



Enclosure 5

Opinions of the Independent Financial Advisor regarding the Acquisition of the Additional Assets for Investment
No. 2 of TREIT and the Transaction of TREIT and Connected Persons of the REIT Manager

-Translation-

The Opinions of the Independent Financial Advisor on the
Acquisition of Additional Assets for Investment No.2 and
Connected Transaction of TICON Freehold and
Leasehold Real Estate Investment Trust

Of



TICON FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

PRESENT TO

Unitholders of TICON Freehold and Leasehold Real Estate Investment Trust

By



16 August 2016

This English Translation has been prepared solely for the convenience of the foreign Unitholders of TREIT and should not be relied upon as the definitive and official opinion of the Independent Financial Advisor. The Thai language version of the Opinion of the Independent Financial Advisor on the Acquisition of Assets and Connected Transactions is the definitive and official document and shall prevail in all respects in the event of any inconsistency with the English translation.

**The opinions of the Independent Financial Advisor on the Acquisition of Additional Asset No.2 and
Connected Transaction of Freehold and Leasehold Investment Trust**

16 August 2016

Objective: The opinions of the Independent Financial Advisor on the Acquisition of Assets and Connected Transactions

Dear: Unitholders of TICON Freehold and Leasehold Real Estate Investment Trust

Reference: 1) Information memorandum on acquisition of assets and transaction between TREIT and connected person dated 2 August 2016

2) Resolution of Board of Directors of TICON Management Company Limited on the Acquisition of assets and transaction between TREIT and connected persons No. 6/2016

3) Audited Financial Statements of TREIT for 12-month period ended as of 31 December 2015 to 2016

4) Reviewed Financial Statement of TREIT for a period of 6 months ended as of 30 June 2016

5) Interview with TICON Management Company Limited and related officers

6) Appraisal report of warehouse buildings and factory buildings prepared by Wealth Appraisal Company Limited (May 2016)

7) Appraisal report of warehouse buildings and factory buildings prepared by Wealth Appraisal Company Limited (dated May 2016)

8) Consult report by LS Horizon Company Limited (dated 23 June 2016)

9) Draft of issuance of debentures

10) Document and related agreements

As TICON Management Company Limited ("TMAN" or "REIT Manager"), the REIT Manager of TICON of TICON Freehold and Leasehold Real Estate Investment Trust ("TREIT"), has convened the Board Of Directors' Meeting no. 6/2016 on 22 August 2016 has passed its resolution for the second asset acquisition ("Additional Assets for Investment No.2") from TICON Industrial Connection Public Company Limited ("TICON") and TICON Logistics Park Company Limited ("TPARK") with the total consideration not exceeding Thai 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). This investment is in accordance with TREIT's investment objective,

which intend to invest in the real properties with the types of land and building those are factories, warehouse buildings and/or offices. For the transaction, TREIT needs to seek approval of its unitholders. TREIT is planning to invest in long-term freehold and leasehold assets including 20 units of warehouse buildings (4 projects) and 8 units of factory building (4 projects) with the total area of 69,021 sq.m. The Additional Freehold and Leasehold Assets for Investment No.2 will be acquired from TICON and TPARK. The transaction will be financed by issuance of debentures (tenor not exceeding 10 years) to be offered to the institutional and high-net worth investor, according 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, not exceeding Thai Baht 1,470.00 Million (if REIT manager does not invest in the Additional Assets for Investment No.2, REIT manager shall able to pay back the loans fully or partially using its surplus liquidity from the debentures issuance).

The Additional Investment of TREIT at a total value not exceeding Thai 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) or having a transaction value of 18.54 percent of total assets of TREIT (calculated from the financial statements of TREIT as of 30 June 2016) 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. ("the Notification SorRor 26/2555") and Regulation of Stock Exchange of Thailand RE: Listing, Disclosure of Information and Delisting of Real Estate Investment Trust Units B.E. 2556 (Bor. Jor./Ror. 29-00) ("Bor. Jor./Lor. Regulation"). Therefore, TMAN is obligated to disclose the information about the transaction to the SET and to seek approval from the Trustee, the Board of Directors of REIT Manager and the unitholders' meeting.

However, since the Additional Investment Assets is the assets of TICON and TPARK which is related party to TMAN, the current REIT Manager of TREIT. TICON holds 70.00 percent of TMAN. Therefore, TICON is a controlling shareholder of TREIT. Moreover, TICON is a major shareholder of TPARK who hold 99.99 percent of TPARK. Therefore, this investment and appointment of TICON and/or TPARK as the property manager of the Additional Investment Assets, is considered as the connected transaction between trust and the related party of the REIT Management pursuant to the Notification of SorRor. 26/2555 and the Notification of the Board of Governors of the Stock Exchange of Thailand RE: Disclosure of Information and the Acts of Listed Companies concerning Connected Transaction B.E. 2546 (2003) dated November 19, 2003 and its amendments (Borjor/Por 22-01). The connected transaction size of the additional investment will be 25.11% of Net Tangible Assets ("NTA") of Trust (calculated from the TREIT's financial statements for the 6-month period ended June 30, 2016) which is greater than 3.00% of NTA of Trust or greater than Thai Baht 20 Million.

Therefore, TMAN is obliged to disclose the information about the transaction to the SET and to seek approval from the unitholders' meeting at the votes of not less than three-fourths of the total votes of the unitholders attending the meeting and having the rights to vote, excluding the votes of the interested unitholders.

Also, TMAN has to appoint the Independent Financial Advisor to provide opinion regarding the appropriateness of the Transactions, the fairness of the Transactions price and conditions to the unitholders of the TREIT.

The Board of Directors Meeting of TMAN has approved the appointment of Discover Management Company Limited ("Independent Financial Advisor" or "the IFA"), as financial advisor approved by the SEC and Discover Management Company Limited does not have any relationship with TICON and TPARK, and is authorized to be an independent financial advisor to provide an opinion to unitholders about the fairness of the Transaction price and conditions to the Transaction.

The IFA has prepared this report on August 16, 2016 and hereby certified that we have studied, analyzed and prudently performed our duties as an Independent Financial Advisor, complying with the generally accepted professional standard and rendered our opinion based on the unbiased analysis with regards to the best benefit of the unitholders. However, it is important to note that the IFA's opinions are based on the information and documents received from TMAN, TICON and TPARK, interviews with the management of TMAN, TICON and TPARK and other publicly available information. The IFA assumes that such information is accurate and reliable at the time the IFA prepared this opinion report. However, if such information is found to be inaccurate and/or incomplete and/or unreliable and/or have any significant changes in the future, the opinion provided by the IFA may differ accordingly. As a result, the IFA is unable to be held responsible for any adverse impacts on TREIT and its unitholders resulting from the transaction. In addition, the objective of this report is merely to provide an opinion on the Transactions to TREIT's unitholders only. Notwithstanding, the decision to vote is the sole discretion of the unitholders, which shall include the consideration of advantages, disadvantages, and risk associated with the Transactions as well as consideration of the attached documents submitted to the unitholders along with the invitation letter so as to make the most appropriate decision. In this regard, the opinion of the IFA does not certify the success of the Transactions as well as the possible impacts to TREIT and/or to TREIT's unitholders. The IFA does not hold any responsibilities for the impacts that might arise from such transactions both directly and indirectly. In addition, the IFA has provided an English translation of its opinion for the benefit of the foreign shareholders. If there is any variation between the Thai and English version, the Thai version should prevail.

The IFA has considered the appropriateness of the Transactions in detail described below;

Abbreviation

TICON Management Company Limited	Company or REIT manager or TMAN
TICON Freehold and Leasehold Real Estate Investment Trust	TREIT
TICON Logistics Park Company Limited	TPARK
Discover Management	Discover or IFA
Stock Exchange of Thailand	SET
Securities Exchange Commission	SEC
TICON Industrial Connection Public Company Limited	TICON
Bangkok Bank Public Company Limited	BBL
GAA Asset Advisory Company Limited	GAA
LS Horizon Company Limited	The Consultant or LSH
Wealth Appraisal Company Limited	WA
Amata City Industrial Estate	AMC
TICON Logistics Park Bangplee 3 project	BPLEE3
TICON Logistics Park Leamchabang 2 project	LCB2
TICON Logistics Park Sriracha project	SRC
Rojana Industrial Park Prajeanburi	RJP
Rojana Industrial Park Ayudhaya	RJN
Bangpoo Industrial Estate	BPO
Bangwa (Hi-Tech) Industrial Estate	Hi-Tech
CBRE (Thailand) Company Limited	CBRE
The Additional Assets for Investment No.2 of TREIT	The Additional Assets for Investment No.2
Bualuang Asset Management Company Limited	Trustee or BBLAM
Debt to net assets value	LTV
Initial Public Offering	IPO

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1. Executive Summary

TICON Management Co., Ltd. ("TMAN" or "the Company"), as the REIT Manager of TICON Freehold and Leasehold Real Estate Investment Trust ("TREIT" or "the Trust"), convened the Board of Directors' Meeting No. 6/2016 on June 2nd, 2016 and the Board of Directors' Meeting thereby passed its resolution to propose to the Extraordinary General Meeting of Unitholders for consideration and approval of an investment in the additional assets for Investment No.2 by TREIT. The investment is in accordance with the objectives of TREIT and its investment policies that intend to invest in real properties with the types of land and buildings, comprising factories, warehouses and/or offices, in order to acquire freehold rights, rights of possession or leasehold rights (including sub-leasehold right), and real properties and assets which are component parts or equipment of such real properties. In this regard, the additional assets to be invested in this time comprise (a) freehold rights and leasehold rights of 20 units of warehouse buildings (4 projects) from TPARK and (b) freehold rights of 8 units of factory buildings from TICON, with a total area of approximately 69,021 sq. m. ("Additional Assets") and involving a total value of the investment in the Additional Assets No.2 of not over Thai 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 sources of funds for the investment in the Additional Assets for the Investment No.2 this time will be from the issuance and offering of debentures with the tenor of not exceeding 10 years (newly issued debentures). The details of additional assets for investment No.2 are as follows;

Freehold and Leasehold right of land and warehouse buildings

No.	Owner	Project	Assets		Number of buildings (Unit)	Approximate Building Age (Year)	Leasable area (sq.m.)
			Warehouse building	Land			
1	TPARK	BPLEE3 ¹	Leasehold 30 years	Leasehold 30 years	8	1	27,564
2	TPARK	LCB2 ²	Freehold	Freehold	2	2	4,900
3	TPARK	RJP ³	Freehold	Freehold	8	- ⁹	14,832
4	TPARK	SRC ⁴	Freehold	Freehold	2	3	4,900
Total leasable area							52,196

Freehold of factory buildings

No.	Owner	Project	Assets		Number of buildings (Unit)	Approximate Building Age (Year)	Leasable area (sq.m.)
			Factory Building	Land			
1	TICON	AMC ⁵	Freehold	Freehold	5	1	11,375
2	TICON	BPO ⁶	Freehold	Freehold	1	11	1,950
3	TICON	Hi-Tech ⁷	Freehold	Freehold	1	12	1,750
4	TICON	RJN ⁸	Freehold	Freehold	1	7	1,750
Total leasable area							16,825

Note: 1/ Warehouse building no. w6, w7, w8/1, w8/2, w8/3, w8/4, w10/1 and w10/2 (Leasehold investment for BPLEE3) which is 30 years' agreement

2/ Warehouse building no. w5/1 and w5/2

3/ Warehouse building no. w4/1, w4/2, w4/3, w4/4, w4/5, w4/6, w4/7 and w4/8

4/ Warehouse building no. w1/1 and w1/2

5/ Factory buildings no. SF.M1.9-A220/5, SF. A1.5/2-A488/13, SF. A2.1-A488/8, SF. A2.2/1-A488/3 and SF. A2.2/2-A488/7

6/ Factory building no. SF.M1.6-G27/1

7/ Factory buildings no. SF.M1.5/2 – G1/4-9

8/ Factory buildings no.SF.M1.5-42.4

9/ Warehouse building in Rojana Prajeanburi finished construction on 31 July 2016

The Additional Investment of TREIT at a total value not exceeding Thai 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) or having a transaction value of 18.54 percent of total assets of TREIT (calculated from the financial statements of TREIT as of 30 June 2016) 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. ("the Notification SorRor 26/2555") and Regulation of Stock Exchange of Thailand RE: Listing, Disclosure of Information and Delisting of Real Estate Investment Trust Units B.E. 2556 (Bor.Jor. /Ror. 29-00) ("Bor.Jor. /Lor. Regulation"). Therefore, TMAN is obligated to disclose the information about the transaction to the SET and to seek approval from the Trustee, the Board of Directors of REIT Manager and the unitholders' meeting.

However, since the Additional Investment Assets is the assets of TICON and TPARK which is related party to TMAN, the current REIT Manager of TREIT. TICON holds 70.00 percent of TMAN. Therefore, TICON has authority in managing TREIT. Moreover, TICON is a major shareholder of TPARK who hold 99.99 percent of TPARK. Therefore, this investment and appointment of TICON and/or TPARK as the property manager of the Additional Investment Assets, is considered as the connected transaction between trust and the related party of the REIT Management pursuant to the Notification of SorRor. 26/2555 and the Notification of the Board of Governors of the Stock Exchange of Thailand RE: Disclosure of Information and the Acts of Listed Companies concerning Connected Transaction B.E. 2546 (2003) dated November 19, 2003 and its amendments (Borjor/Por 22-01). The connected transaction size of the additional investment will be 25.11% of Net Tangible Assets ("NTA") of Trust (calculated from the TREIT's financial statements for the 6-month period ended June 30, 2016) which is greater than 3.00% of NTA of Trust or greater than Thai Baht 20 Million.

Therefore, TMAN is obliged to disclose the information about the transaction to the SET and to seek approval from the unitholders' meeting at the votes of not less than three-fourths of the total votes of the unitholders attending the meeting and having the rights to vote, excluding the votes of the interested unitholders. Also, TMAN has to appoint the Independent Financial Advisor to provide opinion regarding the appropriateness of the Transactions, the fairness of the Transactions price and conditions to the unitholders of the TREIT.

Based on our analysis in relation to the appropriateness of the Transaction including the fairness of price and conditions of this investment, the IFA considers that the Transaction is Appropriate based on the following advantages;

1. This investment is in accordance with TREIT's investment objective and policy.

2. Generate income to the TREIT right after completion of the transaction as the occupancy rate of 100.00¹ percent.
3. The assets from the additional investment No.2 has potential for future growth due to the location of assets which are main Industrial area of Thailand
4. Warehouse buildings and factory buildings to be invested this times are in a ready-to-use condition and have quite low building age around 0 to 3 years and 5 to 8 years respectively
5. This investment of TREIT will increase total asset of TREIT which will be attractive for the investors
6. This investment is considered as revenue diversification
7. An increase of investor confident and image of TREIT due to an increase in assets will support the NAV and liquidity of TREIT in the future
8. Increase freehold properties to the TREIT which support long-term growth benefits for unitholders.
9. Total investment value of 1,443.20 Million Baht is an appropriate value compare to the fair value between 1,312.00 – 1,542.61 Million Baht.

