IRR at 8.42%, the post-conversion IRR will be increased to 10.42%, TLOGIS which had the pre-conversion IRR at 8.54%, the post-conversion IRR will be increased 10.36%, TGROWTH which had the pre-conversion IRR at 8.47%, the post-conversion IRR will be increased 9.50% and TREIT which had the pre-conversion IRR at 9.38%, the post-conversion IRR will be increased to 9.63%. The average IRR of every Property Funds and TREIT will be 10.05%. The Independent Financial Advisor, therefore, is of the opinion that the Conversion of Property Funds into TREIT will yield higher returns to investors, and the investors should approve the transaction above.

The Spokesman of the Meeting thanked the Independent Financial Advisor. Other comments of the Independent Financial Advisor appeared in Attachment 11 distributed to the Trust Unitholders together with the invitation to the Meeting.

The Chairman assigned Mr. Peerapat as the REIT Manager to summarize the Opinion of the REIT Manager in this matter as supporting information for voting consideration as follows:

#### The Opinion of the REIT Manager

##### 1) Opinion on the support of the Conversion of Property Funds

For the benefits of the Conversion of TFUND, TLOGIS and TGROWTH into REIT, with TREIT as the REIT that will support the Conversion, the REIT Manager has proposed to the Management Companies of TFUND, TLOGIS and TGROWTH to consider the Conversion, the Conversion Plan, and the transfer of Assets and Liabilities of Property Funds to TREIT and the receipt of compensation from TREIT in Trust Units with cash. Whereby, 15 Business Advisory Limited was hired to be the independent appraiser to appraise the value of the

assets of TFUND, TLOGIS and TGROWTH and TREIT and Baker Tilly Corporate Advisory Services (Thailand) Limited was hired to be the Independent Financial Advisor to render its opinion regarding this Conversion of TFUND, TLOGIS and TGROWTH into REIT, with TREIT as the REIT that will support the Conversion this time.

The REIT Manager has considered the capital increase to support the Conversion of TFUND, TLOGIS and TGROWTH into REIT, with TREIT as the REIT that will support the Conversion, the receiving of transferred assets and liabilities of TFUND, TLOGIS and TGROWTH to TREIT and the payment of compensation to TFUND, TLOGIS and TGROWTH in Trust Units with cash, and is of the opinion that it is reasonable as it will have the following advantages and disadvantages for the Trust Unitholders of TREIT:

- **Advantages and Benefits**

**(1) Conflicts of interest**

The Conversion of TFUND, TLOGIS and TGROWTH into the REIT, with TREIT as the REIT that will support the Conversion will merge the benefits among TFUND, TLOGIS and TGROWTH, and TREIT to strengthen the business and help preventing the business competition which will be beneficial to the Unitholders of all parties.

**(2) Loan capacity**

TREIT currently has taken the loan at the amount of approximately 23.39 percent of the Net Asset Value (based on the 6-month financial statement ended 30 June 2017), after the Conversion of TFUND, TLOGIS and TGROWTH, TREIT's loan rate per the Net Asset Value will be lower to approximately 17.13 percent of the Net Asset Value of TREIT, and as the existing loan rates of TFUND, TLOGIS and TGROWTH are at low level, TREIT may benefit from taking the loan from remaining capabilities (at the amount not exceeding 35.00 percent of the Total Asset Value of the TREIT and 60.00 percent of the Total Asset Value of the TREIT in the case where the TREIT has the credit rating as an investment grade) for working capital which would lead to additional liquidity for Major Renovation.

**(3) Risk Diversification**

Currently, TREIT has the immovable properties in the type of warehouses and factories in total of 98 units. After the Conversion of TFUND, TLOGIS and TGROWTH, it will result in TREIT having the immovable properties in the type of warehouses and factories in total of 492 units which will increase the variety of assets in terms of location, lease term, and the number of lessees that will help reducing the concentration of investment in a single type of property and the reliance on one source of income (Asset

Diversification) and reducing the reliance on rental income from a particular lessee, including increasing the diversification of investment style. In addition, the more leasable area of the assets of TREIT after the Conversion will make the effect from the change of lessees less than the effect from the change of lessees of TRIET at the moment.

In this regards, the income from the top ten lessees of TREIT is equivalent to 50.1 percent of total rental income in 2016. If there is a conversion, the income from the top ten lessees is only equivalent to 22.2 percent of the rental income of TREIT in 2016, which will help diversifying the investment risk and help stabilizing the return to be paid to the Unitholders who become the Trust Unitholders.

**(4) Variety of assets**

After the Conversion of TFUND, TLOGIS and TGROWTH, it will increase the number of assets which will help better serving the lessees' need.

**(5) Proportion of the assets with leasehold rights**

After the Conversion of TFUND, TLOGIS and TGROWTH, the proportion of the assets with leasehold rights of TREIT will be 31.00 percent of the total leasable area which will be lower than the original proportion of TREIT at the moment which has assets with leasehold rights at about 44.00 percent. In this regard, for the investment in the leasehold rights of the immovable properties, the value of the leasehold rights in the invested properties will be decreased overtime based on the remaining lease term. Such change in the value of the leasehold rights may materially affect the asset value and the Net Asset Value of the REIT or Property Fund. By investing in the leasehold rights of the properties, there will be no fund reserved for the return of investment value in the leasehold rights to the Trust Unitholders or Unitholders when the REIT or Property Fund dissolve, but it will gradually return the investment value to the Trust Unitholders or Unitholders through registered capital decrease. Therefore, the increase in the proportion of the assets with freehold rights will be the extension of TREIT's period and resulting in the benefit of the Trust Unitholders in the longer term.

**(6) Size of REIT**

The Conversion of TFUND, TLOGIS and TGROWTH are expected to make TREIT, which will have the Unitholders that become the Trust Unitholders, become the largest REIT in the country that invests in immovable properties in the type of warehouses and factories (based on the 6-month financial statement ended 30 June 2017 of TFUND, TGROWTH and TLOGIS and the 6-month financial statement ended 30



June 2017 of TREIT) and have the market capitalization of more than Baht 25,872 million (value as of 30 June 2017) which will create attractive investment to both domestic and foreign investors and help boosting the trading liquidity of the Trust Units of TREIT in the Stock Exchange of Thailand.

