

**Information Memorandum regarding the Acquisition of Assets of TREIT
and the Transaction between TREIT and Connected Persons of the REIT Manager**

As TICON Management Company Limited (the “**Company**” and the “**REIT Manager**”), the REIT Manager of TICON Freehold and Leasehold Real Estate Investment Trust (“**TREIT**”), has convened the Board of Directors’ Meeting No. 6/2016 on August 2nd, 2016, and the Board of Directors’ Meeting had passed its resolutions to propose to the Extraordinary General Meeting of Unitholders No. 1/2016 for consideration and approval of the investment in the additional assets, details of which are as follows:

1. Transaction Date

After obtaining approvals from the Extraordinary General Meeting of Unitholders No. 1/2016 and from the Office of the Securities and Exchange Commission (the “**Office of the SEC**”) on the issuance and offering of debentures, and after the effectiveness of the registration statements and the draft prospectus for the issuance and offering of debentures of TREIT, the REIT Manager expects TREIT to enter into the transaction within the 4th quarter of the year 2016.

2. Parties Involved and Relationship with TREIT

TICON Industrial Connection Public Company Limited (“**TICON**”) and TICON Logistics Park Company Limited (“**TPARK**”) are connected persons of the REIT Manager since TICON is a major shareholder of the Company which holds the shares of approximately 70 percent of the total voting rights in the Company, and it is also a controlling person of the REIT Manager (while Mitsui & Co (Asia Pacific) PTE LTD holds the shares of approximately 30 percent of the total voting rights in the Company). In addition, TICON is also a major shareholder of TPARK. Furthermore, TPARK and TICON are the property managers of TREIT.

3. Characteristics and Scope of Interests of Connected Persons of the REIT Manager

TICON has conflict of interests as being a major unitholder of TREIT, and the owner of the Additional Assets for Investment No. 2 in the type of land and factory building, including being the property manager of TREIT. TPARK has conflict of interests as the owner of the Additional Assets for Investment No. 2 in the type of land and warehouse building, including being the property manager of TREIT.

4. General Characteristics of the Transaction and Detail of Assets to Be Acquired

TREIT will utilize the proceeds received from the issuance and offering of the debentures to invest in the additional assets (the “**Additional Asset for Investment No. 2**”) from TPARK and TICON in the total investment value of not exceeding Baht 1,443.20 million (excluding estimated expenses in relation to the issuance and offering of debentures and the investment in the Additional Assets for Investment No. 2). The final investment value of certain item of the Additional Assets for Investment No. 2 may be higher than the lowest appraised value of the Additional Assets for Investment No. 2 made by the Appraisers exceeding 10 percent. However, the total final investment value of the Additional Assets for Investment No. 2 will not be higher than the lowest appraised value of the Additional Assets for Investment No. 2 made by the Appraisers exceeding 10 percent. The Additional Assets for Investment No. 2 shall comprise the following.

1. Ownership of land with the total approximate area of 29 rai 1 ngan 88.8 square wah, and ownership of 3 warehouse buildings with 12 units having the total approximate area of 24,632¹ square meters, currently owned by TPARK and located in the projects as follows:

1.1 2 Units of warehouse building in TICON Logistics Park Sriracha project, locating at Tambol Surasak, Amphur Sriracha, Chonburi Province;

1.2 2 Units of warehouse building in TICON Logistics Park Laemchabang 2 project, locating at Tambol Nong Kham, Amphur Sriracha, Chonburi Province;

1.3 8 Units of warehouse building in Rojana Industrial Park Prachinburi, locating at Tambol Huawa, Amphur Si Maha Phot, Prachinburi Province.

2. Leasehold right of land for a period of 30 years from the date of the registration of the leasehold right with the total approximate area of 27 rai 0 ngan 21.44 square wah, and leasehold right of 4 warehouse buildings with 8 units for a period of 30 years from the date of the registration of the leasehold right having the total approximate area of 27,564 square meters, in TICON Logistics Park Bangplee 3 project, locating at Tambol Bangpla, Amphur Bangplee, Samut Prakarn Province, currently owned by TPARK.

3. Ownership of land with the total approximate area of 28 rai 2 ngan 11.9 square wah, and ownership of 8 factory buildings (8 units) having the total approximate area of 16,825 square meters, currently owned by TICON and located in the projects as follows:

3.1 1 Factory building (1 unit) in Bangpoo Industrial Estate, locating at Tambol Praeksa, Amphur Muang Samut Prakarn, Samut Prakarn Province;

¹ If calculating the area of the warehouse building pursuant to the construction licenses of all projects in this item, it shall be equal to approximately 25,112 square meters. The discrepancy between the leased area and the area of the warehouse building pursuant to the construction licenses of the warehouse building No. W4/1 – W4/8 in Rojana Industrial Park Prachinburi is caused by the different measuring method and calculation performed by government agency on actual site. However, such discrepancy will not affect the rental revenue of TREIT since the calculation of the rental revenue is based on the area of the warehouse building pursuant to the lease agreements. Besides, the area of the warehouse building pursuant to the lease agreements does not exceed the area of the warehouse building pursuant to the construction licenses; therefore, such discrepancy will not have a negative impact to TREIT in legal aspect.