However, there are some **disadvantages** and **risk** from entering in to this transaction as follows;

1. Increase debt and interest expenses to TREIT due to newly issues of debenture
2. Cost of debt might increase because TREIT might be downgraded from A- to BBB+ as a result of incremental of LTV.
3. There is the risk that TREIT will not get benefits from this assets according to the plan
4. Risk from natural disaster that used to happen to the assets in 2011
5. Risk from unable to enter into the transaction due to the precedent conditions
6. Risk from unable to refinance in the future

When considering advantages, disadvantages, risk associated and conditions of transaction, IFA considers this transaction to be appropriate based on fairness of transaction price and conditions of the transaction. Therefore, unitholders should approve this transaction. However, TRIET will be able to invest in The Additional Assets for Investment No.2 only after the transaction has been approved by SEC and unitholders and able to issue new debentures to finance the project.

¹ Occupancy rate of building as of 30 June 2016 is equal to 96 percent of total leasable areas. The remaining 1 vacant unit or 4 percent of total leasable areas which lessee has agreed to lease, start on 1 February 2017. 100 percent of occupancy rate includes guarantee of occupancy by TPARK and TICON who will compensate income for the Trust for the vacant units until the rental period is started

2. Transaction Background

2.1. Characteristics and details of the Transaction

The Additional Investment of TREIT at a total value not exceeding Thai 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) or having a transaction value of 18.54 percent of total assets of TREIT (calculated from the financial statements of TREIT as of 30 June 2016) 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. ("the Notification SorRor 26/2555") and Regulation of Stock Exchange of Thailand RE: Listing, Disclosure of Information and Delisting of Real Estate Investment Trust Units B.E. 2556 (Bor.Jor. /Ror. 29-00) ("Bor.Jor. /Lor. Regulation"). Therefore, TMAN is obligated to disclose the information about the transaction to the SET and to seek approval from the Trustee, the Board of Directors of REIT Manager and the unitholders' meeting.

However, since the Additional Investment Assets is the assets of TICON and TPARK which is related party to TMAN, the current REIT Manager of TREIT. TICON holds 70.00 percent of TMAN. Therefore, TICON has authority in managing TREIT. Moreover, TICON is a major shareholder of TPARK who hold 99.99 percent of TPARK. Therefore, this investment and appointment of TICON and/or TPARK as the property manager of the Additional Investment Assets, is considered as the connected transaction between trust and the related party of the REIT Management pursuant to the Notification of SorRor. 26/2555 and the Notification of the Board of Governors of the Stock Exchange of Thailand RE: Disclosure of Information and the Acts of Listed Companies concerning Connected Transaction B.E. 2546 (2003) dated November 19, 2003 and its amendments (Borjor/Por 22-01). The connected transaction size of the additional investment will be 25.11% of Net Tangible Assets ("NTA") of Trust (calculated from the TREIT's financial statements for the 6-month period ended June 30, 2016) which is greater than 3.00% of NTA of Trust or greater than Thai Baht 20 Million.

2.2. Date / Month / Year

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.

2.3. Parties Involved and Relationship with TREIT

2.3.1. Parties involved with the purchase of properties and plant (Factory buildings)

Buyer:	BBLAM as a trustee of TREIT
Seller:	TICON

2.3.2. Connected person

Name:	TICON
Address:	175 SATHORN CITY TOWER, 7TH,21ST AND 26TH FLOOR, SOUTH SATHORN ROAD, SATHORN, BANGKOK 10120, THAILAND
Website:	http://www.ticon.co.th
Type of business:	Constructor of factory building for rent
Connection*:	TICON is a major shareholder who hold 70% of TMAN's shares and has authority in managing TMAN which is the REIT manage of TREIT and also major unitholders of TREIT

Note * details as no 2.5 (Connected person)

Summary of units of TREIT held by TICON

	Before newly registered capital*	
	Million units	Percentage
TICON	65.29	11.52

Note: *as of 24 May 2016

Related Directors

	Related Directors		
	TICON	TMAN	TPARK
Mr. Virapan Pulges	X	X	X
Mr. Threekwan Bunnag	X	-	X
Mr. Chai Vinichbutr	X	-	X
Mr. Jirapongs Vinichbutr	X		X

2.3.3. Parties Involved the purchase of properties and plant (Warehouse building)

Buyer:	BBLAM as a Trustee of TREIT
Seller:	TPARK

2.3.4. Connected person

Name:	TPARK
Address	175 SATHORN CITY TOWER, 7TH,21ST AND 26TH FLOOR, SOUTH SATHORN ROAD, SATHORN, BANGKOK 10120, THAILAND
Website:	http://www.ticon.co.th
Type of business:	Constructor of warehouse building for rent
Connection*:	TPARK has a major shareholder which is TICON who hold 70 percent of TMAN shares and has authority in managing TREIT (TPARK does not hold TREIT units)

Note * Details as no. 2.6 (Connected person)

Related Directors

	Related Directors		
	TICON	TMAN	TPARK
Mr. Virapan Pulges	X	X	X
Mr. Threekwan Bunnag	X	-	X
Mr. Chai Vinichbutr	X	-	X
Mr. Jirapongs Vinichbutr	X		X

2.4. Details of TICON Freehold and Leasehold Real Estate Investment Trust (Attachment 1)2.5. Details of TICON Industrial Connection Public Company Limited (Attachment 2)2.6. Detail of TICON Logistics Park Company Limited (Attachment 3)2.7. Transaction size and type

The investment in the Additional Investment Assets No.2 at a total value not exceeding Thai Baht 1,443.20 Million is considered as the acquisition of assets and the connected transaction between trust and the related party of the REIT Management. Details of calculation in transaction size based on the TREIT's financial statements for the 6-month period ended June 30, 2016 as follows;

Details of calculation in acquisition of assets transaction size

$$\begin{aligned}
 \text{Acquisition of assets} &= \text{Amount of money payment / total assets of TREIT} \\
 &= \text{Thai Baht } 1,443.20^{1/} \text{ Million / Thai Baht } 9,228.33 \\
 &\text{Million} \\
 &= 18.54 \%
 \end{aligned}$$

Details of calculation in connected transaction size

$$\begin{aligned}
 \text{Connected transaction size} &= \text{Value of consideration / Net Tangible Assets of} \\
 &\text{TREIT} \\
 &= \text{Thai Baht } 1,443.20^{1/} \text{ Million / Thai Baht } 5,747.97^{2/} \\
 &\text{Million} \\
 &= 25.11 \%
 \end{aligned}$$

Note: 1/excluding expenses related to issuance of debentures for this transaction, including registration fees, specific business tax and other relevant fees and expenses

2/Net Tangible Assets = Total Assets – Intangible Assets - Liabilities

The investment in the Additional Investment Assets No.2 is considered as the acquisition of assets which has a transaction value of 18.54% of total assets of TREIT. In addition, since the Additional Assets No.2 is the assets of TICON and TPARK which are a related party to TMAN, the current REIT Manager of TREIT.

TICON holds 70.00 percent of TMAN and 99.99 percent of TPARK. Moreover, TICON holds 11.52 percent of TREIT (information of unitholders of TREIT as of 24 May 2016) and TICON and/or TPARK have been appointed to be property manager of TREIT. Therefore, this investment is considered as the connected transaction between trust and the related party of the REIT Management which having transaction value of 25.11 of NTA of TREIT that is greater than 3.00% of NTA of TREIT or Thai Baht 20 Million.

Therefore, TREIT is obliged to disclose the information about the transaction to the SET and to seek approval from the unitholders' meeting at the votes of not less than three-fourths of the total votes of the unitholders attending the meeting and having the rights to vote, excluding the votes of the interested unitholders and the interested unitholders who do not have the right to vote are presented in the following Table.

Name	Number of units held (Units)	Relationship with the counterparties of the Transaction
TICON	65,294,439	Major Unitholder of TREIT

2.8 Summary of Material Details of the Agreements

TREIT will enter into the total of 2 agreements to sell and to purchase land and buildings, by entering into 1 agreement with TPARK and 1 agreement with TICON, and TREIT will enter into 1 lease agreement of land and 1 lease agreement of buildings with TPARK. The total agreements which TREIT will enter into are 4 agreements. Summary of material details of the agreements are as follows:

(1) Agreement to sell and to purchase land and buildings

The 2 agreements to sell and to purchase land and buildings which TREIT will enter into with TPARK and TICON have similar material conditions. However, certain terms and conditions have additional provisions and are different in each agreement which can be summarized as follows:

(1.1) Agreement to sell and to purchase land and buildings with TPARK

Seller	TPARK
Buyer	BBL Asset Management Company Limited as the trustee of TREIT
Properties to be Purchased	Land and warehouse buildings as follows: 1. A plot of land under the title deed No. 177127, and 1 warehouse building with 2 units, at TICON Logistics Park Sriracha project located in Tambol Surasak, Amphur Sriracha, Chonburi Province 2. A plot of land under the title deed No. 178445, and 1 warehouse building with 2 units, at TICON Logistics Park Laemchabang 2 project located in Tambol Nong Kham, Amphur Sriracha, Chonburi Province 3. 2 plots of land under the title deed No. 52346 and 52348, and 1 warehouse building with 8 units, at Rojana Industrial Park Prachinburi located in Tambol Huawa, Amphur Si Maha Phot, Prachinburi Province
Purchase price	Baht [●]

Seller's Obligations	<ul style="list-style-type: none"> ● The Seller agrees to register servitude for the land currently owned by the Seller and/or for any other plots of land subdivided from those plots of land to be the servient property for purpose of entrance and exit, walkway, vehicle way, electricity, water, telephone, drain, and any other utilities for the benefits of the Properties to be Purchased without time limit and any consideration. ● In case the tenant has exercised the right under the land and building lease agreement, service agreement for the land and building, and common area service agreement for the land and building (if any) (collectively referred to as the "Agreements") between the Seller and the tenant, which exists prior to or as of the investment date of TREIT, in terminating the Agreements before the end of the term without the deposit being forfeited pursuant to the Agreements due to such tenant has exercised the right to move from the leased asset to other assets within the Seller's group (Option to Swap), excluding in the case where the tenant has exercised Option to Swap to move to other assets of the Purchaser, and including the exercise of Option to Swap under the Agreements between the Purchaser and the tenant which have been renewed by the Purchaser after the investment date of TREIT. The Seller agrees to compensate such deposit to the Purchaser in the amount equal to the deposit as specified in the Agreements of such tenant. ● In case the tenant has exercised the right under the Agreements between the Seller and the tenant, which exists prior to or as of the investment date of TREIT, in terminating the Agreements before the end of the term during the exercise of right period as specified without the deposit being forfeited pursuant to the Agreements (Option to Early Terminate), and including the exercise of Option to Early Terminate under the Agreements which have been renewed by the Purchaser after the investment date of TREIT. The Seller agrees to compensate such deposit to the Purchaser in the amount equal to the deposit as specified in the Agreements of such tenant. (At present, the Agreements of warehouse building No. W1/1 and W1/2 located at TICON Logistics Park Sriracha project have Option to Early Terminate). ● In case, on the investment date of TREIT, any of the Properties to be Purchased is vacant or in case the tenant already entered into the Agreements for such Properties to be Purchased but the lease term and the payment of rental and service fees, and common area service fee (if any) have not yet started on the investment date of TREIT or the lease term of the Agreements has already started but the Agreements are still in the Rent-Free Period (the "Rent-Free Period") or in the period where the tenant has the right to pay rental fee, service fee, and common area service fee (if any) at the rate lower than the rental fee, service fee, and common area service fee (if any) as specified in the Agreements that the tenant shall pay after such period (Fitting-Out Period) (the "Fitting-Out Period") (the "Vacant Unit"). The Seller agrees to compensate to the Purchaser in the amount equal to the rate of rental and service fees, and common area service fee (if any) as specified in the Agreements with the tenant for such Vacant Unit or other unit with similar characteristics as the Vacant Unit (in case such Vacant Unit does not have any previous tenant) or in the amount equal to the difference between the actual amount of rental fee, service fee, and
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	<p>common area service fee (if any) which the Purchaser will receive and the rental fee, service fee, and common area service fee (if any) as specified in the Agreements which the tenant shall pay after the Rent-Free Period or the Fitting-Out Period (as the case may be) (the “Compensation Rate”) for the period of 12 months as of the investment date of TREIT or as of the investment date of TREIT until the date that the Purchaser has entered into the Agreements with the new tenant or as of the investment date of TREIT until the date that the Purchaser has received the rental fee, service fee, and common area service fee (if any) in the amount as specified in the Agreements which the tenant shall pay after the Rent-Free Period or the Fitting-Out Period (as the case may be) (whichever occurs earlier) (the “Compensation Period”).</p> <p>In this regard, if the Agreements between the Purchaser and the new tenant as stated in Paragraph 1, which were procured by the Seller, have ended within 12 (twelve) months as of the investment date of TREIT, the Seller agrees to compensate to the Purchaser for such Vacant Unit by applying the foregoing principle as stated in Paragraph 1 <i>mutatis mutandis</i>.</p> <p>Nonetheless, in the event that the Seller is able to procure new tenant to enter into the Agreements within the Compensation Period but the rate of rental and service fees, and common area service fee (if any) is lower than the Compensation Rate or the Agreements have the Rent-Free Period or Fitting-Out Period, the Seller agrees to compensate to the Purchaser in the amount equal to the difference between the Compensation Rate and the rental and service fees, and common area service fee (if any) as specified in the Agreements with such new tenant or the actual amount of rental and service fees, and common area service fee (if any) which the Purchaser will receive (as the case may be) until the end of the 12-month period as of the investment date of TREIT or until the date on which the Purchaser is able to agree on the rental and service fees, and common area service fee (if any) with such new tenant to be at the rate of not less than the Compensation Rate (whichever occurs earlier).</p> <ul style="list-style-type: none"> • The Seller agrees not to charge the Purchaser for the commission fees for such procurement of new tenant to enter into the Agreements with the Purchaser, within the Compensation Period.
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Reference: LSH

(1.2) Agreement to sell and to purchase land and buildings with TICON

Seller	TICON
Buyer	BBL Asset Management Company Limited as the trustee of TREIT
Asset to be sold	<p>Land and factory buildings as follows:</p> <ol style="list-style-type: none"> 1. A plot of land under the title deed No. 288254, and 1 factory building, at Bangpoo Industrial Estate located in Tambol Praeksa, Amphur Muang Samut Prakarn, Samut Prakarn Province 2. A plot of land under the title deed No. 71624, and 1 factory building, at Banwa (Hi-Tech) Industrial Estate located in Tambol Banlane, Amphur Bangpa-In, Phra Nakhon Si Ayutthaya Province

	<p>3. 3 plots of land under the title deed No. 38799, part of land under the title deed No. 38795², and part of land under the title deed No. 38793¹, and 5 factory buildings, at Amata City Industrial Estate located in Tambol Mabyangporn, Amphur Pluak Deang, Rayong Province</p> <p>4. A plot of land under the title deed No. 31578, and 1 factory building, at Rojana Industrial Park Ayutthaya located in Tambol Banchang, Amphur U-Thai, Phra Nakhon Si Ayutthaya Province</p>
Purchase price	Baht [●]
Seller's Obligations	<ul style="list-style-type: none"> ● The Seller agrees to register servitude for the land currently owned by the Seller and/or for any other plots of land subdivided from those plots of land to be the servient property for purpose of entrance and exit, walkway, vehicle way, electricity, water, telephone, drain, and any other utilities for the benefits of the Properties to be Purchased without time limit and any consideration. (Only for the land and factory building No. A1.5/2 located at Banwa (Hi-Tech) Industrial Estate, and the land and factory building No. M1.9, A1.5/2, A2.1, A2.2/1, and A2.2/2 located at Amata City Industrial Estate). ● In case the tenant has exercised the right under the land and building lease agreement, service agreement for the land and building, and common area service agreement for the land and building (if any) (collectively referred to as the “Agreements”) between the Seller and the tenant, which exists prior to or as of the investment date of TREIT, in terminating the Agreements before the end of the term without the deposit being forfeited pursuant to the Agreements due to such tenant has exercised the right to move from the leased asset to other assets within the Seller's group (Option to Swap), excluding in the case where the tenant has exercised Option to Swap to move to other assets of the Purchaser, and including the exercise of Option to Swap under the Agreements between the Purchaser and the tenant which have been renewed by the Purchaser after the investment date of TREIT. The Seller agrees to compensate such deposit to the Purchaser in the amount equal to the deposit as specified in the Agreements of such tenant. ● In case the tenant has exercised the right under the Agreements between the Seller and the tenant, which exists prior to or as of the investment date of TREIT, in terminating the Agreements before the end of the term during the exercise of right period as specified without the deposit being forfeited pursuant to the Agreements (Option to Early Terminate), and including the exercise of Option to Early Terminate under the Agreements which have been renewed by the Purchaser after the investment date of TREIT. The Seller agrees to compensate such deposit to the Purchaser in the amount equal to the deposit as specified in the Agreements of such tenant. (At present, the Agreements of factory

² The land in which TREIT will invest at Amata City Industrial Estate are under a separation of the land title deeds process, which is expected to be completed prior to the investment.

building No. A1.5/2 located at Banwa (Hi-Tech) Industrial Estate have Option to Early Terminate).