In addition, the structure and management format of REIT is well known among foreign investors, making TREIT more attractive to foreign investors which will help boosting the trading liquidity of Trust Units of TREIT in the Stock Exchange of Thailand.

**(7) Tax exemption**

In the event that the Conversion of the TFUND, TLOGIS and TGROWTH is completed by 31 December 2017 or within the extended period of time where there will be an exemption from the value added tax, specific business tax and stamp duties and the discount on the registration of right and juristic act fee for the conversion of the property fund into the REIT, as extended by laws, the Unitholders will receive tax benefits from the increased value of the exchange of the Investment Units into Trust Units (if any) as well as the transfer of assets and liabilities of TFUND, TLOGIS and TGROWTH to TREIT, as the conversion of TFUND, TLOGIS and TGROWTH before 31 December 2017 or the extended period of time allowed by the laws, will be exempted from the value added tax, specific business tax and stamp duties and also get the discount on the registration of right and juristic act fees from the relevant lands offices.

● **Disadvantages and Risks**

**(1) Average lease term**

After the Conversion of the Property Funds, TREIT that have the Unitholders who become the Trust Unitholders of TREIT, will have the shorter remaining average lease term of the current lessees of TREIT. The proportion of the lessees whose lease term will expire within 3 years will be approximately 73.90 percent of the total lessees from the original proportion of TREIT, which is at approximately 47.15 percent of all lessees. The increase in the proportion of lessees with short lease term will result in the increase in the uncertainty in terms of revenue. In the event that the lessees do not extend the term of lease agreements and services agreements upon expiration, and TREIT could not negotiate for the extension of term or the replacement of new lessors in place of the existing one, the revenue of TREIT will be decreased, which will materially affect the operating results and financial position of TREIT.

**(2) The reduction in Investment Units holding ratio of TREIT's Unitholders**

After the Conversion of the Property Funds, the existing Trust Unitholders of TREIT shall have decreased Trust Units holding ratio when comparing with the Swap Ratio of Investment Units to Trust Units with cash. The total number of Trust Units of TREIT to be issued and offered to the Property Funds is 2,035,587,048 Trust Units, together with the existing Trust Units of TREIT of 566,800,000 Trust Units, the total number of Trust Units shall be 2,602,387,048 Trust Units, equivalent to the control dilution effect on the Trust Unitholding ratio of TREIT's Trust Unitholders approximately 78.22 percent. In this regard, such issuance of Trust Units shall cause an effect on the existing Trust Unitholders who has not held the Investment Units of Property Funds or may hold the Investment Units of Property Funds at the amount causing less Trust Units holding ratio after the entering into the transactions.

**2) Opinion on Swap Ratio of Investment Units to Trust Units with Cash**

The REIT Manager has considered the Swap Ratio of Investment Units of TFUND, TLOGIS and TGROWTH to Trust Units of TREIT with cash at the rate of 1 Investment Units of TFUND to 0.9874 Trust Units of TREIT with cash in the amount of Baht 1.6977 per Investment Unit, at the rate of 1 Investment Units of TLOGIS to 1.0129 Trust Units of TREIT with cash in the amount of Baht 1.7415 per Investment Unit, and at the rate of 1 Investment Units of TGROWTH to 0.8673 Trust Units of TREIT with cash in the amount of Baht 1.4911 per Investment Unit, and deemed it appropriate since such rate reflects the Net Asset Value of TFUND, TLOGIS, TGROWTH and TREIT and reflects the appraised value of the assets as appraised by the independent appraisers.

Consequently, the Chairman asked the Meeting if there is any question. There were questions raised by the Trust Unitholders as follows:

- (1) Ms. Jitwattana Jaruwattanachai, a Trust Unitholder attending the Meeting in person, asked which approach from the Independent Financial Advisor's presentation was used for the calculation of the Swap Ratio of Investment Units, and used for the valuation of TREIT's Net Asset Value.

Ms. Krongkarn, as the Independent Financial Advisor, explained that the Adjusted Net Asset Value Approach was used for the calculation of the Adjusted Net Asset Value per Unit to formulate the Swap Ratio of Investment Units as this approach has adjusted the accounting value in compliance with current fair value of property and the Independent Financial Advisor deems appropriate approach.

Ms. Krongkarn further stated that TREIT's Net Asset Value is calculated from the asset value in TREIT's financial statements adjusted with property's value as appraised by the independent appraiser.

- (2) A Trust Unitholder asked for the reason why TREIT had lower return, and would it be improved after the Conversion of Property Funds into TREIT.

Mr. Peerapat, as the REIT Manager, informed that TREIT's returns are based from the rent and occupancy rate, and as TREIT is a REIT that invested in the assets in the type of factories and warehouses which had been affected by the unstable direct foreign investments in Thailand recently, the decline in production rate of the automobile industry from the Government's First Car Subsidizing Policy, and the unwell consumer confidence index, resulting in the downtrend of the production industries, however, Mr. Peerapat is of the opinion that the occupancy rate would be improved in the future as a result of the Eastern Seaboard Project, the conclusion of the Government's First Car Subsidizing Policy, and the relocation of a major hard disk producer's production base to Thailand, as well as the additional investment in TICON's assets after the Conversion of Property Funds into TREIT for the amount of Baht 3,500 Million, which are fully rented out, all of which would increase the TREIT's returns.

- (3) A Trust Unitholder asked for the reason why TREIT has to procure for a loan in order to make a payment to the Trust Unitholders and how would it affect the price of Trust Units.

Mr. Peerapat, as the REIT Manager, explain that as property funds have some limitation in making a loan, thus its financial structure isn't as flexible as TREIT's. The higher ability to procure for a loan will cause a lower cost of fund from investors and yield a higher returns to TREIT.

- (4) A Trust Unitholder attending the Meeting in person asked for the need of the Conversion of Property Funds into TREIT, and whether it is necessary for TREIT to receive the transfer of all Assets and Liabilities of the 3 Property Funds from the conversion.

Mr. Peerapat, as the REIT Manager, explained that the Conversion of Property Funds into TREIT will contribute more assets to TREIT to better responding the need of its customers with more leasable area, will give more stability to its occupancy rate as from the lower impact of the relocation of lessees, and will attract foreign investors from the expansion in size of TREIT. As for the receipt of the transfer of assets from the Property Funds, the REIT Manager deems it more

appropriate to receive the transfer of all of the assets as it will equally increase the additional warehouses and factories area, to better responding to the need of customers in both production and transportation segments, and it will decrease the ratio of the assets in the type of leasehold rights and increase the ratio of the assets in the type of freehold rights in TREIT.