3.2 1 Factory building (1 unit) in Banwa (Hi-Tech) Industrial Estate, locating at Tambol Banlane, Amphur Bangpa-In, Phra Nakhon Si Ayutthaya Province;

3.3 5 Factory buildings (5 units) in Amata City Industrial Estate, locating at Tambol Mabyangporn, Amphur Pluak Deang, Rayong Province;

3.4 1 Factory building (1 unit) in Rojana Industrial Park Ayutthaya, locating at Tambol Banchang, Amphur U-Thai, Phra Nakhon Si Ayutthaya Province.

The sources of funds for the investment in the Additional Assets for Investment No. 2 this time will be from the issuance and offering of debentures. Nonetheless, the REIT Manager may select to invest in any item of the Additional Assets for Investment No. 2, provided that the REIT Manager will significantly take into account the benefits of TREIT and unitholders. Details of the Additional Assets for Investment No. 2 are appeared in the Enclosure No. 2.

5. Size of the Transaction and Total Consideration Value

1. The total consideration value for the investment in the Additional Assets for Investment No. 2 will not exceed Baht 1,443.20 million (excluding estimated expenses in relation to the issuance and offering of debentures and the investment in the Additional Assets for Investment No. 2).

2. Regarding the consideration for the property managers in relation to the Additional Assets for Investment No. 2, the fees shall comprise the following.

2.1 Management fees, at the rate of not exceeding 2 percent of the revenue from operating of warehouses, and at the rate of not exceeding 4 percent of the revenue from operating of factories.

2.2 Incentive fees, varied at the rate between 0.00-10.50 percent of the profit from TREIT's operating of warehouses, and varied at the rate between 0.00-19.50 percent of the profit from TREIT's operating of factories.

2.3 Commission fees for procurement of new lessees, at the rate in proportion pursuant to the lease and service fees of such new lessees for 2 months.

The foregoing rate of the property management fee is equal to the rate which the REIT Manager collects from TREIT for the current assets of TREIT.

Such transactions are considered as the transaction between TREIT and connected persons of the REIT Manager with the value of more than 3 percent of the net asset value of TREIT (referred to the auditor's reviewed report and interim financial statements for the 3-month period ended March 31st, 2016, which is the latest financial statements as at the date of which the Board of Directors approved to propose to the unitholders' meeting for consideration and approval of the investment by TREIT in the additional assets, the net asset value of TREIT is Baht 5,658.34 million (the transaction value equals to 25.5 percent of the net asset value of TREIT). However, when considering the auditor's reviewed report and interim financial statements for the 3-month and 6-month period ended June 30th, 2016, which is the latest financial statements at present, the net asset value of TREIT is

Baht 5,747.95 million (the transaction value equals to 25.1 percent of the net asset value of TREIT)), which pursuant to the Notification of the Office of the SEC No. SorRor. 26/2555 Re: Provisions concerning Lists and Statements in the Trust Deed of the Real Estate Investment Trust, is required to obtain affirmative votes from the unitholders' meeting with the votes of not less than three-fourths of the total votes of the unitholders attending the meeting and having the right to vote, whereby the unitholders who have special interest in this matter shall not have the right to vote. In this regard, as at August 17th, 2016 (the Book Closing Date), the unitholder who has special interest in this matter is TICON holding 67,061,439 units of TREIT representing 11.8 percent of the total number of issued units of TREIT.

6. Value of the Additional Assets for Investment No. 2

The total investment value of the Additional Assets for Investment No. 2 by TREIT will not exceed Baht 1,443.20 million which is referred to the appraised value made by 2 appraisal companies, which are Grand Asset Advisory Co., Ltd. ("**Grand Asset**") and Wealth Appraisal Co., Ltd. ("**Wealth**") (altogether referred to as the "**Appraisers**"), who are in the approval list of the Office of the SEC, appointed to appraise the value of each of the Additional Assets for Investment No. 2. Details of the appraised value of the Additional Assets for Investment No. 2 which was made by the Appraisers appear in the table below.