- In case, on the investment date of TREIT, any of the Properties to be Purchased is vacant or in case the tenant already entered into the Agreements for such Properties to be Purchased but the lease term and the payment of rental and service fees, and common area service fee (if any) have not yet started on the investment date of TREIT or the lease term of the Agreements has already started but the Agreements are still in the Rent-Free Period (the “**Rent-Free Period**”) or in the period where the tenant has the right to pay rental fee, service fee, and common area service fee (if any) at the rate lower than the rental fee, service fee, and common area service fee (if any) as specified in the Agreements that the tenant shall pay after such period (Fitting-Out Period) (the “**Fitting-Out Period**”) (the “**Vacant Unit**”). The Seller agrees to compensate to the Purchaser in the amount equal to the rate of rental and service fees, and common area service fee (if any) as specified in the Agreements with the tenant for such Vacant Unit or other unit with similar characteristics as the Vacant Unit (in case such Vacant Unit does not have any previous tenant) or in the amount equal to the difference between the actual amount of rental fee, service fee, and common area service fee (if any) which the Purchaser will receive and the rental fee, service fee, and common area service fee (if any) as specified in the Agreements which the tenant shall pay after the Rent-Free Period or the Fitting-Out Period (as the case may be) (the “**Compensation Rate**”) for the period of 12 months as of the investment date of TREIT or as of the investment date of TREIT until the date that the Purchaser has entered into the Agreements with the new tenant or as of the investment date of TREIT until the date that the Purchaser has received the rental fee, service fee, and common area service fee (if any) in the amount as specified in the Agreements which the tenant shall pay after the Rent-Free Period or the Fitting-Out Period (as the case may be) (whichever occurs earlier) (the “**Compensation Period**”).

In this regard, if the Agreements between the Purchaser and the new tenant as stated in Paragraph 1, which were procured by the Seller, have ended within 12 (twelve) months as of the investment date of TREIT, the Seller agrees to compensate to the Purchaser for such Vacant Unit by applying the foregoing principle as stated in Paragraph 1 *mutatis mutandis*.

Nonetheless, in the event that the Seller is able to procure new tenant to enter into the Agreements within the Compensation Period but the rate of rental and service fees, and common area service fee (if any) is lower than the Compensation Rate or the Agreements have the Rent-Free Period or Fitting-Out Period, the Seller agrees to compensate to the Purchaser in the amount equal to the difference between the Compensation Rate and the rental and service fees, and common area service fee (if any) as specified in the

	<p>Agreements with such new tenant or the actual amount of rental and service fees, and common area service fee (if any) which the Purchaser will receive (as the case may be) until the end of the 12-month period as of the investment date of TREIT or until the date on which the Purchaser is able to agree on the rental and service fees, and common area service fee (if any) with such new tenant to be at the rate of not less than the Compensation Rate (whichever occurs earlier).</p> <ul style="list-style-type: none"> • The Seller agrees not to charge the Purchaser for the commission fees for such procurement of new tenant to enter into the Agreements with the Purchaser, within the Compensation Period.
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Reference: LSH

(2) Lease Agreement of Land

Summary of material details of the lease agreement of land between TREIT and TPARK are as follows:

Lessor	TPARK
Lessee	BBL Asset Management Company Limited as the trustee of TREIT
Asset for rent	15 plots of land, which are the land under the title deeds No. 67307, 104818, 104819, 121302, 121303, and 121304, and part of land under the title deed No. 6078, 7666, 104815, 104816, 104817, 118032, 121305, 121307, and 137159, at TICON Logistics Park Bangplee 3 project located in Tambol Bangpla, Amphur Bangplee, Samut Prakarn Province
Rental period	30 years
Rental fee	Baht [•]
Lessor's Obligations	<ul style="list-style-type: none"> • The Lessor agrees to, at the Lessor's own expense, give the right of way to the Lessee and the tenant of the Lessee including all their followers (the "Access Land") for continuous use as entrance, exit, walkway, vehicle way, electricity, water, telephone, drain and other utilities without any obstruction throughout the Lease Term. If there is any expense incurred from the repair, care, or maintenance of such Access Land, the parties hereto agree to jointly be responsible for such expense proportionately to the usable area, unless such damage is a result of the fault of any of the parties hereto, the party at fault agrees to solely be responsible for such expense incurred from the repair, care, or maintenance. • The Lessor agrees not to transfer ownership of the Access Land to any other person, unless the Lessor has received prior written consent from the Lessee, and the Lessor agrees to ensure that the transferee agrees in writing with the Lessee allowing the Lessee to use the Access Land pursuant to the condition specified hereto.

Reference: LSH

(3) Lease Agreement of Buildings

Summary of material details of the lease agreement of building between TREIT and TPARK are as follows:

Lessee	TPARK
Lessee	BBL Asset Management Company Limited as the trustee of TREIT
Asset for rent	4 warehouse buildings with 8 units at TICON Logistics Park Bangplee 3 project located in Tambol Bangpla, Amphur Bangplee, Samut Prakarn Province
Rental period	30 years
Rental fee	Baht [•]
Lessor Responsibility	<ul style="list-style-type: none"> ● In case the tenant has exercised the right under the Agreements, which exists prior to or as of the investment date of TREIT, in terminating the Agreements before the end of the term without the deposit being forfeited pursuant to the Agreements due to such tenant has exercised the right to move from the leased asset to other assets within the Lessor's group (Option to Swap), excluding in the case where the tenant has exercised Option to Swap to move to other assets of the Lessee, and including the exercise of Option to Swap under the Agreements between the Lessee and the tenant which have been renewed by the Lessee after the investment date of TREIT. The Lessor agrees to compensate such deposit to the Lessee in the amount equal to the deposit as specified in the Agreements of such tenant. (At present, the Agreements of warehouse building No. W10/1 and W10/2 located at TICON Logistics Park Bangplee 3 project have Option to Swap). ● In case the tenant has exercised the right under the Agreements between the Lessor and the tenant, which exists prior to or as of the investment date of TREIT, in terminating the Agreements before the end of the term during the exercise of right period as specified without the deposit being forfeited pursuant to the Agreements (Option to Early Terminate) , and including the exercise of Option to Early Terminate under the Agreements which have been renewed by the Lessee after the investment date of TREIT. The Lessor agrees to compensate such deposit to the Lessee in the amount equal to the deposit as specified in the Agreements of such tenant. (At present, the Agreements of factory building No. W8/1 located at TICON Logistics Park Bangplee 3 project have Option to Early Terminate). ● In case, on the investment date of TREIT, any of the Leased Properties is vacant or in case the tenant already entered into the Agreements for such Leased Properties but the lease term and the payment of rental and service fees, and common area service fee (if any) have not yet started on the investment date of TREIT or the lease term of the Agreements has already started but the Agreements are still in the Rent-Free Period (the "Rent-Free Period") or in the period where the tenant has the right to pay rental fee, service fee, and common area service fee (if any) at the rate lower than the rental fee,

service fee, and common area service fee (if any) as specified in the Agreements that the tenant shall pay after such period (Fitting-Out Period) (the “**Fitting-Out Period**”) (the “**Vacant Unit**”). The Lessor agrees to compensate to the Lessee in the amount equal to the rate of rental and service fees, and common area service fee (if any) as specified in the Agreements with the tenant for such Vacant Unit or other unit with similar characteristics as the Vacant Unit (in case such Vacant Unit does not have any previous tenant) or in the amount equal to the difference between the actual amount of rental fee, service fee, and common area service fee (if any) which the Lessee will receive and the rental fee, service fee, and common area service fee (if any) as specified in the Agreements which the tenant shall pay after the Rent-Free Period or the Fitting-Out Period (as the case may be) (the “**Compensation Rate**”) for the period of 12 months as of the investment date of TREIT or as of the investment date of TREIT until the date that the Lessee has entered into the Agreements with the new tenant or as of the investment date of TREIT until the date that the Lessee has received the rental fee, service fee, and common area service fee (if any) in the amount as specified in the Agreements which the tenant shall pay after the Rent-Free Period or the Fitting-Out Period (as the case may be) (whichever occurs earlier) (the “**Compensation Period**”).

In this regard, if the Agreements between the Lessee and the new tenant as stated in Paragraph 1, which were procured by the Lessor, have ended within 12 (twelve) months as of the investment date of TREIT, the Lessor agrees to compensate to the Lessee for such Vacant Unit by applying the foregoing principle as stated in Paragraph 1 *mutatis mutandis*.

Nonetheless, in the event that the Lessor is able to procure new tenant to enter into the Agreements within the Compensation Period but the rate of rental and service fees, and common area service fee (if any) is lower than the Compensation Rate or the Agreements have the Rent-Free Period or Fitting-Out Period, the Lessor agrees to compensate to the Lessee in the amount equal to the difference between the Compensation Rate and the rental and service fees, and common area service fee (if any) as specified in the Agreements with such new tenant or the actual amount of rental and service fees, and common area service fee (if any) which the Lessee will receive (as the case may be) until the end of the 12-month period as of the investment date of TREIT or until the date on which the Lessee is able to agree on the rental and service fees, and common area service fee (if any) with such new tenant to be at the rate of not less than the Compensation Rate (whichever occurs earlier).

	<ul style="list-style-type: none"> The Lessor agrees not to charge the Lessee for the commission fees for such procurement of new tenant to enter into the Agreements with the Lessee, within the Compensation Period. (At present, the Agreements of warehouse building No. W10/1 located at TICON Logistics Park Bangplee 3 project is vacant since the Agreements of the tenant will commence on February 1st, 2017).
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Reference: LSH

Agreement related to issuance of debentures of TREIT TRIET has to issue debentures for 1,470.00 Million Baht which is being proceeded by TMAN in order to find appropriate lender. IFA has summarized the agreement which expected to be as follows;

(5) Draft of debentures agreement

Issuer	TICON Freehold and Leasehold Real Estate Investment Trust
Underwriter	Pending
Financial Advisor	Pending
Debentures type	Subordinated debenture, unsecured debentures
Size	No specific size yet
Maturity	Not exceeding 10 years
Credit rating	A- (estimated)
Interest rate	Depend on market demand
Par payment	Bullet Payment
Coupon rate	Fixed
Coupon payment	Semi-annually
Lender	Institutional investors and high-net worth unitholders
Details	<ul style="list-style-type: none"> - Details of document has to be correct - Documents need to be approved by consultant - There must not be a significant change such as country premium risk, significant change in financial statements and business of TREIT - Significant change in communication and payment system in Thailand

Reference: TREIT

When the transaction is made, TREIT has to enter into REIT Manager Appointment transaction with TMAN and Property Manager Appointment with TICON and TPARK for this additional assets investment No.2. From the interviews with executives of TMAN, the agreements are being made and only add details of additional assets without any significant change in terms and conditions.

2.8. Return and approach being used in calculated return and sources of fund

2.8.1. Return

The Additional Assets for Investment No.2 at total value of not exceeding 1,443.20 Million Baht (excluding estimated expenses in relation to the issuance and offering of debentures and additional assets investment) which calculated by return from the assets and appraisal value from independent appraisers which are GAA and WA. These reports were prepared to determine the market value of the Additional Assets No.2 for public purposes and for consideration of the asset acquisition of TREIT by income approach with Discounted

Cash Flow Model. The investment value of the Additional Asset for Investment No.2 will not be higher than the lowest appraised value of the Additional Asset for Investment No.2 made by the appraisers exceeding 10 percent.

Table of appraisal value compare with the value of this investment

No.	Owner	Project	Appraisal value by income approach (Million Baht)		Minimum Appraisal value (Million Baht)	Value of the investment by REIT (Million Baht)	Number of buildings (Unit)	(sq..m.)
			WA	GAA				
1	TPARK	BPLEE3 ¹	465.33	442.00	442.00	486.20	8	27,564
2	TPARK	LCB2 ²	102.42	97.00	97.00	106.70	2	4,900
3	TPARK	RJP ³	276.33	275.00	275.00	302.50	8	14,832
4	TPARK	SRC ⁴	96.00	92.00	92.00	101.20	2	4,900
Total						996.60	Total areas	52,196

No.	Owner	Project	Appraisal value (Million Baht)		Minimum Appraisal Value (Million Baht)	Value of the investment by TREIT (Million Baht)	Number of buildings (Unit)	(sq. m.)
			WA	GAA				
1	TICON	AMC ⁵	289.90	278.00	278.00	305.80	5	11,375
2	TICON	BPO ⁶	47.97	46.00	46.00	50.60	1	1,950
3	TICON	Hi-Tech ⁷	41.34	40.00	40.00	44.00	1	1,750
4	TICON	RJN ⁸	43.16	42.00	42.00	46.20	1	1,750
Total						446.60	Total areas	16,825

Note: 1/ Warehouse buildings no.w6, w7, w8/1, w8/2, w8/3, w8/4, w10/1 and w10/2 (investment for BPLEE3 project is a leasehold for 30 years)

2/ Warehouse buildings no. w5/1 and w5/2

3/ Warehouse buildings no. w4/1, w4/2, w4/3, w4/4, w4/5, w4/6, w4/7 and w4/8

4/ Warehouse buildings no. w1/1 and w1/2

5/ Factory buildings no. SF.M1.9-A220/5, SF. A1.5/2-A488/13, SF. A2.1-A488/8, SF. A2.2/1-A488/3 and SF. A2.2/2-A488/7

6/ Factory buildings no. SF.M1.6-G27/1

7/ Factory buildings no.SF.M1.5/2 – G1/4-9

8/ Factory buildings no.SF.M1.5-42.4

TREIT shall pay for the Additional Assets for Investment No. 2 to TICON and TPARK on the day that TICON and TPARK transfer the freehold and leasehold right to TREIT. TMAN shall enter into the transaction after the approval of the meeting of shareholders and success in conditions of agreement such as TREIT is approved by SEC to issue debentures and TICON and TPARK complete the conditions of the transaction, etc.