- (5) A Trust Unitholder attending the Meeting in person asked for the trend of Trust Units' value in the market in the future.

The Chairman described that the Trust Units' value in the market is depending on the demand of the market which is not certainly predictable, and Mr. Sopon Punyaratabandhu, the Independent Director, further described that if TREIT has higher profitability and lower risks in the future, the market trend would be improved.

- (6) Ms. Jitwattana Jaruwattanachai, a Trust Unitholder attending the Meeting in person, asked whether the dilution effect due to the lower Unitholding rate of existing Trust Unitholders and the additional loan would lead to TREIT's lower value and its return, which assumptions did the Independent Financial Advisor used for the forecast of return rate in the future, and what is the TREIT's growth rate of revenue in the future.

Mr. Peerapat, as the REIT Manager, explained that the dilution effect due to the lower Unitholding rate of existing Trust Unitholders does not have any impacts on the lowering of TREIT's value and return, and the Chairman further explained that the Conversion of Property Funds into TREIT will improve the TREIT's rate of return, then the Chairman assigned Ms. Krongkarn, the Independent Financial Advisor, to provide further opinion. Ms. Krongkarn additionally described that prior to the Conversion of Property Funds into TREIT, the Trust Unitholders had the rate of return at approximately 9.38% while after the Conversion of Property Funds into TREIT, the rate of return will be increased to 9.62% with the tendency to be about 10%. Ms. Krongkarn explained that the assumptions which the Independent Financial Advisor used for the forecast of return rate in the future are based on the estimation of occupancy rate and rental fee rate in the future after the Conversion of Property Funds into TREIT under the planned business plan of both Property Funds and TREIT, while the TREIT's growth rate of revenue in the future is at approximately 1.5%.

- (7) A Trust Unitholder attending the Meeting in person asked that if the Property Funds' rate of return would be increased after the conversion, e.g. TFUND will have the IRR at 10.42% per Unit

from 8.42% per Unit after the conversion, and TREIT will have the IRR at 9.63% per Unit from 9.38% per Unit after the conversion, then the separation between Property Funds and TREIT as-is should be well enough and why does the Trust Unitholders would need to approve the conversion. In addition, as for the decreased rate of return and market value of Investment Units of TFUND, TLOGIS and TGROWTH, while the stock price of TICON Industrial Connection Public Company Limited has been increased, is it possible to recover the TREIT's rate of return.

Ms. Krongkarn described that the rate of return after the Conversion of Property Funds into TREIT is calculated based on the receipt of Trust Units with cash payment by Unitholders, and the possibility to receive another cash payment in case of the capital decrease in the future, but TREIT's Trust Unitholders are not entitled to the cash payment from the conversion, and in the case that there is no additional investment, TREIT will decrease its capital. Mr. Sopon Punyaratabandhu, the Independent Director, further described that the Property Funds' rate of returns shall be the same if there is no conversion, and without the ability to procure for another loan for additional investment, while the conversion into TREIT would improve the investors' rate of return as from the increased ability to procure for loans. Then Mr. Sopon explained that the decreased rate of return is a result from the 2011 flood crisis, the issue of labor shortage in industrial sector, the 50% decline in the number of lessees from electronic segment, and the effect of the increased household debts from the First Car Subsidizing Policy in lowering the consumption rate, however, Mr. Sopon stated that the occupancy rate was enhanced in the previous year as a result of the higher cost of production in China leading to the relocation of investors' production base to Thailand, while the issue of the increased stock price of TICON Industrial Connection Public Company Limited is an issue of the market price which could not be certainly forecasted.

As for the abovementioned details, when there was no other Trust Unitholders raised any question, therefore the Chairman asked the Trust Unitholders to cast their votes on this agenda as follows:

**Agenda 2.1** To consider and approve the support of the Conversion of Property Funds, the Conversion Plan, the receiving of transferred Assets and Liabilities of Property Funds to TREIT and the payment of compensation to Property Funds in Trust Units with cash.

The Chairman proposed to the Trust Unitholders' Meeting to consider and approve the support of the Conversion of Property Funds into TREIT, the Conversion Plan (including the Conversion of TFUND, TLOGIS and

TGROWTH into TREIT), the receiving of transferred Assets and Liabilities of Property Funds to TREIT and the payment of compensation to Property Funds in Trust Units with cash, the value of Assets and Liabilities of Property Funds to be transferred to TREIT, the Swap Ratio of Investment Units to Trust Units with cash (Swap Ratio), the various procedures proposed above as well as the actions which are necessary and relevant for the benefit of the conversion of TFUND, TLOGIS and TGROWTH and to approve the REIT Manager to be the authorized person to perform the following act:

- (1) To take any action necessary and relevant for the benefit of the support of the conversion of Property Funds. To perform in accordance with the Conversion Plan, the receiving of transferred Assets and Liabilities of Property Funds to TREIT and the payment of compensation to Property Funds in Trust Units with cash, the value of Assets and Liabilities of Property Funds to be transferred to TREIT, and insofar as it is not contradictory to or inconsistent with the resolution of the Trust Unitholders' Meeting and/or the order or the recommendation of the Office of the SEC and/or the Stock Exchange of Thailand and/or any other relevant authorities, including to contact with the Office of the SEC, the Stock Exchange of Thailand, a government agency or a governmental organization or any person for such purpose.
- (2) Negotiate, prepare, sign, deliver and/or amend any agreement or obligation for the receiving of transferred Assets and Liabilities of Property Funds to be transferred to TREIT, including the assignment of rights and duties of Property Funds to TREIT.
- (3) Perform any other acts necessary for or related to the above purposes in all respects so as to ensure a success in the aforementioned acts, including appointment and/or removal of person/s sub-authorized to perform the acts in (1) and/or (2) above so as to ensure a success in the aforementioned acts.
- (4) Authorize the REIT Manager to take any action necessary or relevant to the above matters in order to achieve its success.