Investment Value in Comparison with Appraised Value pursuant to Income Approach Method

Details of the value of the Additional Assets for Investment No. 2 and information of the appraised value pursuant to the income approach method are as follows:

Type of Assets	Characteristic of Investment	Project / Industrial Estate / Industrial Park	Investment Value of Additional Assets for Investment No. 2 (Million Baht)	Appraised Value of the Assets ⁽¹⁾ (Million Baht)		Percentage of Difference between Investment Value and Lowest Appraised Value ⁽²⁾ (Percent)
				Grand Asset*	Wealth**	
Warehouse	Leasehold right of land and warehouse buildings	TICON Logistics Park Bangplee 3	Not exceeding 486.20	442.00	465.33	Not exceeding 10.00
	Ownership of land and warehouse buildings	TICON Logistics Park Sriracha	Not exceeding 103.50	92.00	96.00	Not exceeding 12.50
		TICON Logistics Park Laemchabang 2	Not exceeding 111.55	97.00	102.42	Not exceeding 15.00
		Rojana Industrial Park Prachinburi	Not exceeding 295.35	275.00	276.33	Not exceeding 7.40

Type of Assets	Characteristic of Investment	Project / Industrial Estate / Industrial Park	Investment Value of Additional Assets for Investment No. 2 (Million Baht)	Appraised Value of the Assets ⁽¹⁾ (Million Baht)		Percentage of Difference between Investment Value and Lowest Appraised Value ⁽²⁾ (Percent)
				Grand Asset*	Wealth**	
Factory	Ownership of land and factory buildings	Bangpoo Industrial Estate	Not exceeding 50.60	46.00	47.97	Not exceeding 10.00
		Banwa (Hi-Tech) Industrial Estate	Not exceeding 44.00	40.00	41.34	Not exceeding 10.00
		Amata City Industrial Estate	Not exceeding 305.80	278.00	289.90	Not exceeding 10.00
		Rojana Industrial Park Ayutthaya	Not exceeding 46.20	42.00	43.59	Not exceeding 10.00
Total			Not exceeding 1,443.20	1,312.00	1,362.88	Not exceeding 10.00

Remarks

- (1) The appraised value of the Additional Assets for Investment No. 2 is calculated pursuant to the income approach method which was made by Grand Asset as of May 23rd, 2016 and Wealth as of May 17th, 2016.
- (2) The investment value is calculated on the percentage of the lowest appraised value of the assets pursuant to the income approach method.

In this regard, the final investment value of certain item of the Additional Assets for Investment No. 2 may be higher than the lowest appraised value of the Additional Assets for Investment No. 2 made by the Appraisers exceeding 10 percent. However, the total final investment value of the Additional Assets for Investment No. 2 will not be higher than the lowest appraised value of the Additional Assets for Investment No. 2 made by the Appraisers exceeding 10 percent.

7. Criteria for Determination of Consideration Value of the Transaction

Negotiation and agreement between the REIT Manager and the owners of the Additional Assets for Investment No. 2, provided that the REIT Manager considers based on locations, asset potential, stability of lessees, including the appraised values made by Grand Asset and Wealth.

8. Benefits to TREIT from the Transaction

The REIT Manager viewed that the investment in the Additional Assets for Investment No. 2 is the investment in the real properties locating in good locations and having a ready-to-see-benefit condition. The value of the assets tends to increase and the assets tend to be attractive to investors and lessees. In addition, the

investment in the Additional Assets for Investment No. 2 will give opportunity to the unitholders to receive more return from long-term investment as well as to diversify sources of income of TREIT.

9. Source of Funds for Investment in the Additional Assets for Investment No. 2

The source of funds for investment in the Additional Assets for Investment No. 2 will be from the issuance and offering of debentures to institutional investors and/or high net worth investors pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 82/2558 Re: Application for and Approval of Offer for Sale of Newly Issued Debentures of Real Estate Investment Trusts, with the amount of not exceeding Baht 1,470.00 million. The amount of debentures after combining with the existing loan amount of TREIT will have the value in the nature of loan of not exceeding 60 percent of the total asset value of TREIT. (The total asset value² of TREIT as of June 30th, 2016 was equal to Baht 7,785.13 million). TREIT and the debentures to be issued and offered for sale has been assigned a credit rating by Fitch Ratings (Thailand) Limited on May 17th, 2016 and August 19th, 2016 . Details of debentures to be issued and offered for sale can be summarized as follows:

Use of Proceeds	For investment in the Additional Assets for Investment No. 2 and/or as a source of funds of TREIT in the future according to the objectives and conditions as prescribed in the Trust Deed
Offering	Domestically single offering to the institutional investors and/or high net worth investors pursuant to the Notification of the Capital Market Supervisory Board No. TorJor. 82/2558 Re: Application for and Approval of Offer for Sale of Newly Issued Debentures of Real Estate Investment Trusts
Type	Name-registered, unsubordinated, unsecured debentures without debentureholders' representative, and bullet payment on the maturity date
Amount	Not exceeding Baht 1,470.00 million
Currency	Baht-denominated
Tenor	Not exceeding 10 years
Interest Rate	Fixed rate throughout the term of debentures
Interest Payment Period	Interest will be payable semi-annually in arrears, and the final interest payment date will end on the maturity date.