2.8.2. Source of fund

The source of fund of this transaction is from the issuance of debentures of not more than 1,470.00 Million Baht. However, TREIT has not appointed financial advisor and underwriter yet. TREIT is expecting to be appointed both financial advisor and underwriter within Q3 or Q4/2016. The rate of return of this debenture is

referred from capital market and money market and includes other factors which are (1) Capital market/money market condition (2) Required rate of return of investors (3) Financial performance of assets (4) Interest rate (5) Rate of return investing in securities and (6) Book building from investors by debenture seller

Issuance of debentures shall be under the conditions according to the agreement of TREIT's deed.

2.9. Opinion of IFA on the connected transaction

From the approval of the meeting of Board of Directors of TMAN no. 6/2016 on 2 August 2016, independent directors have considered the matters relating to the transactions and have no different opinion from the opinion of the Board of Directors of TREIT.


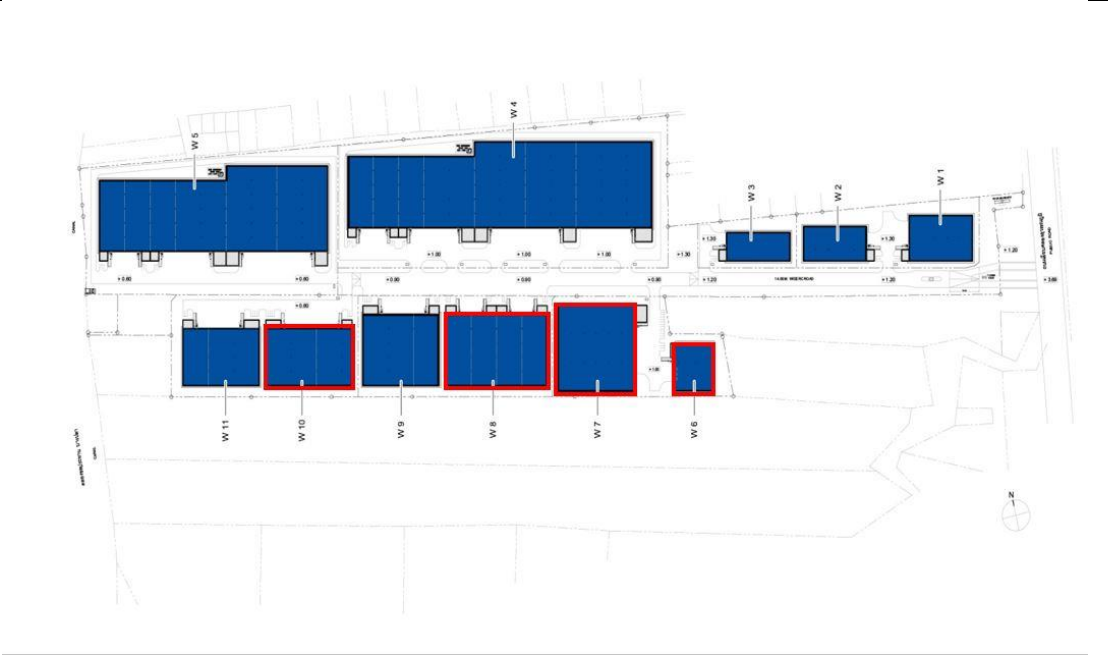

3. Summary of asset details

The Additional Assets for Investment No. 2 to be acquired are (1) Freehold and leasehold of warehouse buildings 4 project 20 units with the total areas of 52,196 sq.m. which belong to TPARK and (2) Freehold and leasehold of factory buildings 4 project 8 units with the total areas of 16,825 sq.m. which belong to TICON. These Additional Assets for Investment No.2 have details as follows;

3.1. Warehouse buildings

3.1.1. Warehouse buildings in BPLEE3 project

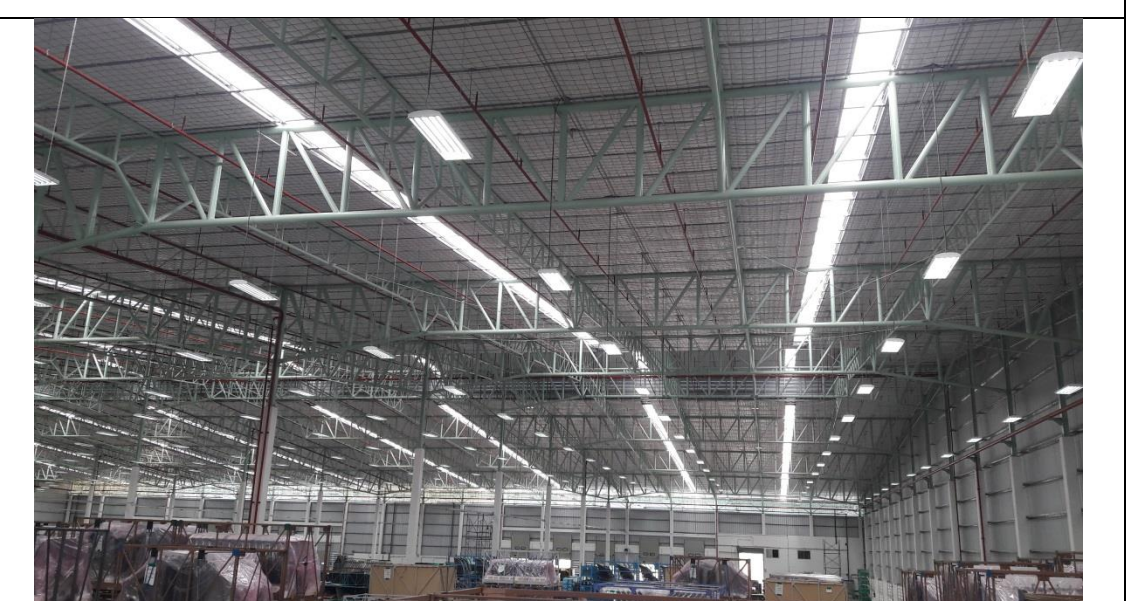
Location	Located in BPLEE3 project	
Details of assets	1.) 30 years' rental period in land of 27-0-21.44 Rai	
	2.) 30 years of rental period in warehouse buildings and buildings in BPLEE3 project with the leasable area of 27,564.00 sq.m. details as follows;	
	Warehouse buildings	Leasable area (sq.m.)
	W6	2,400.00
	W7	8,640.00
	W8/1	2,466.00
	W8/2	2,466.00
	W8/3	2,466.00
	W8/4	2,466.00
	W10/1	2,736.00
	W10/2	3,924.00
	Total	27,564.00
	3.) 30 years rental period on buildings and other asset including in the area	
Assets status	<ul style="list-style-type: none"> - The buildings are composed of storage, office area, transportation area and utilities system with the building age of 1 year - Exit and entrance road in front of BPLEE3 project 	

Regulations/ related law	<ul style="list-style-type: none"> - <u>City plan regulation</u> asset is located at the authority area of Samut Prakarn at Lueng Yor 1-3 non-crowded area - <u>Property law</u> Restriction of buildings need to be approved by related government department at Samutprakarn - <u>Expropriation</u> the land is not located near the expropriation area - No surrounded project
Owner	TICON Logistics Park Company Limited ("TPARK")
Map	
Project map	
Picture	



3.1.2. Warehouse buildings in RJP project

Location	RJP project	
Assets details	1.) Land of 17-0-99 Rai	
	2.) Warehouse buildings and office in RJP project with the leasable area of 14,832.00 sq. m.	
	Warehsq,se buildings	Leasable area (sq.m.)
	W4/1	1,800.00
	W4/2	1,800.00
	W4/3	1,800.00
	W4/4	2,016.00
	W4/5	2,016.00
	W4/6	1,800.00
	W4/7	1,800.00
	W4/8	1,800.00
	Total	14,832.00
	3.) Land and building and other assets including in the land	
Assets status	<ul style="list-style-type: none"> - Warehouse buildings ready-to-use on 31 July 2016 - Road in front of asset which is private land no soi name 	
Regulation/ related law	<ul style="list-style-type: none"> - <u>City plan regulation</u> assets is located outside restrict area - <u>Property law</u> Restriction of buildings need to be approved by related government department at Prajeenburi - <u>Expropriation</u> the land is not located near the expropriation area - No surround project 	
Owner	TICON Logistics Park Company Limited ("TPARK")	

Map	
Project map	
Picture	



3.1.3. Warehouse buildings in LCB2 project

Location	LCB2 project														
Assets details	<div>1.) Land of 6-3-46.60 Rai</div> <div>2.) Warehouse buildings and office building in LCB2 project with the total area of 4,900 sq.m. details as follows;</div> <table><tr><td>Warehouse buildings</td><td>Leasable area (sq.m.)</td><td>Rental period</td></tr><tr><td>W5/1</td><td>2,000.00</td><td>14 June 15- 31 May 18</td></tr><tr><td>W5/2</td><td>2,900.00</td><td>1 Aug 14 – 31 Jul 17</td></tr><tr><td>Total</td><td>4,900.00</td><td></td></tr></table> <div>3.) Land and buildings and other buildings include in the land</div>			Warehouse buildings	Leasable area (sq.m.)	Rental period	W5/1	2,000.00	14 June 15- 31 May 18	W5/2	2,900.00	1 Aug 14 – 31 Jul 17	Total	4,900.00	
Warehouse buildings	Leasable area (sq.m.)	Rental period													
W5/1	2,000.00	14 June 15- 31 May 18													
W5/2	2,900.00	1 Aug 14 – 31 Jul 17													
Total	4,900.00														
Assets status	<div>- The buildings are composed of storage, office area, shipment area and utilities system with the building age of 2 year</div> <div>- Exit and entry road in front of LCB2 project</div>														
Regulation/ related law	<div>- <u>City plan regulation</u> asset is located in the green area restriction of Chonburi province</div> <div>- <u>Property law</u> Restriction of buildings need to be approved by related government department in Chonburi</div> <div>- <u>Expropriation</u> the land is not located near the expropriation area</div> <div>- There are some projects of the government that might affect benefits of land of asset which are Nhongkham construction of transportation and explore and designing project of high-speed train</div>														
Owner	TICON Logistics Park Company Limited (“TPARK”)														
Map															

Project map	
Picture	

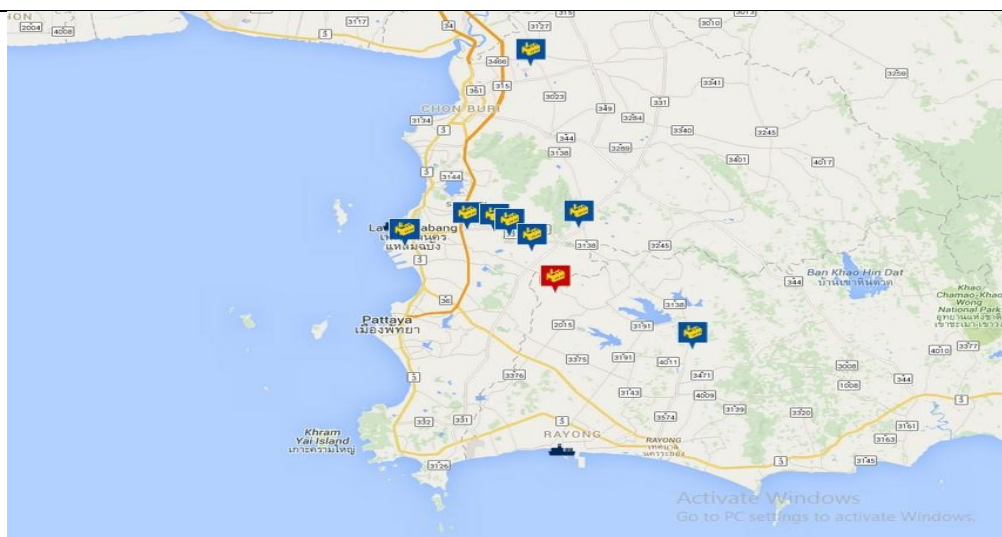
3.1.4. Warehouse buildings in SRC project



Location	SRC project												
Asset details	<div><div><div>1.) Land of 5-1-43.20 Rai</div><div>2.) Warehouse buildings and office buildings in SRC project with the total area of 4,900.00 sq.m. details as follows;</div><div><table><tr><td>Warehouse buildings</td><td>Leasable area (sq.m.)</td><td>Rental period</td></tr><tr><td>W1/1</td><td>2,450.00</td><td>1 Jan 16 – 31 Dec 18</td></tr><tr><td>W1/2</td><td>2,450.00</td><td>1 Jan 16 – 31 Dec 18</td></tr><tr><td>Total</td><td>4,900.00</td><td></td></tr></table></div><div>3.) Land and other buildings include in the land</div></div></div>	Warehouse buildings	Leasable area (sq.m.)	Rental period	W1/1	2,450.00	1 Jan 16 – 31 Dec 18	W1/2	2,450.00	1 Jan 16 – 31 Dec 18	Total	4,900.00	
Warehouse buildings	Leasable area (sq.m.)	Rental period											
W1/1	2,450.00	1 Jan 16 – 31 Dec 18											
W1/2	2,450.00	1 Jan 16 – 31 Dec 18											
Total	4,900.00												
Asset status	<div><div>The buildings are composed of storage, office area, transportation area and utilities system with the building age of 3 years</div><div>Road in front of assets inside SRC project</div></div>												
Regulation/ related law	<div><div>City plan regulation assets located outside restrict area</div><div>Property law Restriction need to be approved by related government department at Choburi first</div><div>Expropriation the land is not located near the expropriation area</div><div>There are some projects of the government that might affect benefits of land of asset which are Nhongkham construction of transportation and explore and designing project of high-speed train</div></div>												
Owner	TICON Logistics Park Company Limited (“TPARK”)												
Map													