This agenda requires affirmative votes from the Trust Unitholders' Meeting at the amount of not less than three fourth of all Trust Units of the Trust Unitholders attending the Meeting. None of the Trust Unitholders have conflict of interests in this agenda.

The Chairman asked the Meeting if there is any question. None of the Trust Unitholders raised any question, therefore the Chairman asked the Trust Unitholders to cast their votes on this agenda.

In this agenda, there were additional 4 Trust Unitholders holding 100,098 Trust Units attending the Meeting, resulting in the total of 212 Trust Unitholders holding 435,009,533 Trust Units attending the Meeting.

## Meeting's resolution

The Meeting considered and casted their votes to approve the entering into the transaction, the support of the Conversion of Property Funds, the Conversion Plan, the receiving of transferred Assets and Liabilities of Property Funds to TREIT and the payment of compensation to Property Funds in Trust Units with cash, as proposed in Agenda 2.1 in all aspects with the following votes.

-	Approved	429,894,233	votes	equivalent to	98.8241%
-	Disapproved	5,005,300	votes	equivalent to	1.1506%
-	Abstained	110,000	votes	equivalent to	0.0253%
-	Void Ballot	0	vote	equivalent to	-

of the total votes of the Trust Unitholders attending the Meeting and being entitled to vote.

## **Agenda 2.2 To consider and acknowledge the additional investment plan after the Conversion of Property Funds.**

The REIT Manager proposed to the Trust Unitholders to consider and acknowledge the additional investment plan after the Conversion of Property Funds as per explained by the REIT Manager above.

The Chairman asked the Meeting if there is any question. None of the Trust Unitholders raised any question, therefore the Chairman asked the Meeting to consider the next agenda.

## **Agenda 2.3 To consider and approve the decrease of paid-up capital of TREIT (in the case where TREIT does not invest in the additional assets after the Conversion of Property Funds).**

The Chairman assigned Mr. Peerapat as the REIT Manager to present the details of this agenda to the Meeting, and the REIT Manager proposed to the Trust Unitholders to consider and approve the decrease of paid-up capital of TREIT if the additional investment in assets after the Conversion of Property Funds (which include assets under the right to invest in the assets of TICON and/or its subsidiaries) and the additional investment plan

after the Conversion of Property Funds cannot be proceed totally or partially within 31 December 2018, whereby such capital decrease shall not exceed Baht 3,500 Million in total.

The REIT Manager shall announce the capital decrease payment and the book-closing date to determine the name of the Trust Unitholders who are entitled to the capital decrease payment afterwards, which may be different from the Unitholders list whose names appeared in the Trust Unitholders registration book on the record date for the rights to attend this Meeting or those who are entitled to receive the Trust Units of TREIT with cash from the conversion. The REIT Manager shall proceed to complete the aforementioned within the second quarter of 2019. It is also proposed to the Unitholders to consider and approve to authorize the REIT Manager as the authorized person to perform the following act:

- (1) Perform any act necessary and relevant for the benefit of the decrease of paid-up capital of TREIT (in the case where TREIT does not invest in the additional assets after the Conversion of Property Funds) insofar as it is not contradictory to or inconsistent with the resolution of the Trust Unitholders' Meeting and/or the order or recommendation of the Office of the SEC and/or the Stock Exchange of Thailand and/or any other relevant authorities, including to contact with the Office of the SEC, the Stock Exchange of Thailand, any government agencies or governmental organizations or any persons for the aforementioned purposes.
- (2) Perform any other act necessary for or related to the above purposes in all respects so as to ensure a success in the aforementioned acts, including appointment and/or removal of person/s sub-authorized to perform the acts in (1) above so as to ensure a success in the aforementioned acts.

To support the consideration and approval of this agenda, Mr. Peerapat as the REIT Manager summarized the Opinion of the REIT Manager in this matter as follows:

#### The Opinion of the REIT Manager

The Trust Unitholders should consider and approve the decrease of paid-up capital of TREIT, as the REIT Manager opined that such transaction is in accordance with the REIT Manager's operation plan and this decrease of paid-up capital in the case where TREIT does not invest in the additional assets after the Conversion of Property Funds, which is for the best interests of TREIT as it will offer investors an opportunity to receive benefits from appropriate arrangement of the capital structure by way of loans which has lower financial costs than the cost of capital, resulting in the Unitholders having an opportunity to receive higher yields.



As after the conversion of TREIT, the debts to total assets ratio (information as at 30 June 2017) will decrease from 23 percent after the conversion due to the increased assets from the conversion. Moreover, TFUND, TGROWTH and TLOGIS which will be converted into TREIT have no loans or the loan debts to total assets ratio lower than that of TREIT, causing TREIT to have more loan capacity after the conversion. Pursuant to the relevant regulations, REIT may take the loan at the amount not exceeding 35 percent of the Total Asset Value compared to a property fund which may take the loan at the amount not exceeding 10 percent of the Total Asset Value. TREIT which has the credit rating as an investment grade may take the loan up to 60 percent of the Total Asset Value. Therefore, TREIT, after the conversion, can utilize the opportunity in taking loans for arranging the capital structure to be in the appropriate level and for the Trust Unitholders to receive higher yields.

Therefore, the REIT Manager is of the opinion that the Trust Unitholders should consider and approve the decrease of paid-up capital of TREIT by way of loans as proposed in every aspect.

In this regards, the Trustee has expressed its opinion as the supporting information for voting consideration in this agenda with details as appeared in Attachment 14 distributed to the Trust Unitholders together with the invitation to the Meeting.

The entering into transaction by TREIT after the conversion in this agenda requires affirmative votes from the Trust Unitholders' Meeting at the amount of not less than three fourth of all Trust Units of the Trust Unitholders attending the Meeting. None of the Trust Unitholders have conflict of interests in this agenda.

The Chairman asked the Meeting if there is any question. There were questions raised by the Trust Unitholders as follows:

Ms. Tara Cholpranee, a Trust Unitholder attending the Meeting in person, asked that if the Additional Investment Plan of TREIT for the amount of Baht 3,500 Million could not be completed by the end of 2018, TREIT would decrease its paid-up registered capital and make a capital decrease payment within the 2<sup>nd</sup> quarter of 2019, then why does the capital decrease timeline was set for the period of 6 months after it would have been already realized whether there would be additional investment by 2018.