In the case that the REIT Manager selects not to invest in all of the Additional Assets for Investment No. 2 as per details listed in the item No. 4 above which may cause the total value of debentures to be issued and

² The total asset value mentioned above is referred to the financial statements for the 6-month period ended June 30th, 2016 of TREIT.



offered for sale according to this item to be higher than the total value of the assets to be invested in by TREIT at this time, the REIT Manager may select to utilize the excess proceeds received from the issuance and offering of debentures to repay outstanding loan (refinance), either in whole or in part, and/or to utilize for other purposes as the REIT Manager deems appropriate for the best benefit of TREIT and unitholders which shall not be opposed or contradicted to the Trust Deed, and the rules as prescribed by relevant laws, the Office of the SEC, the Securities and Exchange Commission, and the Capital Market Supervisory Board.

In this regard, the Company deemed it appropriate to authorize the REIT Manager to have the power to consider determining and amending the terms, conditions and other details relating to the issuance and offering of the debentures, such as type, tenor, offering price, details of the debentures to be issued; to execute the terms and conditions of the debentures relating to rights and duties of the issuer and the debentureholders; to appoint the underwriter and the registrar; to enter into and execute the Underwriting Agreement and/or other relevant agreements, as well as to have the power to negotiate and agree on the fees and expenses in relation to such relevant agreements; to prepare and submit the application and other documents to the Office of the SEC, other relevant authorities and/or other relevant person(s), including to have the power to certify any acts performed in relation to the issuance and offering of the debentures, and to take any necessary and appropriate actions relating to the issuance and offering of the debentures until its completion and in compliance with the laws.

10. Approval of the Entry into a Connected Transaction of TREIT and Connected Persons of the REIT Manager

The entry into a connected transaction of TREIT and connected persons of the REIT Manager is required to obtain affirmative votes from the unitholders' meeting with the votes of not less than three-fourths of the total votes of the unitholders attending the meeting and having the right to vote, whereby the unitholders who have special interest in this matter shall not have the right to vote. In this regard, as at August 17th, 2016 (the Book Closing Date), the unitholder who has special interest in this matter is TICON holding 67,061,439 units of TREIT representing 11.8 percent of the total number of issued units of TREIT.

11. Preventive Measures for Conflict of Interest between TREIT and Connected Persons of the REIT Manager Which May Occur in the Future

Since the REIT Manager may appoint TPARK and TICON, which are connected persons of the REIT Manager, to be the property managers of assets in category of warehouse building and factory building respectively. Meanwhile, TPARK and TICON are the owners of warehouse buildings and factory buildings, and also acting as the property managers for 3 property funds, namely TICON Property Fund ("TFUND"), TPARK Logistics Property Fund ("TLOGIS"), and TICON Industrial Growth Leasehold Property Fund ("TGROWTH") which have assets located in the same projects as the assets of TREIT and the Additional Assets for Investment No. 2.



Furthermore, TICON is a major unitholder of TFUND, TLOGIS, and TGROWTH. The roles of TPARK and TICON relating to TREIT may cause a conflict of interest to TREIT. Nonetheless, the REIT Manager has been aware of such conflict of interest which may occur, and has prudently implemented preventive measures for such conflict of interest by stipulating criteria for purchasing warehouse building and factory building and roles and scope of duty of TPARK and TICON as the property managers as follows:

(1) The REIT Manager will stipulate measures to manage and supervise the property managers by requiring the property managers to fairly present information of the warehouse building or factory building that is owned or in possession of TPARK or TICON or TFUND or TLOGIS or TGROWTH or TREIT. The REIT Manager will determine the rental fee of warehouse building and factory building which can be comparable when considering the size of the building, usable area, location, and building formation by determining the rental fee to be at the similar rate in order to create transparency and for each tenant to have sufficient information of the warehouse building or factory building, which is leasable during that period, to make decision fairly.

In this regards, in presenting the information of assets of the property managers or assets of TREIT to potential customers, the property managers will present information of vacant warehouse building or factory building without specifying the ownership of such asset. Such measure will facilitate a fair presentation of information of all assets. Additionally, the property managers will provide the REIT Manager with a monthly report or name list of potential customers wishing to lease the assets of the property managers and the assets of TREIT. The report will contain information regarding the location, usable area, and details of warehouse building or factory building which the customer wishes to lease. Such measure will enable the REIT Manager to monitor the transparency of the property managers in finding tenants to lease the assets of TREIT, the assets of the property managers and/or the assets of the property funds under management of the property managers.

(2) The REIT Manager will determine the pattern and rate of the property management fee, which TPARK and TICON will receive from being the property managers of TREIT, to be similar to the pattern and rate of the property management fee, which TPARK and TICON will receive from being the property managers of the aforementioned 3 property funds.