Project map	
Picture	

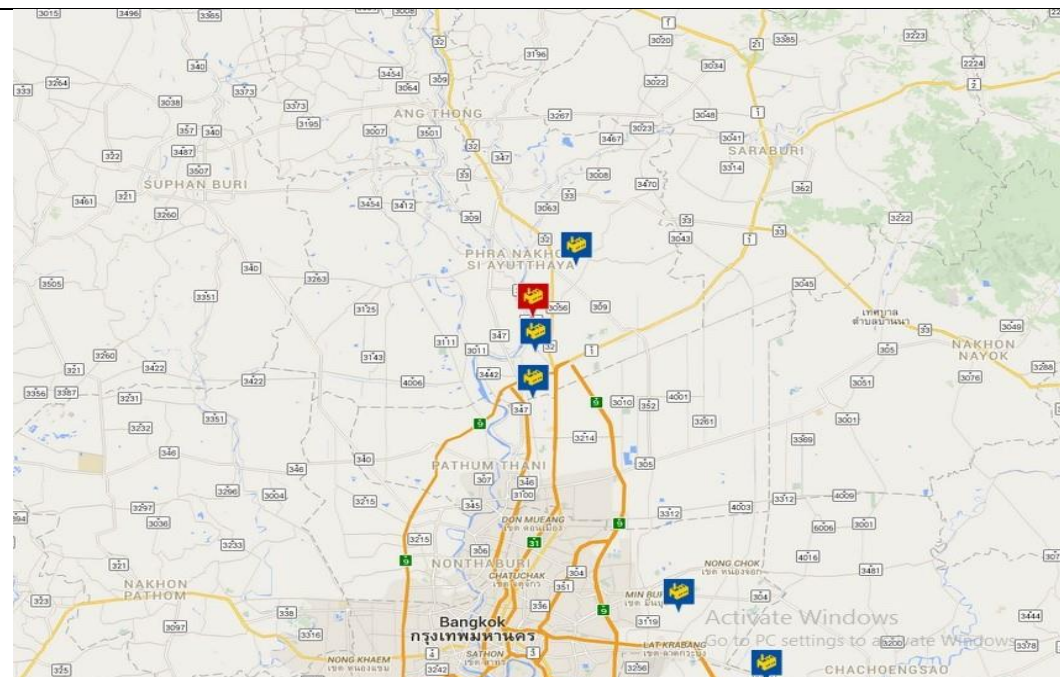
3.2. Factory building

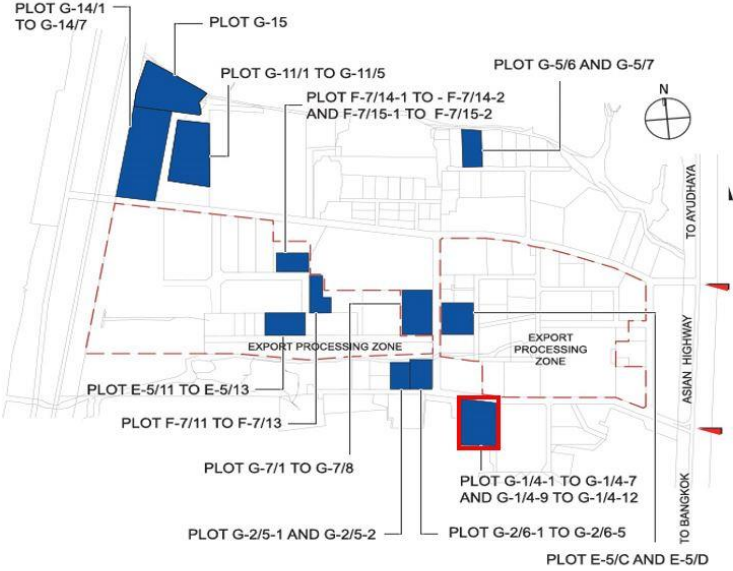

3.2.1. Factory building in AMC project

Location	AMC project																					
Assets details	<div>1.) Land of 20-0-31.1 Rai</div> <div>2.) Factory buildings in AMC project with the total area of 11,375.00 sq.m. details as follows;</div> <table><tr><td>Factory buildings</td><td>Leasable area (sq.m.)</td><td>Rental period</td></tr><tr><td>SF.M1.9-A220</td><td>2,250.00</td><td>16 Jul 14 – 15 Jan 18</td></tr><tr><td>SF. A1.5/2-A488</td><td>1,750.00</td><td>1 Nov 15 – 31 Oct 18</td></tr><tr><td>SF. A2.1-A488</td><td>2,375.00</td><td>1 June 16 – 31 May 19</td></tr><tr><td>SF. A2.2/1-A488</td><td>2,500.00</td><td>1 June 16 – 31 May 19</td></tr><tr><td>SF. A2.2/2-A488</td><td>2,500.00</td><td>1 June 16 – 31 May 19</td></tr><tr><td>Total</td><td>11,375.00</td><td></td></tr></table> <div>3.) Land and other buildings include in land</div>	Factory buildings	Leasable area (sq.m.)	Rental period	SF.M1.9-A220	2,250.00	16 Jul 14 – 15 Jan 18	SF. A1.5/2-A488	1,750.00	1 Nov 15 – 31 Oct 18	SF. A2.1-A488	2,375.00	1 June 16 – 31 May 19	SF. A2.2/1-A488	2,500.00	1 June 16 – 31 May 19	SF. A2.2/2-A488	2,500.00	1 June 16 – 31 May 19	Total	11,375.00	
Factory buildings	Leasable area (sq.m.)	Rental period																				
SF.M1.9-A220	2,250.00	16 Jul 14 – 15 Jan 18																				
SF. A1.5/2-A488	1,750.00	1 Nov 15 – 31 Oct 18																				
SF. A2.1-A488	2,375.00	1 June 16 – 31 May 19																				
SF. A2.2/1-A488	2,500.00	1 June 16 – 31 May 19																				
SF. A2.2/2-A488	2,500.00	1 June 16 – 31 May 19																				
Total	11,375.00																					
Assets status	<div>- The buildings are composed of storage, office area, transportation area and utilities system with the building age of 1 year</div> <div>- Road in front of asset inside AMC project</div>																					
Regulation/ related law	<div>- <u>City plan regulation</u> the asset is located outside restrict area</div> <div>- <u>Property law</u> Restriction need to be approved by related government department at Rayong</div> <div>- <u>Expropriation</u> the land is not located near the expropriation area</div> <div>- There are some projects of the government that might affect benefits of land of asset which are Nhongkham construction of transportation and exploration and designing project of high-speed train</div>																					
Owner	TICON Industrial Connection Public Company Limited (“TICON”)																					
Map																						

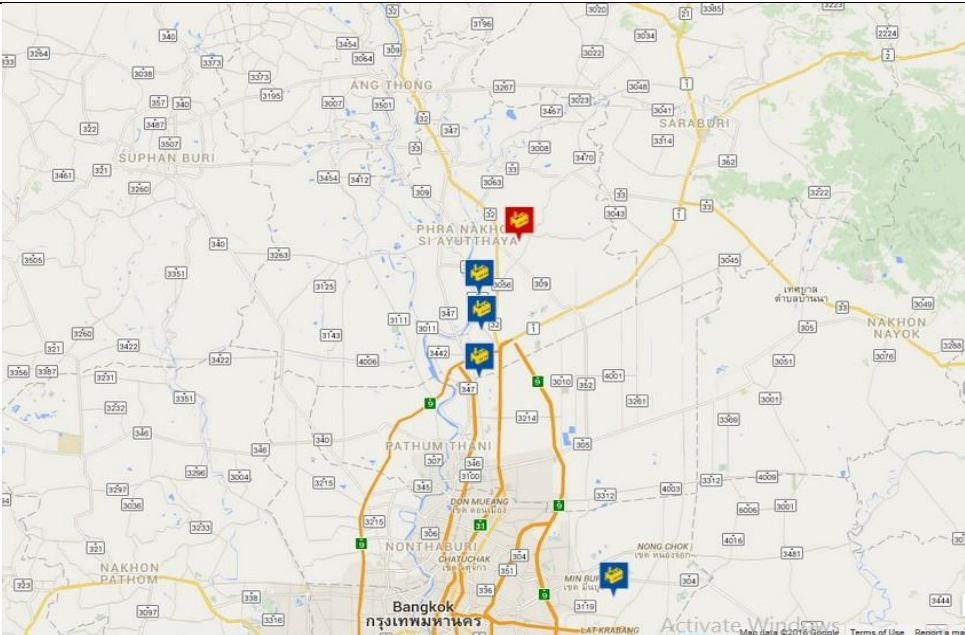
Project map	
Picture	

3.2.2. Factory buildings in Hi-Tech project

Location	Hi-Tech project									
Asset details	<div>1.) Land of 2-3-50 Rai</div> <div>2.) Factory buildings and office building in Hi-Tech project with the total area of 1,750 sq.m. details as follows</div> <table><tr><td>Factory building</td><td>Leasable area (sq. m.)</td><td>Rental period</td></tr><tr><td>SF. A1.5/2-G1/4-9</td><td>1,750.00</td><td>16 June 15 – 15 June 18</td></tr><tr><td>Total</td><td>1,750.00</td><td></td></tr></table> <div>3.) Land and other building include in the land</div>	Factory building	Leasable area (sq. m.)	Rental period	SF. A1.5/2-G1/4-9	1,750.00	16 June 15 – 15 June 18	Total	1,750.00	
Factory building	Leasable area (sq. m.)	Rental period								
SF. A1.5/2-G1/4-9	1,750.00	16 June 15 – 15 June 18								
Total	1,750.00									
Asset status	<div>- The buildings are composed of storage, office area, transportation area and utilities system with the building age of 12 year</div> <div>- Road in front of asset inside Hi-Tech project</div>									
Regulation/ related law	<div>- <u>City plan regulation</u> the asset is located outside restrict area</div> <div>- <u>Property law</u> Restriction need to be approved by related government department at Ayudhaya</div> <div>- <u>Expropriation</u> the land is not located near the expropriation area</div> <div>- There is high-way project which might affect the benefits of the project</div>									
Owner	TICON Industrial Connection Public Company Limited (“TICON”)									
Map										

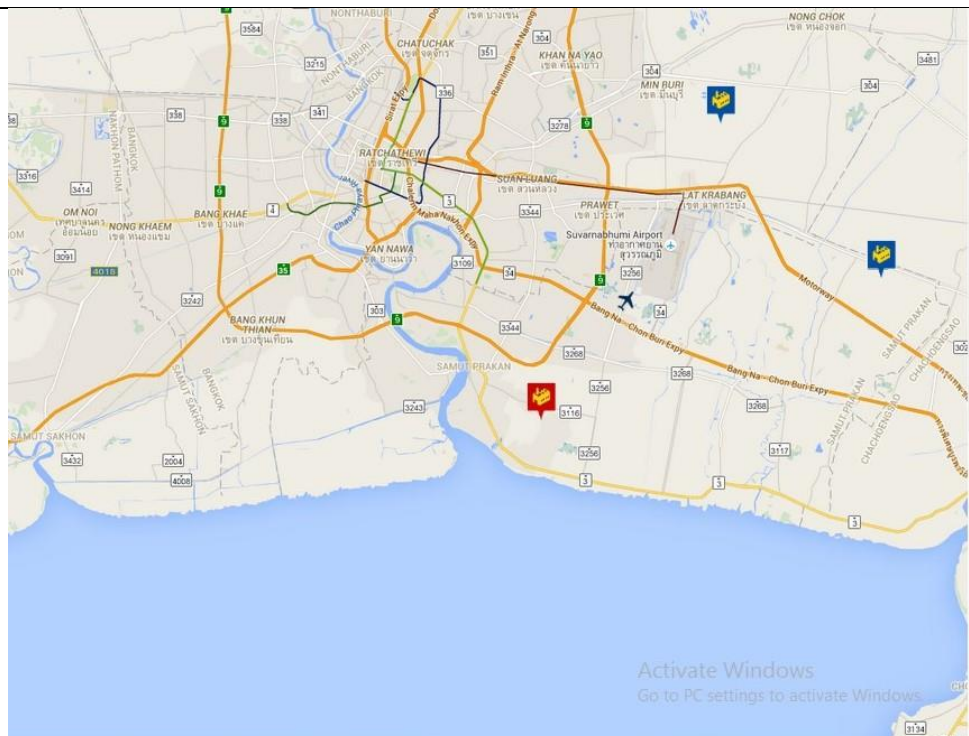
Project map	
Picture	

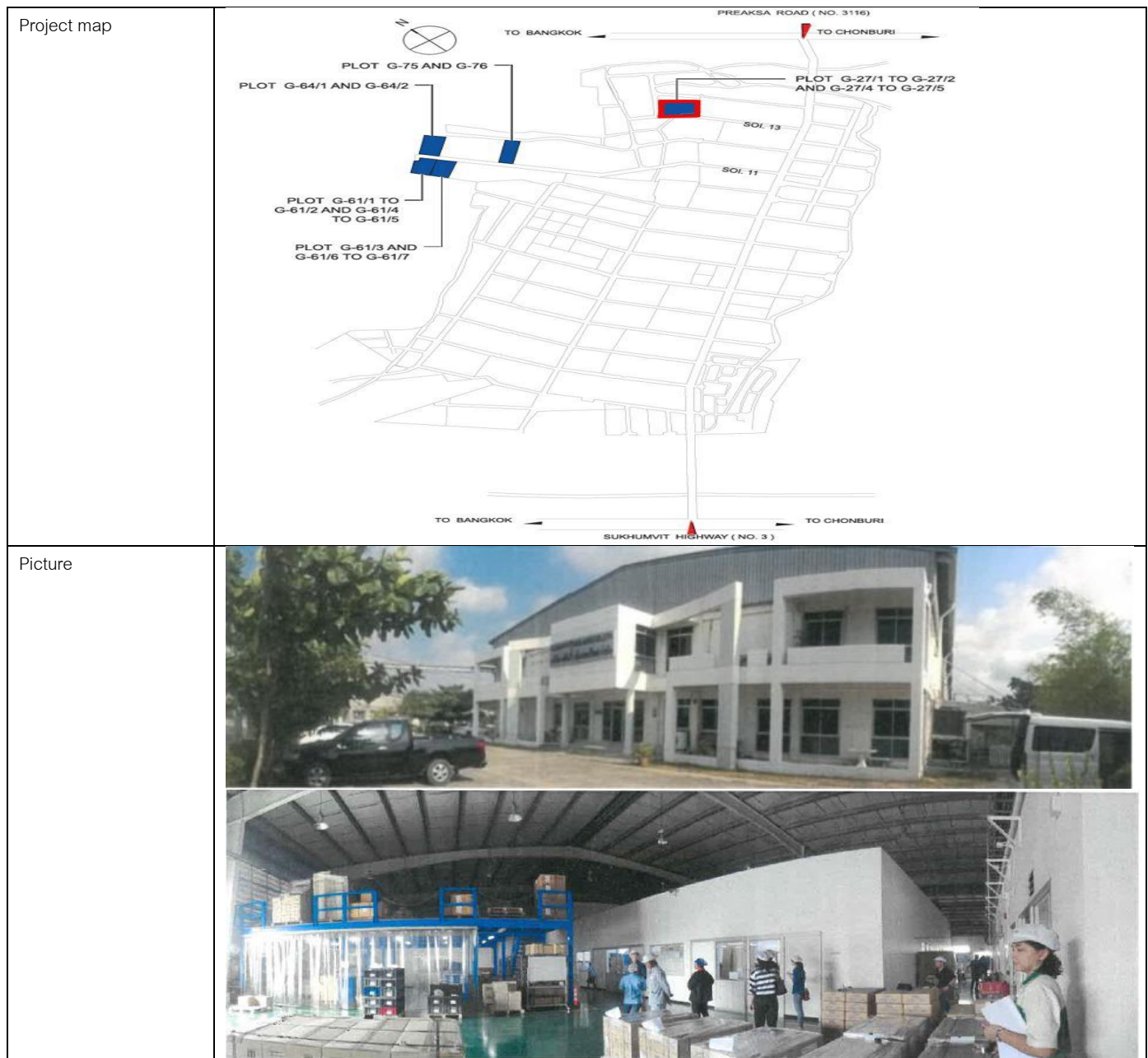
3.2.3. Factory building in RJN project

Location	RJN project									
Asset details	<div><div>1.) Land of 2-3-35 Rai</div><div>2.) Factory buildings in RJN project with the total area of 1,750.00 sq.m. details as follows;</div><table><tr><td>Factory buildings</td><td>Leasable area (sq.m.)</td><td>Rental period</td></tr><tr><td>SF. A1.5-42.4</td><td>1,750.00</td><td>1 Sept 15 – 31 Aug 18</td></tr><tr><td>Total</td><td>1,750.00</td><td></td></tr></table></div> <div>3.) Land and other assets include in the land</div>	Factory buildings	Leasable area (sq.m.)	Rental period	SF. A1.5-42.4	1,750.00	1 Sept 15 – 31 Aug 18	Total	1,750.00	
Factory buildings	Leasable area (sq.m.)	Rental period								
SF. A1.5-42.4	1,750.00	1 Sept 15 – 31 Aug 18								
Total	1,750.00									
Asset status	<div><div>The buildings are composed of storage, office area, transportation area and utilities system with the building age of 7 years</div><div>Road in front of asset which is road inside RJN project</div></div>									
Regulation/ related law	<div><div>City plan regulation the asset is located outside restriction area</div><div>Property law Restriction need to be approved by related government department at Ayudhaya</div><div>Expropriation the land is not located near the expropriation area</div><div>There is high-way project which might affect the benefits of the project</div></div>									
Owner	TICON Industrial Connection Public Company Limited (“TICON”)									
Map										