Mr. Gong Vinaikulpong, the Financial Advisor, explained that in the event that the Additional Investment Plan could not be completed, TREIT will proceed for the capital decrease registration by the 2<sup>nd</sup> quarter of 2019 when the REIT Manager is certain that the Additional Investment Plan is not possible, then REIT Manager shall proceed for the registration within the

timeline and the period of 6 months was set in case of any difficulties from the capital decrease registration and for the flexibility in proceedings.

When there was no other Trust Unitholders raised any question, therefore the Chairman asked the Trust Unitholders to cast their votes on this agenda.

## Meeting's resolution

The Meeting considered and casted their votes to approve the entering into the transaction, the decrease of paid-up capital of TREIT (in the case where TREIT does not invest in the additional assets after the Conversion of Property Funds), as proposed in Agenda 2.3 in all aspects with the following votes.

-	Approved	429,894,233	votes	equivalent to	98.8241%
-	Disapproved	5,105,300	votes	equivalent to	1.1736%
-	Abstained	10,000	votes	equivalent to	0.0023%
-	Void Ballot	0	vote	equivalent to	-

of the total votes of the Trust Unitholders attending the Meeting and being entitled to vote.

## **Agenda 2.4 To consider and approve the TREIT's loans and the provision of collateral related to the TREIT's loans.**

The Chairman assigned Mr. Peerapat as the REIT Manager to present the details of this agenda to the Meeting, and the REIT Manager deems it appropriate to propose to the Trust Unitholders to consider and approve the loans and the provision of collateral, whereby the assets of TFUND, TLOGIS and TGROWTH to be transferred to TREIT in all or in part may be placed as collateral related to the loans as proposed in all respects, including to authorize the REIT Manager to be the authorized person to perform the following acts:

(1) Consider and determine details of terms or conditions for the loan such as loan amount, interest rate, loan period, repayment period, promise, retaining of TREIT's ratios as agreed with the lender, other details of collateral which are not resolved by the Trust Unitholders' Meeting and insofar as it is not contradictory to or inconsistent with the resolution of the Trust Unitholders' Meeting and/or order or advice of the Office of the SEC and/or the Stock Exchange of Thailand and/or any other relevant authorities and to contact with the Office of the SEC, the Stock Exchange of Thailand, the government agencies or governmental organizations or any persons for the aforementioned purposes;

(2) Negotiate, prepare, sign, submit and/or amend loan agreements, collateral agreements, or agreements or obligations related to the loan of TREIT, submit any documents related to the loan and the provision of collateral and perform any transactions related to the loan and the provision of collateral;

(3) Entering into loan agreement, provision of collateral agreement and other agreements related to the loan between TREIT and the Person Related to the Trustee (if any);

(4) Perform any other acts necessary for or related to the above purposes in all respects so as to ensure a success in the aforementioned acts, including appointment and/or removal of person/s sub-authorized to perform the acts in (1) and/or (2) and/or (3) above so as to ensure a success in the aforementioned acts.

Mr. Peerapat as the REIT Manager summarized the Opinion of the REIT Manager in this matter as supporting information for voting consideration as follows:

**The Opinion of the REIT Manager**

The Trust Unitholders should consider and approve the loans for investment in the main assets of TFUND, TLOGIS and TGROWTH and the repayment of debts pursuant to the existing loan agreement of TGROWTH from the Conversion of Property Funds as it will support TREIT in being able to compensate TFUND, TLOGIS and TGROWTH in cash which will decrease the amount of Trust Units to be issued to the Unitholders of TFUND, TLOGIS and TGROWTH in exchange with the assets and liabilities of the aforementioned property funds and will decrease the effect in the ratio of Trust Units holding of the Trust Unitholders of TREIT in this conversion.

In this regard, these loans will support TREIT, after the conversion, in having more efficient financial structure and the REIT Manager opined that such loan transactions which may be entered into with Bangkok Bank Public Company Limited which is a Person Related to the Trustee (which may cause a conflict of interests with TREIT) do not violate the Trust Deed of TREIT and relevant laws, the REIT Manager also seek for the loan offer from other financial institutions to compare the conditions such as interest rate, loan period and collateral (if any), so that TREIT will obtain the best loan offer for the utmost benefit of the Trust Unitholders.

According to the above details, the provision of related collateral and the approval of the REIT Manager to be an authorized person to determine the details of terms or other conditions of loans and the provision of collateral and negotiate, prepare, sign, submit and/or amend any document related to the loan and the provision of collateral and perform any related transactions so as to ensure a success in the aforementioned loan and the provision of collateral, and the capital structure that will be considered to invest in the Additional Investment



Assets of TREIT will be determined by the suitability of the debt to equity ratio of TREIT and the current condition of equity and debt market.

The Trustee has expressed its opinion as the supporting information for voting consideration with respect to the transactions in the Meeting with details as appeared in Attachment 14 distributed to the Trust Unitholders together with the invitation to the Meeting.

The resolution of this agenda requires affirmative votes from the Trust Unitholders' Meeting of not less than the majority vote which is exceeding the half of all Trust Units of the Trust Unitholders attending the Meeting and having the right to vote. If TREIT obtains a loan from Persons Related to the Trustee, this transaction might be deemed as a conflict of interest between TREIT and the Trustee, therefore, the Unitholders' Meeting shall not resolved with the dissenting votes of more than one fourth of all Trust Units sold. Provided that the counting of such votes of all persons having the right to vote, the REIT Manager will exclude the votes from Persons Related to the Trustee.

Trust Unitholders having conflict of interests who are not entitle to cast the vote in this agenda (as of 26 September 2017 which is the record date for the rights to attend the Extraordinary Trust Unitholders' Meeting No.1/2017) are as appeared in Attachment 18.

The loan in this time may be made with financial institution which is the Persons Related to the Trustee, REIT Manager has attached the Information Memorandum on the Related Party Transactions of TREIT and the Persons Related to the Trustee (for the loans) as appeared in Attachment 12 to support the consideration.

In addition, after the Conversion of Property Funds is completed, the REIT Manager will consider to proceed with the loan by the virtue of the resolution as approved by this Trust Unitholders' Meeting of TREIT, the Unitholders' Meeting of TFUND, the Unitholders' Meeting of TLOGIS, the Unitholders' Meeting of TGROWTH, which will be held in the similar period, and no further resolution shall be proposed for from the Trust Unitholders' Meeting of TREIT after the Conversion of Property Funds.