12. Opinion of the Board of Directors of the REIT Manager regarding the Entry into the Transaction

The Board of Directors of the REIT Manager (excluding the directors having vested interest who did not attend the meeting and cast their votes at the Board of Directors' Meeting, namely, Mr. Virapan Pulges as being the director of TPARK and TICON, and Ms. Lalitphant Phiriyaphant as the executive of TICON) has considered details of the transactions and is of the opinion that the Additional Assets for Investment No. 2 have been selected and appropriately evaluated, such as a thorough due diligence conduct of related legal matters of the assets, licenses and agreements, analysis in reasonableness of the value of the assets, asset appraisal by the appraisal companies approved by the Office of the SEC, and that they are in line with TREIT's objectives and strategy of long-term enhancement in order to generate appropriate income and return to the unitholders. The REIT Manager

also takes into account the increase in the return to be received by the unitholders and the risk from the increase in the loan ratio. The highest investment value of the Additional Assets for Investment No. 2 will not exceed Baht 1,443.20 million (which is higher than the lowest appraised value of the assets made by the Appraisers of approximately not exceeding Baht 131.20 million). In this case, the Board of Directors of the REIT Manager (excluding the directors having vested interest) is of the opinion that such highest investment value is an appropriate and acceptable price since the assets to be invested in are in good locations and such locations are in a ready-to-see-benefit condition. The value of the assets tends to be higher and the assets tend to be attractive to investors and lessees. Additionally, the investment in the Additional Assets for Investment No. 2 will generate return after the investment in the Additional Assets for Investment No. 2 in the form of distribution to unitholders of not less than Baht 0.7756 per unit for the projection period (from November 1st, 2016 to October 31st, 2017) or equals to the increase of not less than Baht 0.0713 per unit when comparing to the projected distribution to unitholders prior to the investment in the Additional Assets for Investment No. 2 as appeared in the Enclosure No. 6.

13. Opinions of the Audit Committee and/or Directors of the REIT Manager which are Different from Opinions of the Board of Directors under Item No. 12

The directors (excluding the directors having vested interest) have considered the matters relating to the transactions and have no different opinion from the opinion of the Board of Directors stated in the item No. 12 above.

14. Characteristics of Business and Business Development of TREIT

TREIT has been established with the objective to issue securities in category of unit trust of the Real Estate Investment Trust ("REIT") for the public offering. The settlor of REIT as the REIT Manager submitted an application to list the unit trust as listed securities on the Stock Exchange of Thailand (the "SET"). On January 9th, 2015, the SET approved the listing of the unit trust under a ticker symbol "TREIT" and began trading on the SET in the Property Fund & REITs Sector, the Property & Construction Industry. After the initial public offering of unit trust, TREIT utilized the proceeds received from the public offering of unit trust to invest in core assets as the first investment, and the REIT Manager served in various management roles including the investment and seeking of benefit from the assets of TREIT, seeking of sources of funds, and selection of the property managers. The REIT Manager has appointed TPARK and TICON as the property managers of the core assets of TREIT in the first investment, the additional investment No. 1, and the additional investment No. 2 in order to procure benefits from these assets by leasing, subleasing, transfer and/or sale of real properties invested or owned by TREIT. TREIT will receive income from the procurement of benefits from such real properties in the form of rental fee, service fee and/or common area service fee.

The investments of TREIT are in 2 categories which are the investment in the core assets, and the investment in other assets as a mean to manage its excess liquidity to generate benefits to TREIT and its unitholders as follows:

1. TREIT has a policy to invest in the core assets such as real properties in category of land and building structures which are warehouse building, factory building and/or office building.
2. TREIT may invest in the core assets indirectly by holding shares of a company established with the objective to operate in the same way as TREIT according to the Trust Deed and at the ratio specified by relevant laws. Currently, TREIT has to hold shares in such company at the ratio of not less than 99 percent of the total issued shares and not less than 99 percent of the total voting rights of such company. The REIT Manager and the Trustee must have measures or mechanism to supervise and control such company to operate its business according to the Trust Deed and other relevant regulations as prescribed by the Office of the SEC, the Securities and Exchange Commission and/or the Capital Market Supervisory Board.
3. TREIT may additionally invest in other category of real properties other than the categories specified in items No. 1 and No. 2, or any other assets as prescribed by the Office of the SEC, the Securities and Exchange Commission and/or the Capital Market Supervisory Board as the core assets of REIT.

15. Name List of First 10 Executives and Unitholders and Management Structure of TREIT

1. Information of Executives of the REIT Manager

No.	Executives	Position
1.	Mr. Peerapat Srisukont	Managing Director
2.	Miss Pornpimol Supawiratbancha	Chief Financial Officer and Investor Relations
3.	Mr. Likit Tangmanakitkul	Head of Finance
4.	Mr. Pongthon Sugeeraphan	Head of Accounting
5.	Mr. Peerapat Srisukont (acting)	Head of Property Management
6.	Miss Pornpimol Supawiratbancha (acting)	Head of Legal and Compliance
7.	Mr. Chansak Thamsombatdee	Head of Business Development