Project map	
Picture	

Factory building in BPO project

Location	BPO project									
Asset details	<div>1.) Land of 2-2-95.8 Rai</div> <div>2.) Factory building and office building in BPO project with the total area of 1,950 sq.m. details as follows;</div> <table><tr><td>Factory building</td><td>Leasable area (sq.m.)</td><td>Rental period</td></tr><tr><td>SF.M1.6-G27/1</td><td>1,950.00</td><td>1 Apr 14 – 31 Mar 17</td></tr><tr><td>Total</td><td>1,950.00</td><td></td></tr></table> <div>3.) Land and other assets include in the land</div>	Factory building	Leasable area (sq.m.)	Rental period	SF.M1.6-G27/1	1,950.00	1 Apr 14 – 31 Mar 17	Total	1,950.00	
Factory building	Leasable area (sq.m.)	Rental period								
SF.M1.6-G27/1	1,950.00	1 Apr 14 – 31 Mar 17								
Total	1,950.00									
Assets status	<div>- The buildings are composed of storage, office area, transportation area and utilities system with the building age of 11 years</div> <div>- Road in front of asset which is road inside Soi 12 B and 13 B in RJN project</div>									
Regulation/ related law	<div>- <u>City plan regulation</u> the asset is located at purple area Aor 2-2 Samutprakarn</div> <div>- <u>Property law</u> Restriction need to be approved by related government department at Samutprakarn</div> <div>- <u>Expropriation</u> the land is not located near the expropriation area</div> <div>- No surround project</div>									
Owner	TICON Industrial Connection Public Company Limited ("TICON")									
Map										



4. Reasonableness of transaction

4.1. Objective and benefits of the transaction

The investment in Additional Assets for investment No.2 is in accordance with TREIT's policy to invest in freehold/leasehold warehouse buildings and factory buildings, which is the income producing asset and has a potential to generate a good return on investment to the unitholders immediately after the investment is done. Furthermore, with the high demand of the assets, as they are located in one of the most important industrial center of Thailand with convenient transportation, it will produce a constant stream of income for TREIT in the future, resulting in a return on investment to TREIT's unitholders in terms of the return on investment from a good operating performance of TREIT. Besides with the growth of the size of asset and revenue after the transaction, TREIT may become more attractive in investor's view. Also, this could affect the change in NAV of TREIT in a positive way and also increase liquidity of the TREIT's units.

4.2. Compare between advantages and disadvantages of the transaction

4.2.1. Advantages of the transaction

- 1) The investment in Additional Assets for investment No.2 is in accordance with TREIT's policy to invest in freehold/leasehold warehouse buildings and factory buildings. All of the assets to be acquired is ready-to-use and available for rent.
- 2) This investment is the income producing asset and have potential to generate a good return on investment to the unitholders right after completion of the transaction as the current occupancy rate of buildings is 100^{3/} percent. Moreover, it will produce a constant stream of income for TREIT which help to increase liquidity of the TREIT in the future.
- 3) The Additional Assets for Investment No.2 are located in the Industrial Estate near from Bangkok and the Don Mueang and Suvarnabhumi international airport, Leam Chabang Port which is the business center and main transportation center of Thailand. These assets might have potential to generate long-term growth in the future.
- 4) Warehouse and factory buildings to be acquired are ready-to-use and has quite low average building age of 0-3 years and 5 to 8 years respectively. Moreover, there is utility system (Electricity, water, telephone, internet, school, hospital, etc.) in the TICON and TPARK project which will attract the lessee and generate return to unitholders. (If the project has occupancy rate and rental fee according to the plan)
- 5) This investment could attract more investor's interest as it increases the total assets and revenue of the TREIT. After the investment, IFA has expected the total assets of TREIT to be Thai Baht 9,228.33 Million, increased by Thai Baht 7,785. 13 Baht and has more revenue by Thai Baht 112 Million per annum (Referred to the income projection of IFA in 2017). In addition, this investment is financed by debt (debentures) which will benefit the unitholders directly because sources of fund do not come from unitholders' equity.
- 6) This investment is a diversification of TREIT's incomes (Diversification of lessees) which could reduce the risk to TREIT.
- 7) An increase in assets and revenue per annum of TREIT could help gain investor's confidence , which could support the change in NAV in positive way as well as increase its liquidity.
- 8) This Additional Assets for Investment No.2 will Increase freehold investment ratio for the REIT as 60.06 percent of this investment is freehold assets. The freehold assets of TREIT will increase from 56 to 56.64 of sellable areas, which will support long-term benefits of the unitholders.

³ 100 percent of occupancy rate includes guarantee of occupancy by TPARK and TICON who will compensate income for the Trust for the vacant units until the rental period is started

Type of assets	Leasable area (sq.m.)	Percent	Additional leasable area from this investment	Percent	Total leasable area after an investment	Percent
Leasehold	162,667	44.00%	27,564	39.94%	190,231	43.36%
Freehold	207,038	56.00%	41,457	60.06%	248,495	56.64%

Noted: Leasable area only

- 9) Increase Earnings per units of TREIT without Control and Price Dilution effect due to unchanged in paid-up capital. TREIT is likely to have total revenue increase by Baht 112 Million per annum from expected net profits of the Assets estimated by IFA. (From the projection of income details as no. 5.2)

4.2.2. Disadvantages from the transaction

- 1) Increase in liabilities and interest expenses to TREIT. Long-term debt will increase from Thai Baht 1,819 Million (financial statements as of 30 June 2016) to Thai Baht 3,289 Million which will increase interest expenses from Thai Baht 54.96 Million in 2016 to be increased by Thai Baht 60.64 Million per annum (Interest expense is calculated based on the coupon interest from debentures). However, IFA expects the cash inflow generated from these assets will be able to cover the interest expenses that increase.
- 2) Possibility of the incremental in cost of debts due to the credit rating downgraded. As a result of acquired Assets for Investment no2., TREIT's LTV will increase from 20.73% to 34.05% (based on 30 June 2016 financial statement). It is high possibility for TREIT to be downgraded due to its LTV higher than 30% which could increase the cost of debt of TREIT in the future.
- 3) Risk associated with the investment returns on the assets does not go as well as planned due to a number of associated risk factors with the warehouse and factory for rent business, the reduction in the occupancy rate and rental fee. However, the projection of IFA is based on the principle of conservative basis) which will reduce the probability that TREIT will not get benefits according to the plan. However, if TREIT cannot achieve the goal, unitholders might get off-target return.
- 4) Risk associated with catastrophic events for some of the assets under this transaction in the area that was hit by a severe flooding during 2011 such as Hi-Tech project and RJP project. However, from the interview with TMAN's executives, lessee still would like to rent the buildings in that area and also prepare for protection of the flood details as follow;
 - **Hi-Tech project** – Build high step land supported by Double Concrete Sheet Pile +3.80 Meters to +5.40 Meters above MSL (Last flood was +4.90 MSL) total length of 11,050 Meter which designed based on Design return period of 70 years of rain intensity.
 - **RJP project** - Build high step land supported by Double Concrete Sheet Pile +5.00 Meter to +6.00 Meter above MSL (Last flood was +5.30 MSL) total length of 76,375 Meters.

Moreover, TREIT has all risk insurance and business interruption insurance prepared for this flood.

- 5) Risk associated with the failure to comply with the precedent conditions as the investment needs to be finance by the issuance of debentures of Thai Baht 1,470 Million within the time frame and require approval from Trustee and unitholders. Moreover, if TREIT cannot enter into the transaction, TREIT will has to pay for Financial advisor fee and consultant fee, etc. However, TMAN's executives are confident that the terms can be achieved due to the potential of this investment.
- 6) Risk associated with the failure to refinance in the future. This investment requires an issuance of 1,470 Million Baht of debentures with only 10 years to maturity. Therefore, TREIT has to refinance in the future and the debentures in the future might not be attractive for the investors at that time due to economy, business, capital market factors. However, TMAN's executives have a contingency plan to finance this transaction by issuance of REIT's unit or sales of some assets. IFA has considered the probability that TREIT will not be able to pay their debt as low.

4.3. Compare the advantages and disadvantages of connected transaction

4.3.1. Advantages of connected transaction

- 1) TICON and TPARK are experienced constructors and investors of warehouse buildings and factory buildings, the asset that TREIT wishes to invest is therefore deemed to be a warehouse for rental purpose that has been designed and constructed properly according to the standard of a high quality warehouse and factory building. Moreover, TICON and TPARK are a market leader who gain most of the market share of freehold and leasehold warehouse building and factory building who gain market shares of 40 and 41 percent respectively as of 31 March 2016 (Reference: CBRE) which could be an evidence to confirm the potential of both companies.
- 2) There will be the efficiency and continuity in the assets administration since current Property manager (TICON and TPARK) will be able to continue their work after the Additional Assets for Investment No.2.
- 3) The flexibility in business operation from the experience in terms of joint working. TMAN and TICON and TPARK has been involved in the investment transaction together for a long time. Thus with the experience in terms of joint working together between TMAN and TICON and TPARK in the past, it will allow a smooth operation and cooperation in this additional assets investment of TREIT, providing greater flexibility than inviting in the asset of the third party.

4.3.2. Disadvantages of the connected transaction

As TICON and TPARK are the owner of the additional assets for investment No.2 and connected person to TMAN as a REIT manager, there might lead to the doubt on the independence of TMAN as a REIT Manager when it involves with the negotiation on terms and conditions on entering into the transaction with TICON and TPARK as a property manager for the part of the additional investment No.2. However, TMAN has appointed Independent Financial Advisor and consultant in order to review Due-Diligence and related agreements in this transaction especially for the transaction price which has been

considered by the IFA who are approved by SEC. Since the transaction is connected transaction in accordance with the Notification SorRor 26/2555, There must be a careful consideration by Directors of TMAN and Trustee (who take care of benefits of TREIT and independent from TICON and TPARK). Moreover, TMAN has to complete the procedures of disclosures of information of TREIT in entering into the transition.

4.3.3. Advantages of entering into transaction with the third party

- 1) There is no doubt on the independence of TMAN in entering into this transaction.
- 2) The transaction size is 18.80 percent of total assets of TREIT which is less than 30 percent (calculated from financial statements of TREIT as of 30 June 2016) which if it is unconnected transaction, TREIT does not require to conduct unitholder meeting and hire independent Financial Advisor for entering into this transaction.

4.3.4. Disadvantages of entering into transaction with the third party

- 1) By entering into the transaction with the third party that either TREIT and/or TMAN has no experience in terms of the joint working before, it may take TREIT and/or TMAN a longer time and higher administrative expenses to evaluate the fairness of the transaction than entering into the transaction with TICON and TPARK, for instance the inspection or the conduct of the due diligence report on the asset, price negotiation and conditions of the transaction etc.
- 2) The transaction with outsider made TREIT has to appoint other Real Estate manager which will make TMAN cooperate harder and lack of continuity.
- 3) Outsider might not be leader in this industry as same as TICON and TPARK which will lead to more risk and lower quality to the project

5. IFA's opinion on fairness of the transaction price and appropriateness of the transaction

TREIT wishes to acquire the warehouse buildings and factory buildings from TICON and TPARK in total of 28 units located in 8 projects with the total investment not exceeding Thai Baht 1,443 Million. IFA has conducted the financial valuation by applying 2 financial valuation methodologies which are (1) Appraisal by Independent Appraisers (2) Appraisal by IFA. The appraisal report can be summarized as follows;

5.1. Appraisal by Independent appraisers (Details in attachment 4)

For the assets valuation, IFA has considered the appraisal report from 2 appraisers who are approved by SEC which are GAA and WA dated 23 May 2016 and 17 May 2016 for public purpose. The financial valuation methodologies are (1) Depreciated Replacement Cost Approach and (2) Income approach. IFA has considered income approach as an appropriate method in valuation of this asset which able to generate income in the future. The details of this appraisal report for each project are as follows;

Assumption on warehouse buildings BPLEE 3 Project

Assumption	GAA	WA
Rental and related service income	Growth rate of 3.0% in year 2-4 and 2.5% until the end of projection referred from the agreement.	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Common area service income	Growth rate of 10% every 5 years referred from the agreement	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Occupancy rate	100% in year 1 and 70 – 96% from year 2 – until ended of projection period	100% and 90% every 3 years
Operating expenses	<ul style="list-style-type: none"> - Common area service rate charged 5 Baht/sq.m./month with the growth rate of 2% per annum - Repairs and maintenance 1% of total revenue - Warehouse buildings insurance 3% growth rate per annum - Property tax 12.5% of 50% of total rental income - Commission 2 months for new lessee - Other expenses 1% of total revenue - Capex 1% of total revenue - Property management fee 2% of rental income - Incentive 4% of Gross income 	<ul style="list-style-type: none"> - Common area service rate charged 5 Baht/sq.m. with the growth of 3% per annum - Warehouse buildings insurance 0.1% of replacement cost of new building - Property tax 12.5% of rental income - Commission 2 months of rental and related service fee from new lessee with 3-year contract - Other expenses 1% of total revenue - Repairs and maintenance 2.5% of total revenue - Management fee 2% of rental and related service income - Incentive fee 4% of operating income of REIT
Discount rate	10.50 percent	10 percent
Total value	<u>Thai Baht 442.00 Million</u>	<u>Thai Baht 465.33 Million</u>

Assumption on warehouse buildings RJP project

Assumption	GAA	WA
Rental and related service income	Growth rate of 3.0% in year 2-4 and 2.5% until the end of projection referred from the agreement.	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Common area service income	Growth rate of 10% every 5 years referred from the agreement	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Occupancy rate	100% occupancy rate from year 1 – 3 and 96% from year 4 – ended of projection period	100% and 90% every 3 years
Operating expenses	<ul style="list-style-type: none"> - Common area service rate charged 5 Baht/sq.m./month with the growth rate of 2% per annum - Repairs and maintenance 1% of total revenue - Warehouse buildings insurance 3% growth rate per annum - Property tax 12.5% of 50% of total rental income - Commission 2 months for new lessee - Other expenses 1% of total revenue - Capex 1% of total revenue - Property management fee 2% of rental income - Incentive 4% of Gross income 	<ul style="list-style-type: none"> - Common area service rate charged 5 Baht/sq.m. with the growth of 3% per annum - Warehouse buildings insurance 0.1% of replacement cost of new building - Property tax 12.5% of rental income - Commission 2 months of rental and related service fee from new lessee with 3- year contact - Other expenses 1% of total revenue - Repairs and maintenance 2.5% of total revenue - Management fee 2% of rental and related service income - Incentive fee 4% of operating income of REIT
Discount rate	9.25 percent	9.75 percent
Total value	<u>Thai Baht 275.00 Million</u>	<u>Thai Baht 276.33 Million</u>