The Chairman asked the Meeting if there is any question. None of the Trust Unitholders raised any question, therefore the Chairman asked the Trust Unitholders to cast their votes on this agenda.

#### Meeting's resolution

The Meeting considered and casted their votes to approve the entering into the transaction, the TREIT's loans and the provision of collateral related to the TREIT's loans, as proposed in Agenda 2.4 in all aspects with the following votes.

-	Approved	429,894,233	votes	equivalent to	98.8241%
-	Disapproved	5,105,300	votes	equivalent to	1.1736%
-	Abstained	10,000	votes	equivalent to	0.0023%
-	Void Ballot	0	vote	equivalent to	-

of the total votes of the Trust Unitholders attending the Meeting and being entitled to vote.

**To consider and approve the amendment of TREIT's Trust Deed to support the Conversion of Property Funds into TREIT and the amendment of the Trustee's compensation.**

Pursuant to Agenda 2 that the REIT Manager deems it appropriate to propose to the Trust Unitholders to consider and approve the amendment of the current Trust Deed between TICON Management Company Limited and BBL Asset Management Company Limited consisting of the following:

1. The Trust Deed of TICON Freehold and Leasehold Real Estate Investment Trust dated 11 December 2014

2. The Amendment Agreement to the Trust Deed of TICON Freehold and Leasehold Real Estate Investment Trust No. 1 dated 17 December 2015

for the part relating to;

- 1) The details of TREIT and its management mechanism, name, term, type and objectives of TREIT, the properties to become TREIT, the obtaining of resolution and the meeting of Trust Unitholders, and causes for decrease of TREIT's paid-up capital to support the Conversion of Property Funds into TREIT,
- 2) In the event that the transfer of Assets and Liabilities of the Property Funds to TREIT for the Conversion of Property Funds is completed within 31 December 2017 or within the extended period of which the value added tax, specific business tax and stamp duty will be exempted and also the discount on the registration fee of right and juristic act for the conversion of property fund to REIT will be received pursuant to the law, TREIT will have a larger asset pool which resulted in the economies of scale.

Therefore, the Trustee's compensation shall be considered for an amendment under the conditions to be made effective upon the completion of the Conversion of Property Funds at the rate as follows:

Trustee's compensation as specified in the Trust Deed	Amended Trustee's compensation
At the rate of 0.09875 percent (zero point zero nine eight seven five) per annum of TREIT's NAV.	<ol style="list-style-type: none"> <li>1) For a portion of total asset value not more than Baht 15,000 Million: At the rate of 0.060 percent (zero point zero six) per annum of total asset value for such portion;</li> <li>2) For a portion of total asset value that exceeds Baht 15,000 Million up to Baht 30,000 Million: At the rate of 0.045 percent (zero point zero four five) per annum of total asset value for such portion; and</li> <li>3) For a portion of total asset value that exceeds Baht 30,000 million: At the rate of 0.030 percent (zero point zero three) per annum of total asset value for such portion.</li> </ol>

The detailed summary of the draft of Trust Deed to be amended for the Conversion of the Property Funds into TREIT appeared in Attachment 2.

In this regard, the Chairman proposed the Trust Unitholders to consider and approve the REIT Manager to proceed with the amendment of TREIT's Trust Deed to support the Conversion of Property Funds into TREIT and the amendment of the Trustee's compensation as proposed in all aspect, and to approve the REIT Manager to be the authorized person to perform the proceedings.

The Chairman assigned Mr. Peerapat as the REIT Manager to summarize the Opinion of the REIT Manager in this matter as supporting information for voting consideration as follows:

#### The Opinion of the REIT Manager

The Trust Unitholders should consider and approve the amendment of the Trust Deed to comply with the support of the Conversion of Property Fund into TREIT.

In addition, the amendment of the Trustee's compensation per annum as specified in the Trust Deed to be at the rate based on Total Asset Value of TREIT in place of the rate based on TREIT's Net Asset Value, which will be in accordance with the responsibilities of the Trustee in managing a larger pool of assets.

Estimated Trustee's compensation from the Financial Statement as at 30 June 2017 (the Trustee's compensation is calculated as if the conversion has been done)

(Million Baht)	Financial Statement as at 30 June 2017	
	Total Assets	Net Assets
TFUND	13,589	13,222
TGROWTH	6,370	5,758
TLOGIS	4,983	4,878
TREIT	7,695	5,681
Decrease: the loan for investment in the assets of Property Funds from the conversion		3,500
<b>TREIT after the conversion</b>	<b>32,638</b>	<b>26,038</b>

	(Million Baht)
Estimated Trustee's compensation per annum as specified in the Trust Deed (based on Net Asset as at 30 June 2017, as if the conversion has been done)	25.71
Estimated new Trustee's compensation per annum (based on Total Asset as at 30 June 2017, as if the conversion has been done)	16.54

The Trustee has expressed its opinion as the supporting information for voting consideration with respect to the transactions in the Meeting with details as appeared in [Attachment 14](#) distributed to the Trust Unitholders together with the invitation to the Meeting.

The resolution of this agenda requires affirmative votes from the Trust Unitholders' Meeting of not less than the majority vote which is exceeding the half of all Trust Units of the Trust Unitholders attending the Meeting and having the right to vote. None of the Trust Unitholders have conflict of interests in the agenda.

The Chairman asked the Meeting if there is any question. None of the Trust Unitholders raised any question, therefore the Chairman asked the Trust Unitholders to cast their votes on this agenda.

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

The Meeting considered and casted their votes to approve the entering into the transaction, the amendment of TREIT's Trust Deed to support the Conversion of Property Funds into TREIT and the amendment of the Trustee's compensation, as proposed in Agenda 3 in all aspects with the following votes.

-	Approved	421,591,227	votes	equivalent to	96.9154%
-	Disapproved	6,799,422	votes	equivalent to	1.5631%
-	Abstained	6,618,884	votes	equivalent to	1.5215%
-	Void Ballot	0	vote	equivalent to	-

of the total votes of the Trust Unitholders attending the Meeting and being entitled to vote.