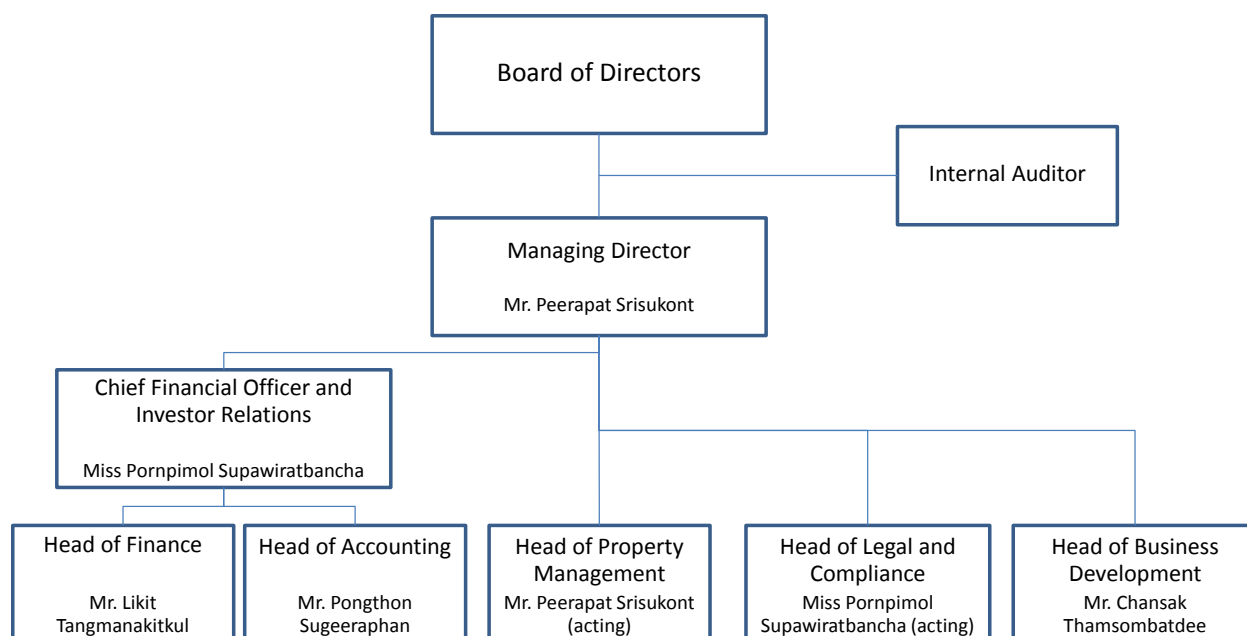
2. Information of Unitholders as at August 17th, 2016 (the Book Closing Date)

No.	Unitholders	Number of Units Held	Percentage
1.	Social Security Office	71,395,700	12.60
2.	TICON Industrial Connection Public Company Limited	67,061,439	11.83
3.	Bangkok Assurance Public Company	40,000,000	7.06

No.	Unitholders	Number of Units Held	Percentage
	Limited		
4.	MITSUI & CO. (Asia Pacific) PTE. LTD.	35,000,000	6.18
5.	Muang Thai Assurance Public Company Limited	20,266,300	3.58
6.	Government Savings Bank	20,000,000	3.53
7.	Bangkok Insurance Public Company Limited	17,000,000	3.00
8.	Southeast Life Insurance Public Company Limited	15,000,000	2.65
9.	Muang Thai Insurance Public Company Limited	9,658,600	1.70
10.	UBS AG SINGAPORE BRANCH	5,600,000	0.99

3. Management Structure

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



16. Related Transactions in Previous Year and Current Year up to Latest Quarter (if any)

1. Related Transaction of TREIT with the REIT Manager

1.1 Related Transaction of TREIT with Major Shareholder of the REIT Manager

Major shareholder of the REIT Manager is TICON

Nature of Relationship

TICON is a major shareholder of the REIT Manager which holds the shares of approximately 70 percent of the registered paid-up capital of the REIT Manager, and it is also a controlling person of the REIT Manager

Nature of Related Transaction

- 1) TICON sold and let real properties in category of 7 factory buildings to TREIT in the additional investment No. 1 such as ownership of land, ownership of factory buildings, long-term leasehold rights of land and factory buildings.
- 2) The REIT Manager engaged TICON as the property manager for such assets.

Reasonability of the Related Transaction

- 1) TREIT invested in the assets from TICON as the additional investment No. 1 at the price higher than the lowest appraised made by the Appraisers exceeding 5 percent but not exceeding 8.32 percent of the lowest appraised value which is an appropriate and acceptable price since the assets of the additional investment No. 1 are in a good condition and located in good locations and in the industrial zones. The value of the assets tends to increase and the assets tend to be attractive to investors and lessees. The final investment value was determined by book building which reflected from the market condition and expected return on investment during the offering period.
- 2) The REIT Manager engaged the property managers and paid the property management fee to TICON as the property manager of the assets in category of factory building at the rate of not exceeding the property management fee rate as specified in the Property Management Agreement for the Additional Investment No. 1.