Assumption on warehouse buildings LCB2 project

Assumption	GAA	WA
Rental and related service income	Growth rate of 3.0% in year 2-4 and 2.5% until the end of projection referred from the agreement	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Common area service income	Growth rate of 10% every 5 years referred from the agreement	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Occupancy rate	100% occupancy rate from year 1 – 2 and 96% from year 3 – ended of projection period	100% and 90% every 3 years
Operating expenses	<ul style="list-style-type: none"> - Common area service rate charged 5 Baht/sq.m./month with the growth rate of 2% per annum - Repairs and maintenance 1% of total revenue - Warehouse buildings insurance 3% growth rate per annum - Property tax 12.5% of 50% of total rental income - Commission 2 months for new lessee - Other expenses 1% of total revenue - Capex 1% of total revenue - Property management fee 2% of rental income - Incentive 4% of Gross income 	<ul style="list-style-type: none"> - Common area service rate charged 5 Baht/sq.m. with the growth of 3% per annum - Warehouse buildings insurance 0.1% of replacement cost of new building - Property tax 12.5% of rental income - Commission 2 months of rental and related service fee from new lessee with 3- year contact - Other expenses 1% of total revenue - Repairs and maintenance 2.5% of total revenue - Management fee 2% of rental and related service income - Incentive fee 4% of operating income of REIT
Discount rate	9.25 percent	9.75 percent
Total value	<u>Thai Baht 97.00 Million</u>	<u>Thai Baht 102.42 Million</u>

Assumption on warehouse buildings SRC project

Assumption	GAA	WA
Rental and related service income	Growth rate of 3.0% in year 2-4 and 2.5% until the end of projection referred from the agreement.	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Common area service income	Growth rate of 10% every 5 years referred from the agreement	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Occupancy rate	100% occupancy rate from year 1 – 2 and 96% from year 3 – ended of projection period	100% and 90% every 3 years
Operating expenses	<ul style="list-style-type: none"> - Common area service rate charged 5 Baht/sq.m./month with the growth rate of 2% per annum - Repairs and maintenance 1% of total revenue - Warehouse buildings insurance 3% growth rate per annum - Property tax 12.5% of 50% of total rental income - Commission 2 months for new lessee - Other expenses 1% of total revenue - Capex 1% of total revenue - Property management fee 2% of rental income - Incentive 4% of Gross income 	<ul style="list-style-type: none"> - Common area service rate charged 5 Baht/sq.m. with the growth of 3% per annum - Warehouse buildings insurance 0.1% of replacement cost of new building - Property tax 12.5% of rental income - Commission 2 months of rental and related service fee from new lessee with 3- year contact - Other expenses 1% of total revenue - Repairs and maintenance 2.5% of total revenue - Management fee 2% of rental and related service income - Incentive fee 4% of operating income of REIT
Discount rate	9.25 Percent	9.75 PERCENT
Total value	<u>Thai Baht 92.00 Million</u>	<u>Thai Baht 96.00 Million</u>

Assumption on AMC project

Assumption	GAA	WA
Rental and related service income	Growth rate of 3.0% in year 2-4 and 2.5% until the end of projection referred from the agreement.	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Occupancy rate	100% occupancy rate from year 1 – 3 and 96% from year 4 – ended of projection period	100% and 90% every 3 years
Operating expenses	<ul style="list-style-type: none"> - Common area service rate charged 900 Baht/Rai/month with the growth rate of 2% per annum - Repairs and maintenance 1% of total revenue - Warehouse buildings insurance 3% growth rate per annum - Property tax 12.5% of 50% of total rental income - Commission 2 months for new lessee - Other expenses 1% of total revenue - Capex 1% of total revenue - Property management fee 2% of rental income - Incentive 4% of Gross income 	<ul style="list-style-type: none"> - Common area service rate charged 900 Baht/Rai/month with the growth of 3% per annum - Warehouse buildings insurance 0.1% of replacement cost of new building - Property tax 12.5% of rental income - Commission 2 months of rental and related service fee from new lessee with 3-year contact - Other expenses 1% of total revenue - Repairs and maintenance 2.5% of total revenue - Management fee 2% of rental and related service income - Incentive fee 4% of operating income of REIT
Discount rate	9.25 percent	9.75 percent
Total value	Thai Baht 278.00 Million	Thai Baht 298.00 Million

Assumption on factory building Hi-Tech project

Assumption	GAA	WA
Rental and related service income	Growth rate of 3.0% in year 2-4 and 2.5% until the end of projection referred from the agreement.	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Occupancy rate	100% occupancy rate from year 1 – 2 and 96% from year 3 – ended of projection period	100% and 90% every 3 years
Operating expenses	<ul style="list-style-type: none"> - Common area service rate charged 900 Baht/Rai/month with the growth rate of 10% every 5 years - Repairs and maintenance 1% of total revenue - Warehouse buildings insurance 3% growth rate per annum - Property tax 12.5% of 50% of total rental income - Commission 2 months for new lessee - Other expenses 1% of total revenue - Capex 1% of total revenue - Property management fee 2% of rental income - Incentive 4% of Gross income 	<ul style="list-style-type: none"> - Common area service rate charged 900 Baht/Rai/month with the growth of 3% per annum - Warehouse buildings insurance 0.1% of replacement cost of new building - Property tax 12.5% of rental income - Commission 2 months of rental and related service fee from new lessee with 3-year contract - Other expenses 1% of total revenue - Repairs and maintenance 2.5% of total revenue - Management fee 2% of rental and related service income - Incentive fee 4% of operating income of REIT
Discount rate	9.25 percent	9.75 percent
Total value	Thai Baht 40 Million	Thai Baht 41.34 Million

Assumption on Factory building RJN project

Assumption	GAA	WA
Rental and related service income	Growth rate of 3.0% in year 2-4 and 2.5% until the end of projection referred from the agreement.	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Occupancy rate	100% occupancy rate from year 1 – 2 and 96% from year 3 – ended of projection period	100% and 90% every 3 years
Operating expenses	<ul style="list-style-type: none"> - Common area service rate charged 900 Baht/Rai/month with the growth rate of 10% every 5 years - Repairs and maintenance 1% of total revenue - Warehouse buildings insurance 3% growth rate per annum - Property tax 12.5% of 50% of total rental income - Commission 2 months for new lessee - Other expenses 1% of total revenue - Capex 1% of total revenue - Property management fee 2% of rental income - Incentive 4% of Gross income 	<ul style="list-style-type: none"> - Common area service rate charged 900 Baht/Rai/month with the growth of 3% per annum - Warehouse buildings insurance 0.1% of replacement cost of new building - Property tax 12.5% of rental income - Commission 2 months of rental and related service fee from new lessee with 3-year contract - Other expenses 1% of total revenue - Repairs and maintenance 2.5% of total revenue - Management fee 2% of rental and related service income - Incentive fee 4% of operating income of REIT
Discount rate	9.25 percent	9.75 percent
Total value	Thai Baht 42.00 Million	Thai Baht 43.59 Million

Assumption on BPO project

Assumption	GAA	WA
Rental and related service income	Growth rate of 2.50% per annum referred from the agreement	Based on the rental and service fees rate specified in the contract. When the contract ends, the fees will be based on the market rate and set to be incremented by 3.00% every year
Occupancy rate	100% occupancy rate from year 1 – 2 and 96% from year 3 – ended of projection period	100% and 90% every 3 years
Operating expenses	<ul style="list-style-type: none"> - Common area service rate charged 1,000 Baht/Rai/month with the growth rate of 10% every 5 years - Repairs and maintenance 1% of total revenue - Warehouse buildings insurance 3% growth rate per annum - Property tax 12.5% of 50% of total rental income - Commission 2 months for new lessee - Other expenses 1% of total revenue - Capex 1% of total revenue - Property management fee 2% of rental income - Incentive 4% of Gross income 	<ul style="list-style-type: none"> - Common area service rate charged 900 Baht/Rai/month with the growth of 3% per annum - Warehouse buildings insurance 0.1% of replacement cost of new building - Property tax 12.5% of rental income - Commission 2 months of rental and related service fee from new lessee with 3-year contract - Other expenses 1% of total revenue - Repairs and maintenance 2.5% of total revenue - Management fee 2% of rental and related service income - Incentive fee 4% of operating income of REIT
Discount rate	9.25 percent	9.75 percent
Total value	Thai Baht 46.00 Million Baht	Thai Baht 47.97 Million

Table of summary of total appraisal value of warehouse buildings and factory building by 2 independent appraisers as follow;

No.	Project (Million Baht)	GAA (Thai Baht Million)	WA (Thai Baht Million)
		Income Approach	Income Approach
1	TPARK-BPLEE3	442.00	465.33
2	RJP*	275.00	276.33
3	TPARK-LCB2	97.00	102.42
4	TPARK-SRC	92.00	96.00
5	AMC	278.00	289.90
6	Hi-Tech	40.00	41.34
7	RJN	42.00	43.59
8	BPO	46.00	47.97
Total		1,312.00	1,362.88

Appraiser	Total value (Thai Baht Million)	The Transaction price (Thai Baht Million)	Difference between total value and the investment amount (Thai Baht Million)	Percent difference (%)
GAA	1,312.00	1,443.20	(131.20)	(9.09)
WA	1,362.88	1,443.20	(80.32)	(5.57)

The value of this investment is between Thai Baht 1,312.00 – 1,362.88 Million which is lower than the Transaction price by Thai Baht (131.20) – (80.32) Million or (9.09) – (5.57) percent.

5.2. Appraisal by Independent Financial Advisor

The IFA evaluates the present value of free cash flow from operation of each project which IFA expects to receive yearly by preparing financial projection for a period of 30 years (From 1 January 2017 to December 2026) with the details of each project and lessee as follows;

Warehouse buildings				
No.	Project	Warehouse buildings	Leasable area (sq.m.)	Rental period
1	BPLEE3*	W6	2,400.00	1 Feb 16 – 31 Jan 19
2		W7	8,640.00	1 Nov 15 – 31 Oct 18
3		W8/1	2,466.00	1 Jan 16 - 31 Dec 17
4		W8/2	2,466.00	1 Sept 15 - 31 Aug 18
5		W8/3	2,466.00	1 Dec 15- 30 Nov 17
6		W8/4	2,466.00	1 Dec 15 - 30 Nov 17
7		W10/1	2,736.00	1 Feb 17 – 31 Jul 19
8		W10/2	3,924.00	1 Feb 16 - 31 Jul 19
9	RJP	W4/1	1,800.00	1 Aug 16 – 31 Jul 19
10		W4/2	1,800.00	1 Aug 16 – 31 Jul 19
11		W4/3	1,800.00	1 Aug 16 – 31 Jul 19
12		W4/4	2,016.00	1 Aug 16 – 31 Jul 19
13		W4/5	2,016.00	1 Aug 16 – 31 Jul 19
14		W4/6	1,800.00	1 Aug 16 – 31 Jul 19
15		W4/7	1,800.00	1 Aug 16 – 31 Jul 19
16		W4/8	1,800.00	1 Aug 16 – 31 Jul 19
17	LCB2	W5/1	2,000.00	14 June 15 – 31 May 18
18		W5/2	2,900.00	1 Aug 14 – 31 Jul 17
19	SRC	W1/1	2450.00	1 Jan 16 – 31 Dec 18
20		W1/2	2450.00	1 Jan 16 – 31 Dec 18
Factory buildings				
No.	Project	Factory building	Leasable area (sq.m.)	Rental period
21	AMC	SF.M1.9-A220	2,250.00	16 Jul 14 – 15 Jan 18

22		SF. A1.5/2-A488	1,750.00	1 Nov 15 – 31 Oct 18
23		SF. A2.1-A488	2,375.00	1 June 16 - 31 May 19
24		SF. A2.2/1-A488	2,500.00	1 June 16 - 31 May 19
25		SF. A2.2/2-A488	2,500.00	1 June 16 - 31 May 19
26	Hi-Tech	SF. A1.5/2-G1/4-9	1,750.00	16 June 15 – 15 June 18
27	RJN	SF. A1.5-42.4	1,750.00	1 Sept 15 – 31 Aug 18
28	BPO	SF.M1.6-G27/1	1,950.00	1 Apr 14 – 31 Mar 17

Note*: Project BPLEE3's investment is a leasehold investment

The assumptions used in each asset item's appraisal are based on the current lease agreement and service agreement of the projects and/or the draft of the agreement of TICON and TPARK, interview with the management and staffs of TREIT and also by considering the operating expenses of the trust after the investment in the asset to evaluate the returns that the trust expects to receive from this additional investment in asset. IFA has taken into account the economic condition and publicly available information. Therefore, if there are any significant changes to such information in the future, it might alter the opinion of IFA accordingly. Details of the financial assumptions and projection of operation turnover are as follows;

5.2.1. Rental and related service income

- Revenue from this investment comes from rental and related service income and common area service income paid by lessee of warehouse buildings. The assumption on these activities is based on lease agreement of TICON and TPARK with the lessee of factory buildings and warehouse buildings respectively
- The rental rate growth rate come from the lease agreement of each lessee with TICON or TPARK. IFA has used this rental rate according to the present agreement of lessee and interviews with the management of TMAN, market condition, inflation and the demand for leasable areas, etc. The valuation is based on the principle of conservative basis which the rental rate growth rate is 3.5 Baht/sq.m. and 3.5 Baht/sq.m. for service rate for every 3 years from year 17 onwards until the end of the projection period (equal to 3.54 – 7 percent for first 3 years of projection or average of 1.18-2.33 per annum and equal to 2.68 – 4.29 percent for the last 3 years or average of 0.89 – 1.43 per annum) excluding BPLEE3 project warehouse buildings no. W6,W7,W8/1,W8/2,W10/1,W10/2 and LCB2 project warehouse buildings no. W5/1,W5/2 which will grow 10 percent per annum for only for the next time of contact renewal according to the agreement after that IFA uses the same growth rate as other project afterwards.
- IFA uses common area service rate of 10 Baht/sq.m. from year 2017 onwards until the end of the projection period based on the principle of conservative basis and no common area service expense for buildings in the projection exclude BPLEE3 project warehouse buildings no. W6,W7,W8/1,W8/2,W10/1,W10/2 and LCB2 project warehouse buildings no. W5/1,W5/2 will grow 10 percent per annum for only for the next time of contact renewal according to the agreement after that IFA uses the same growth rate as other project.

- IFA has estimated the contact renewal rate of 85%. For the free rent area, IFA expects 10 months and 6 months to search for new lessee, while rent free period would be 2 months and 1 month for warehouse and factory buildings, respectively.

Rental and related service income

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Common area service income	6.12	6.10	6.10	6.40	6.25	6.15	6.40	6.25
Rental and related service income	81.69	82.12	82.42	87.74	87.21	86.83	91.99	91.37
Total revenue	87.81	88.22	88.52	94.14	93.45	92.98	98.39	97.61

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Common area service income	6.15	6.40	6.25	6.15	6.40	6.25	6.15	6.40
Rental and related service income	90.92	96.25	95.52	95.00	100.50	99.68	99.08	104.76
Total revenue	97.06	102.65	101.77	101.15	106.90	105.93	105.23	111.16

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Common area service income	6.25	6.15	6.40	6.25	6.15	6.40	6.25	6.15
Rental and related service income	103.84	103.17	109.01	108.00	107.25	113.27	112.15	111.33
Total revenue	110.08	109.31	115.41	114.24	113.40	119.66	118.40	117.48

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
Common area service income	6.40	6.25	6.15	6.40	6.25	5.55
Rental and related service income	117.52	116.31	115.42	121.78	120.47	107.96
Total revenue	123.92	122.56	121.56	128.17	126.71	113.51

Factory buildings rental and related service income

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Common area service income	-	-	-	-	-	-	-	-
Rental and related service income	34.20	33.64	34.24	35.16	35.38	35.03	36.99	36.75
Total revenue	34.20	33.64	34.24	35.16	35.38	35.03	36.99	36.75

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Common area service income	-	-	-	-	-	-	-	-
Rental and related service income	36.77	37.81	38.13	38.13	39.60	38.90	39.49	41.00
Total revenue	36.77	37.81	38.13	38.13	39.60	38.90	39.49	41.00

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Common area service income	-	-	-	-	-	-	-	-
Rental and related service income	40.69	40.23	42.40	42.06	42.02	43.16	43.43	43.38
Total revenue	40.69	40.23	42.40	42.06	42.02	43.16	43.43	43.38

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
Common area service income	-	-	-	-	-	-

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
Rental and related service income	45.01	44.16	44.73	46.41	46.00	45.43
Total revenue	45.01	44.16	44.73	46.41	46.00	45.43

5.2.2. Operating expenses

Operating expenses consists of commission fee, common area expenses for warehouse buildings, bad debt expense, repairs and maintenance, insurance premium, property tax, security fee and other expenses. The operating expenses are based on historical data (agreement between lessee and TREIT) as well as the projection prepared by TREIT's management. The details of operating expense assumption are shown in the table below.