**To consider and approve the amendment of the REIT Manager's fee in relation to performance fee and incentive fee as specified under REIT Manager Appointment Agreement.**

The Chairman assigned Mr. Peerapat as the REIT Manager to present the details of this agenda to the Meeting, and the REIT Manager informed that if the Conversion of Property Funds can be completed within 31 December 2017 or within the period of which the value added tax, specific business tax and stamp duty will be exempted and also the discount on the registration fee of right and juristic act for the conversion of property fund to REIT will be extended pursuant to the law, TREIT will have larger asset pool which resulted in the economies of scale, and since the structure of the Property Manager Appointment Agreements under the Property Manager Appointment Agreements to be transferred from TFUND, TLOGIS, and TGROWTH (details as appeared in the invitation to the Extraordinary Trust Unitholders' Meeting to be sent to Unitholders for consideration) are different than those of TREIT currently. Therefore, the REIT Manager has considered and amended the structure of the Property Manager Appointment Agreements to be transferred from TFUND, TLOGIS, and TGROWTH to be the proceedings under the REIT Manager Appointment Agreement of TREIT between TICON Management Company



Limited, as the REIT Manager, and BBL Asset Management Company Limited, as the Trustee of TREIT (the “REIT Manager Appointment Agreement”), in which the assets to be received from the Conversion shall be the Main Assets under the REIT Manager Appointment Agreement and the amendments to the Performance Fee of the Main Assets of TREIT together with the Incentive Fee, which were specified in the REIT Manager Appointment Agreement, shall be under the conditions to be made effective upon the completion of the Conversion of Property Funds at the rate as follows:

#### Performance Fee

Type of Asset	TFUND	TLOGIS	TGROWTH	TREIT	New Performance fee
Factory	At the rate of 4.00 percent of net income from factories		At the rate of 4.00 percent of net income from factories	At the rate of 4.00 percent of net income from factories	At the rate of 3.00 percent of net income
Warehouse	At the rate of 2.00 percent of net income from warehouses	At the rate of 3.00 percent of net income from warehouses	At the rate of 2.00 percent of net income from warehouses	At the rate of 2.00 percent of net income from warehouses	

#### Incentive Fee

Incentive fee	TFUND	TLOGIS	TGROWTH	TREIT	New Incentive fee
Factory	At the rate of 0.00 – 19.50 percent of net profit from assets		At the rate of 0.00 – 19.50 percent of net profit from assets	At the rate of 0.00 – 19.50 percent of net profit from assets	At the rate of 5.00 percent of net profit from assets operating

	operating		operating	operating	(Flat rate)
Warehouse	At the rate of 0.00 – 10.50 percent of net profit from assets operating	At the rate of 0.00 – 10.00 percent of net profit from assets operating	At the rate of 0.00 – 10.00 percent of net profit from assets operating	At the rate of 0.00 – 10.50 percent of net profit from assets operating	

The REIT Manager deems it appropriate to propose to the Trust Unitholders to consider and approve the amendment of the REIT Manager's fee in relation to performance fee and incentive fee as specified under REIT Manager Appointment Agreement as proposed in all respects, including to authorize the REIT Manager as the authorized person to perform the following act:

- (1) Consider and determine the details of any rule or condition in the amendment of the REIT Manager's fee in relation to performance fee and incentive fee as specified under REIT Manager Appointment Agreement that the Trust Unitholders' Meeting did not specify, and insofar as it is not contradictory to or inconsistent with the resolution of the Trust Unitholders' Meeting and/or the order or the recommendation of the Office of the SEC and/or the Stock Exchange of Thailand and/or any other relevant authorities, including to contact with the Office of the SEC, the Stock Exchange of Thailand, a government agency or a governmental organization or any person for such purpose.
- (2) Negotiate, prepare, sign, submit and/or amend the REIT Manager Appointment Agreement or agreements or obligations related to the said act.
- (3) Perform any other acts necessary for or related to the above purposes in all respects so as to ensure a success in the aforementioned acts, including appointment and/or removal of person/s sub-authorized to perform the acts in (1) and/or (2) above so as to ensure a success in the aforementioned acts.

The Chairman informed that the proposal for the amendment of such Performance Fee is deemed as the Related Party Transaction between TICON Management Company Limited, as the REIT Manager, and TREIT,

which shall be also deemed as the Related Party Transactions of TREIT and the Persons Related to the REIT Manager for the amount exceeding Baht 20 Million or above 3 percent of TREIT's NAV, the details of which appeared in Attachment 13 Information Memorandum on the Related Party Transactions of TICON Freehold and Leasehold Real Estate Investment Trust and the Related Party (Persons Related to the REIT Manager).

The Chairman assigned Ms. Krongkarn, the Independent Financial Advisor of Baker Tilly Corporate Advisory Services (Thailand) Limited to summarize the Opinion of the Independent Financial Advisor in this matter as supporting information for voting consideration as follows:

Ms. Krongkarn, as the Independent Financial Advisor, expressed its opinion to the Trust Unitholders of TREIT that since the structure of the Property Manager Appointment Agreements under the Property Manager Appointment Agreements to be transferred from TFUND, TLOGIS, and TGROWTH are different than those of TREIT currently. Therefore, the REIT Manager has considered and amended the Performance Fee of the Main Assets of TREIT together with the Incentive Fee, which were specified in the REIT Manager Appointment Agreement. Such amendment to the REIT Manager Appointment Agreement is a transaction at the amount approximately Baht 884,000,000 with the agreement term of 5 years, being equivalent to 15.6% of TREIT's Total Asset Value pursuant to the audited financial statements for the period ending 30 June 2017. The advantage of the transaction is the benefit of the lower expenses to be incurred to TREIT while there is a risk of conflict of interests as TMAN, the REIT Manager, is a subsidiary of TICON Industrial Connection Public Company Limited. The Independent Financial Advisor has considered the entering into the transaction that if there isn't any amendment to the Performance Fee of the Main Assets of TREIT and the Incentive Fee, the REIT Manager's fee will be at the amount of Baht 1,036.01 Million, while such amendment will decrease the REIT Manager's fee to the amount of Baht 996.64 Million. The Independent Financial Advisor deems that this transaction is appropriate and the decrease in expense burden will be beneficial to TREIT. The detail of the comments of the Independent Financial Advisor appeared in Attachment 11.