1.2 Related Transaction of TREIT with Juristic Person Having the Same Major Shareholder with the REIT Manager

Juristic person having the same major shareholder with the REIT Manager is TPARK.

Nature of Relationship

TPARK is a juristic person having the same major shareholder with the REIT Manager. TPARK and the REIT Manager have the same major shareholder, namely TICON which holds the shares of approximately 99.99 percent of the registered paid-up capital of TPARK.

Nature of Related Transaction

- 1) TPARK sold and let real properties in category of 11 warehouse buildings (divided into 46 units) to TREIT in the additional investment No. 1 such as ownership of land, ownership of warehouse buildings, long-term leasehold rights of land and warehouse buildings.

- 2) The REIT Manager engaged TPARK as the property manager for such assets.

Reasonability of the Related Transaction

- 1) TREIT invested in the assets from TPARK as the additional investment No. 1 at the price higher than the lowest appraised made by the Appraisers exceeding 5 percent but not exceeding 11.22 percent of the lowest appraised value which is an appropriate and acceptable price since the assets of the additional investment No. 1 are in a good condition and located in good locations and in the industrial zones. The value of the assets tends to increase and the assets tend to be attractive to investors and lessees. The final investment value was determined by book building which reflected from the market condition and expected return on investment during the offering period.
- 2) The REIT Manager engaged the property managers and paid the property management fee to TPARK as the property manager of the assets in category of warehouse building at the rate of not exceeding the property management fee rate as specified in the Property Management Agreement for the Additional Investment No. 1.

2. Related Transaction of TREIT with the Trustee and the Connected Persons of the Trustee

For the investment and procurement of benefits from the assets of the additional investment No. 1, TREIT had entered into the related transactions with the connected person of the Trustee, which is the related transaction of TREIT with a major shareholder of the Trustee, namely Bangkok Bank Public Company Limited ("BBL").

Nature of Relationship

BBL is a major shareholder of the Trustee which holds the shares of approximately 75 percent of the registered paid-up capital of the Trustee. Additionally, BBL was engaged in other roles in relation to the issuance and offering of unit trust in the additional investment No. 1 as follows:

- 1) Financial advisor for the issuance and offering of unit trust of the additional investment No. 1
- 2) Firm underwriter of unit trust of the additional investment No. 1
- 3) Unitholder in case there were unit trust remaining from the subscription of investors and the firm commitment underwriting agreement of unit trust specifying the underwriter (BBL) to invest in the unit trust remaining from the subscription. Whereby BBL and a person in the same group can invest in the unit trust in the amount of not exceeding 50 percent of the unit trust issued and offered for sale in the additional investment No. 1.
- 4) Lender for investment in the assets of the additional investment No. 1.

Rationale and Necessity of the Transaction

- 1) The terms of relevant agreements for the selection of a financial advisor and a firm underwriter of unit trust of the additional investment No. 1 are in accordance with the

ordinary course of business, expenses relating to the entry into the transaction to be charged from TREIT are at a fair and appropriate rate comparing to a financial advisory service of other institution. Such entry into the transaction does not cause disadvantage to TREIT, and the REIT Manager has significantly considered the benefits to TREIT and the unitholders.

- 2) The Trustee supervises the payment of any service fees of TREIT in accordance with the rate and condition approved by the REIT Manager and not exceeding the rate as disclosed in the registration statement and the draft prospectus.
- 3) Terms of the loan agreement are the terms according to the ordinary course of business and do not cause disadvantage to TREIT, and the terms are comparable to the normal terms that the lender offers to other high net worth customer with similar risk pattern in similar industry.

17. Summary of Financial Status of TREIT

The following are the audited financial highlights.

1. Financial Operating Performance of TREIT for the 6-Month Period Ended June 30th, 2016 and June 30th, 2015

(Unit: THB Thousand)

Operating Performance	6-Month Period Ending on June 30 th , 2016	6-Month Period Ending on June 30 th , 2015
Investment Income		
Rental and service income	296,699	178,717
Interest income	2,036	1,299
Income from rental and service guarantees	35,043	23,660
Total Income	333,778	203,676
Expenses		
REIT Manager fee	31,825	21,536
Trustee fee	2,919	1,751
Registrar fee	1,116	676
Professional fee	297	263
Operational expenses	41,520	14,594

Operating Performance	6-Month Period Ending on June 30 th , 2016	6-Month Period Ending on June 30 th , 2015
Amortization of deferred expenses	7,573	7,181
Interest expenses	37,476	18,770
Total Expenses	122,726	64,771
Net Investment Income	211,052	138,905
Net unrealized gains (losses) on investments	90,890	(126,550)
Net Increase in Net Assets Resulting from Operations	301,942	12,405

The financial operating performance of TREIT for the 6-month period ended June 30th, 2016, TREIT has the total income in the amount of Baht 333.78 million which increases from the same period of the previous year in the amount of Baht 130.10 million or equals to 63.88 percent. TREIT has the total net investment income in the amount of Baht 211.05 million which increases from the same period of the previous year in the amount of Baht 72.15 million or equals to 51.94 percent. The increases in the total income and the net investment income are caused by the increase in the income of TREIT during the financial operating performance for the 6-month period ended June 30th, 2016 from the additional investment No. 1 of TREIT in real properties on December 18th and 21st, 2015.