Subsequently, the Chairman assigned Mr. Peerapat as the REIT Manager to summarize the Opinion of the REIT Manager in this matter as follows:

#### The Opinion of the REIT Manager

The amendment of the REIT Manager's fee in relation to performance fee and incentive fee is to standardize such fees since the fees of the Property Funds are different from TREIT's fee, including the fees for

factories and warehouses which are also different. In addition, the amendment of the incentive fee to be fixed fee will clarify the expenses of TREIT after the conversion.

The Trustee has expressed its opinion as the supporting information for voting consideration with respect to the transactions in the Meeting with details as appeared in Attachment 14 distributed to the Trust Unitholders together with the invitation to the Meeting.

The entering into transaction by TREIT in this agenda requires affirmative votes from the Trust Unitholders' Meeting at the amount of not less than three fourth of all Trust Units of the Trust Unitholders attending the Meeting. The REIT Manager will exclude the votes from the Trust Unitholders having conflict of interests in the amendment of the REIT Manager's fee in relation to performance fee and incentive fee as specified under REIT Manager Appointment Agreement and the related party to comply with the relevant notification of the Office of the SEC.

Unitholders having conflict of interests who are not entitle to cast the vote in this agenda (as of 26 September 2017 which is the record date for the rights to attend the Extraordinary Trust Unitholders' Meeting No.1/2017) are as appeared in Attachment 18.

After the Conversion of the Property Funds has been completed, the REIT Manager may consider to commence the amendment of the REIT Manager's fee in relation to performance fee and incentive fee as specified under REIT Manager Appointment Agreement by the virtue of the resolution as approved by this Trust Unitholders' Meeting of TREIT, the Unitholders' Meeting of TFUND, the Unitholders' Meeting of TLOGIS and the Unitholders' Meeting of TGROWTH which will be held during the similar period and no further resolution shall be proposed for from the Trust Unitholders' Meeting of TREIT after the Conversion of Property Funds into TREIT.

The Chairman asked the Meeting if there is any question. There were questions raised by the Trust Unitholders as follows:

- (1) Ms. Jinnapak Pornpibul, a Trust Unitholder attending the Meeting in person, asked whether the Performance Fee of the Main Assets of TREIT, which was set at 3%, is a fixed rate, and if it is a fixed rate, it is suggested to indicate as such in the invitation letter prepared by REIT Manager and in the Opinion of the Independent Financial Advisor.

Mr. Peerapat indicated that it is a fixed rate and thanked the Trust Unitholder for the suggestion.

- (2) Ms. Oraporn Pathomvanich, a Trust Unitholder attending the Meeting in person, asked about the reduction percentage of the amendment of the REIT Manager's fee in relation to performance fee from its current amount.

Ms. Krongkarn, as the Independent Financial Advisor, described that from the calculation, the REIT Manager's fee for the term of 5 years was at the amount of Baht 1,036.01 Million but after the amendment of the REIT Manager's fee in relation to performance fee, the fee will be decreased to the amount of Baht 996.64 Million. The reduction is approximately 4%.

When there was no other Trust Unitholders raised any question, the Chairman asked the Trust Unitholders to cast their votes on this agenda.

#### Meeting's resolution

The Meeting considered and casted their votes to approve the entering into the transaction, the amendment of the REIT Manager's fee in relation to performance fee and incentive fee as specified under REIT Manager Appointment Agreement, as proposed in Agenda 4 in all aspects with the following votes.

-	Approved	313,300,272	votes	equivalent to	98.3565%
-	Disapproved	5,105,300	votes	equivalent to	1.6027%
-	Abstained	130,000	votes	equivalent to	0.0408%
-	Void Ballot	0	vote	equivalent to	-

of the total votes of the Trust Unitholders attending the Meeting and being entitled to vote.

#### **Other matters (if any).**

The Chairman asked the Meeting if there is any question. There were questions raised by the Trust Unitholders as follows:

- (1) Mr. Panu Tangpoonsinthana, a Trust Unitholder attending the Meeting in person, expressed his opinion in the Trust Unitholders' Meeting of TREIT that he disagrees with the Conversion of Property Funds into TREIT with the receipt of all transferred Assets and Liabilities of Property Funds, especially TGROWTH, however, in overview, the Conversion of Property Funds into TREIT would improve TREIT's operating condition than the current state. As for the issue of rate of return per Trust Unit, the Conversion of Property Funds is as beneficial to the Trust

Unitholders as it should be, and may disadvantage the Trust Unitholders. Mr. Panu then asked for the Trust Unitholding ratio of TICON Industrial Connection Public Company Limited, and after the Additional Investment Plan for Baht 3,500 Million, when the additional capital increase is planned for.

Mr. Sapon Punyaratabandhu, the Independent Director, explained that TICON Industrial Connection Public Company Limited will retain the Trust Unitholding ratio at about 20% and the Additional Investment Plan for Baht 3,500 Million is a plan for additional investment not for additional capital increase, but the source of funds will be from loans, which TREIT will retain a loan rate at about 17% of Total Asset Value after the Conversion of Property Funds into TREIT, and after another loan in the following year, the loan rate will be increased to about 25% of Total Asset Value. The REIT Manager will retain the loan rate for not exceeding 30% of Total Asset Value to maintain the credit rating of TREIT and to increase the rate of return to the Trust Unitholders. The Chairman additionally explained that the Conversion of Property Funds into TREIT will strengthen the TREIT's reinforcement and improve the rate of return to the Trust Unitholders.

- (2) Ms. Jinnapak Pornpibul, a Trust Unitholder attending the Meeting in person, expressed her opinion that even though after the conversion, TREIT will be the biggest REIT with the assets in the type of warehouses and factories in the country, TREIT will also need to improve its potential in management of TREIT for a better growth and return.

The Chairman thanked to the Trust Unitholders for the suggestion.

Since there was no one proposing any further matter to the Meeting for consideration, the Chairman thanked the Trust Unitholders and other relevant persons and declared the Meeting adjourned at 16.40 hrs.

Signed



-Mr. Sun Vithespongse-

(Mr. Sun Vithespongse)

Chairman of the Board of  
Directors



စီ.ဗွမ်ဖာအုဏ်ထမ္မာကူ

Meeting Recorder

Ms. Bhumpharn Arunthammakul

(Secretary to the Board of Directors)

TICON Management Company Limited

The REIT Manager