The operational expenses of TREIT for the 6-month period ending on June 30th, 2016 are in the total amount of Baht 41.52 million which increase from the same period of the previous year in the amount of Baht 26.93 million. Such increase is partially caused by the increase in the allowance for doubtful debts in the amount of Baht 16.62 million comparing to the same period of the previous year. This was mainly caused by the change of the allowance for doubtful debts estimation policy of TREIT in the year 2016. As a result, TREIT has booked the overdue payment pursuant to the aforementioned policy of 1 factory tenant (which is one of the top 5 major tenants) as allowance for doubtful debts. However, the REIT Manager has closely monitored the payment of such tenant and, at present, the REIT Manager acting as the proxy of the Trustee is currently taking legal action against such tenant.

2. Statement of Financial Position as at June 30th, 2016 and December 31st, 2015

(Unit: THB Thousand)

Statement of Financial Position	Year 2016 (as at June 30 th , 2016)	Year 2015 (as at December 31 st , 2015)
Assets		
Investments in real properties at fair value	7,351,650	7,260,760
Investments in securities at fair value	70,526	310,271
Bank deposit	224,245	3,296
Accounts receivable		
From rental and service	68,304	45,560
From interest	185	368
Other	1,918	2,983
Deferred expenses	59,585	61,759
Other assets	8,719	2,440
Total Assets	7,785,132	7,687,437
Liabilities		
Accrued expenses	26,845	39,875
Withholding taxes payable	6,799	53,243
Deposits for rental and service	181,519	169,698
Long-term loans	1,819,000	1,819,000
Other liabilities	3,015	4,306
Total Liabilities	2,037,178	2,086,122
Net Assets		
Registered capital and capital received from unitholders	5,542,063	5,542,063
Retained earnings	205,891	59,252
Net Assets	5,747,954	5,601,315

Statement of Financial Position	Year 2016 (as at June 30 th , 2016)	Year 2015 (as at December 31 st , 2015)
Net Liabilities and Assets	7,785,132	7,687,437
Net Assets Value per Unit Trust (Baht)	10.1410	9.8823
Total outstanding unit trust as at the end of the period (Thousand unit trust)	566,800	566,800

As at June 30th, 2016, TREIT had the Total Asset Value (TAV) in the amount of Baht 7,785.13 million which increased from the total asset value as at December 31st, 2015 in the amount of Baht 97.70 million. This was mainly caused by the asset appraisal of 98 units of real properties of TREIT as of April 1st, 2016 made by independent appraisers pursuant to the income approach method, resulting in the adjustment of the amount of investments in real properties of TREIT to the new fair value of Baht 7,351.65 million and the unrealized gain from the asset appraisal of real properties at this time in the amount of Baht 90.89 million. In this regard, as at June 30th, 2016, TREIT had the Net Asset Value (NAV) in the amount of Baht 5,747.95 million and the Net Asset Value per Unit Trust in the amount of Baht 10.1410.

18. Existing Term Loan

Existing liabilities :

Unsecured loan from Bangkok Bank Public Company Limited in the total amount of Baht 1,819 million for the purpose of investment in real properties.

Loan	Principal Repayment	Existing loan
1	6 installments of principal repayment on a semi-annual basis, the first installment of principal repayment will be in December 2021 and the final fully paid installment of principal repayment will be within June 2024	860,000,000
2	6 installments of principal repayment on a semi-annual basis, the first installment of principal repayment will be in December 2022 and the final fully paid installment of principal repayment will be within June 2025	959,000,000
		<u>1,819,000,000</u>

Projected liabilities :

In the event that the unitholders' meeting approves the issuance and offering of debentures mainly for investment in the Additional Assets for Investment No. 2, TREIT will have additional debt in the amount of not exceeding Baht 1,470 million.

19. **Material Lawsuit or Claim in Progress**

TREIT does not have material legal dispute which directly relates to the business of TREIT that the REIT Manager believes to have a grave negative impact on the operation of TREIT.

The REIT Manager is responsible for the information contained in this Information Memorandum and hereby certifies that the information contained herein is true and complete in all respects.

Sincerely Yours,

TICON Freehold and Leasehold Real Estate Investment Trust

by TICON Management Company Limited

The REIT Manager

A handwritten signature in blue ink, consisting of stylized, overlapping loops and strokes, representing the name of the Managing Director.

(Mr. Peerapat Srisukont)

Managing Director