Expenses	Assumption
1. Commission fee	2 Months of rental and related service income (only for new lessee)
2. Common area expenses	- 5 Baht/sq.m/month for warehouse buildings and growth 3 percent every 3 years - 900 Baht/Rai/month for factory buildings and growth 3 percent every 3 years
3. Insurance premium	Classified into 2 case 1) Case 1: lessee is responsible for the insurance premium. These will not be included in TRIET' expenses. 2) Case 2: TREIT is responsible for the insurance premium. In case Triages to pay the insurance premium for the lessee or factory/warehouses vacant, the insurance premium is 0.09% of insured amount. (IFA calculates the insurance premium from value of compensation with the growth of 3 percent per annum about 14,000 Baht/sq.m. for warehouse buildings and 12,000 Baht/sq.m. for factory buildings in 2017
4. Public insurance premium	515 Baht per annum for warehouse buildings and factory buildings with the growth of 3 percent per annum refer to current letter of insurance
5. Property tax	12.50% of rental income only when TRIET agrees to pay such taxes for the lessees. (Only for BPLEE3 project warehouse buildings W8/3 W8/4 W10/1 and W10/2)
6. Security fee	Average 10,000 Baht/unit/month with the growth of 3 percent per annum
7. IEAT permit continuing fee (only for factory buildings)	10,000 Baht per factory per 5 years and the additional of 10,000 Baht per new lessee. (only for factory building)
8. Property tax for common area service income of surrounded area	12.50 percent of common area service income of surrounded area 4 Baht/sq.m. with the growth of 3 percent per annum
9. Bad debt expenses	0.4 percent of rental and related service income – net for warehouse buildings 1.40 percent pf rental and related service income – net for factory buildings
10. Repairs and maintenance	2.00 percent of rental and related service income – net
11. Business Interrupt insurance premium	0.048 percent of net rental and related service income
12. Other expenses	1 percent of total revenue referred from the historical data of TREIT
13. Stamp duty of insurance	0.40 percent of insurance premium paid

Operating expenses for warehouse buildings

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
1. Commission fee	0.44	0.74	1.01	0.47	0.78	1.07	0.49	0.82

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
2. Common area expenses	3.15	3.18	3.23	3.24	3.28	3.32	3.34	3.38
3. Insurance premium	0.19	0.20	0.20	0.20	0.22	0.21	0.22	0.24
4. Public insurance premium	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
5. Property tax	1.13	1.21	1.14	1.22	1.30	1.21	1.27	1.36
6. Security fees	0.06	0.08	0.18	0.07	0.09	0.20	0.07	0.10
7. IEAT permit continuing fees	-	-	-	-	-	-	-	-
8. Property tax for surrounded area	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
9. Bad debt expenses	0.35	0.35	0.35	0.38	0.37	0.37	0.39	0.39
10. Repairs and maintenance	1.76	1.76	1.77	1.88	1.87	1.86	1.97	1.95
11. Business Interrupt Insurance premium	0.04	0.04	0.04	0.05	0.04	0.04	0.05	0.05
12. Other expenses	0.88	0.88	0.89	0.94	0.93	0.93	0.98	0.98
13. Stamp duty of insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	8.02	8.48	8.83	8.47	8.92	9.25	8.82	9.29

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
1. Commission fee	1.12	0.51	0.86	1.17	0.53	0.90	1.22	0.55
2. Common area expenses	3.42	3.44	3.48	3.52	3.55	3.58	3.63	3.65
3. Insurance premium	0.23	0.24	0.27	0.26	0.27	0.29	0.28	0.29
4. Public insurance premium	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02
5. Property tax	1.26	1.33	1.42	1.32	1.39	1.48	1.37	1.44
6. Security fees	0.22	0.08	0.10	0.24	0.09	0.11	0.26	0.10
7. IEAT permit continuing fees	-	-	-	-	-	-	-	-
8. Property tax for surrounded area	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02
9. Bad debt expenses	0.39	0.41	0.41	0.40	0.43	0.42	0.42	0.44
10. Repairs and maintenance	1.94	2.05	2.04	2.02	2.14	2.12	2.10	2.22
11. Business Interrupt Insurance premium	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
12. Other expenses	0.97	1.03	1.02	1.01	1.07	1.06	1.05	1.11
13. Stamp duty of insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	9.63	9.18	9.67	10.03	9.54	10.05	10.43	9.91

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
1. Commission fee	0.93	1.27	0.58	0.97	1.32	0.60	1.01	1.37
2. Common area expenses	3.69	3.74	3.76	3.80	3.85	3.87	3.91	3.97
3. Insurance premium	0.32	0.31	0.32	0.35	0.33	0.35	0.38	0.37
4. Public insurance premium	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
5. Property tax	1.55	1.43	1.50	1.61	1.49	1.56	1.67	1.54
6. Security fees	0.12	0.28	0.11	0.14	0.31	0.11	0.15	0.34
7. IEAT permit continuing fees	-	-	-	-	-	-	-	-
8. Property tax for surrounded area	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
9. Bad debt expenses	0.44	0.44	0.46	0.46	0.45	0.48	0.47	0.47
10. Repairs and maintenance	2.20	2.19	2.31	2.28	2.27	2.39	2.37	2.35
11. Business Interrupt Insurance premium	0.05	0.05	0.06	0.05	0.05	0.06	0.06	0.06

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
12. Other expenses	1.10	1.09	1.15	1.14	1.13	1.20	1.18	1.17
13. Stamp duty of insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	10.44	10.83	10.28	10.84	11.25	10.66	11.25	11.68

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
1. Commission fee	0.62	1.05	1.42	0.64	1.08	1.47
2. Common area expenses	3.99	4.03	4.09	4.11	4.15	3.84
3. Insurance premium	0.38	0.42	0.40	0.42	0.45	0.40
4. Public insurance premium	0.02	0.02	0.02	0.02	0.02	0.02
5. Property tax	1.62	1.73	1.60	1.67	1.79	1.35
6. Security fees	0.13	0.16	0.37	0.14	0.18	0.40
7. IEAT permit continuing fees	-	-	-	-	-	-
8. Property tax for surrounded area	0.02	0.02	0.03	0.03	0.03	0.03
9. Bad debt expenses	0.50	0.49	0.49	0.51	0.51	0.45
10. Repairs and maintenance	2.48	2.45	2.43	2.56	2.53	2.27
11. Business Interrupt Insurance premium	0.06	0.06	0.06	0.06	0.06	0.05
12. Other expenses	1.24	1.23	1.22	1.28	1.27	1.14
13. Stamp duty of insurance	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	11.05	11.66	12.11	11.45	12.08	11.43

Operating expenses for factory buildings

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
1. Commission fee	0.11	0.44	0.38	0.11	0.29	0.57	0.11	0.30
2. Common area expenses	0.00	0.01	0.01	0.00	0.01	0.01	0.00	0.01
3. Insurance premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Public insurance premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
5. Property tax	-	-	-	-	-	-	-	-
6. Security fees	0.01	0.04	0.03	0.01	0.03	0.04	0.01	0.03
7. IEAT permit continuing fees	0.00	0.01	-	0.00	0.01	0.00	0.00	0.01
8. Property tax for surrounded area	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
9. Bad debt expenses	0.48	0.47	0.48	0.50	0.50	0.49	0.52	0.51
10. Repairs and maintenance	0.68	0.67	0.68	0.71	0.71	0.70	0.74	0.74
11. Business Interrupt Insurance premium	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
12. Other expenses	0.34	0.34	0.34	0.36	0.35	0.35	0.37	0.37
13. Stamp duty of insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	1.66	2.03	1.97	1.73	1.94	2.22	1.80	2.02

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
1. Commission fee	0.41	0.30	0.31	0.43	0.12	0.51	0.44	0.13
2. Common area expenses	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.00
3. Insurance premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Public insurance premium	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
5. Property tax	-	-	-	-	-	-	-	-
6. Security fees	0.04	0.02	0.04	0.04	0.01	0.05	0.04	0.01
7. IEAT permit continuing fees	-	0.01	0.01	-	0.00	0.02	-	0.00
8. Property tax for surrounded area	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
9. Bad debt expenses	0.51	0.53	0.53	0.53	0.55	0.54	0.55	0.57
10. Repairs and maintenance	0.74	0.76	0.76	0.76	0.79	0.78	0.79	0.82
11. Business Interrupt Insurance premium	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
12. Other expenses	0.37	0.38	0.38	0.38	0.40	0.39	0.39	0.41
13. Stamp duty of insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	2.13	2.04	2.10	2.21	1.94	2.36	2.29	2.01

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
1. Commission fee	0.34	0.65	0.13	0.35	0.48	0.33	0.36	0.49
2. Common area expenses	0.01	0.02	0.00	0.01	0.01	0.01	0.01	0.01
3. Insurance premium	0.00	0.01	0.00	0.00	0.01	0.00	0.00	0.01
4. Public insurance premium	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
5. Property tax	-	-	-	-	-	-	-	-
6. Security fees	0.04	0.06	0.02	0.05	0.05	0.03	0.05	0.05
7. IEAT permit continuing fees	0.01	0.01	0.01	0.02	-	0.01	0.02	-
8. Property tax for surrounded area	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
9. Bad debt expenses	0.57	0.56	0.16	0.16	0.16	0.60	0.61	0.61
10. Repairs and maintenance	0.81	0.80	0.85	0.84	0.84	0.86	0.87	0.87
11. Business Interrupt Insurance premium	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
12. Other expenses	0.41	0.40	0.42	0.42	0.42	0.43	0.43	0.43
13. Stamp duty of insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	2.25	2.56	2.08	2.33	2.45	2.35	2.42	2.53

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
1. Commission fee	0.14	0.57	0.51	0.14	0.38	0.73
2. Common area expenses	0.00	0.02	0.01	0.00	0.01	0.02
3. Insurance premium	0.00	0.01	0.01	0.00	0.01	0.01
4. Public insurance premium	0.01	0.01	0.01	0.01	0.01	0.01
5. Property tax	-	-	-	-	-	-
6. Security fees	0.02	0.08	0.06	0.02	0.06	0.09
7. IEAT permit continuing fees	0.01	0.03	-	0.01	0.02	0.01
8. Property tax for surrounded area	0.03	0.03	0.03	0.04	0.04	0.04
9. Bad debt expenses	0.63	0.62	0.63	0.65	0.64	0.64
10. Repairs and maintenance	0.90	0.88	0.89	0.93	0.92	0.91
11. Business Interrupt Insurance premium	0.02	0.02	0.02	0.02	0.02	0.02
12. Other expenses	0.45	0.44	0.45	0.46	0.46	0.45
13. Stamp duty of insurance	0.00	0.00	0.00	0.00	0.00	0.00
Total expenses	2.21	2.71	2.62	2.29	2.57	2.92

5.2.3. Management fees

REIT manager received REIT management fee according to the agreement of REIT manager appointment between TREIT and REIT manager as follows;

1. Common management fee
 - 2 percent of rental and related service income from warehouse buildings
 - 4 percent of rental and related service income from factory buildings
2. Incentive Fee
 - 4 percent of operating profit of warehouse buildings
 - 6 percent of operating profit of factory building
3. Management fees 0.25 percent per annum of Total assets value of TREIT

Management fees of TREIT

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
1. Common management fee	3.12	3.11	3.14	3.31	3.28	3.26	3.45	3.42
2. Incentive fee	5.14	5.09	5.12	5.46	5.39	5.32	5.69	5.62
3. Management fee	3.18	3.24	3.27	3.32	3.37	3.40	3.44	3.49
Total management fee	11.45	11.43	11.54	12.08	12.04	11.98	12.58	12.52

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
1. Common management fee	3.41	3.57	3.56	3.55	3.72	3.67	3.68	3.86
2. Incentive fee	5.58	5.88	5.85	5.80	6.15	6.03	6.02	6.39
3. Management fee	3.51	3.55	3.58	3.60	3.63	3.65	3.66	3.67
Total management fee	12.50	13.00	12.99	12.95	13.50	13.36	13.37	13.93

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
1. Common management fee	3.83	3.80	4.00	3.97	3.95	4.12	4.11	4.08
2. Incentive fee	6.29	6.20	6.62	6.52	6.46	6.81	6.75	6.68
3. Management fee	3.69	3.68	3.68	3.67	3.64	3.62	3.16	3.53
Total management fee	13.81	13.67	14.30	14.16	14.05	14.55	14.44	14.30

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
1. Common management fee	4.28	4.22	4.22	4.42	4.37	4.09
2. Incentive fee	7.08	6.92	6.90	7.32	7.19	6.63
3. Management fee	3.48	3.42	3.33	3.24	3.19	3.19
Total management fee	14.84	14.56	14.45	14.97	14.75	13.91

5.2.4. Other expenses

Other expenses related to REIT management are appraiser fee, auditor fee, other fees, issuance of debentures fee, etc.,

- The debentures that used to finance the investment have tenor of not exceeding 10 years to maturity. Therefore, refinance is required after 10 years. Management of TMAN, financial advisor and TREIT expect to issue 3 and 5 years' tenor debentures for 721.60 Million Baht each in order to invest in additional assets No.3. The details of issuance of debentures fee are assumed to be as follows;

Expenses	Assumption
- Renewal fee	0.20 percent of par as of when renewal is done
- Underwriter Fee	0.20 percent of par
- Fitch rating fee	0.02 percent of par

- Appraiser, auditor and other fee has a growth of 3 percent per annum

Other expenses

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Total other expenses	0.93	0.96	0.99	1.02	1.05	1.08	1.11	1.15

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Total other expenses	1.18	4.51	1.25	1.29	1.33	1.37	1.41	1.45

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Total other expenses	1.50	1.54	1.16	4.93	1.68	1.73	1.79	1.84

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
Total other expenses	1.89	1.95	2.01	2.07	2.13	2.20

5.2.5. Interest expenses

The debentures used to finance this transaction has interest expenses of 4 percent per annum for 3 years debentures and 4.25 percent per annum for 5 years debentures estimated by IFA based on the principle of conservative basis from the interview with TMAN's management and financial advisor of TREIT and considered from credit rating of BBB+ by Fitch rating (Even if the present rating of TREIT is A-, the LTV of TREIT is expected to be 34.05 percent from 20.73 percent (based on financial statements of TREIT as of 30 June 2016) which is more than 30 percent, which might make Fitch downgrade of TREIT to be BBB+). Moreover, IFA adjusts the interest rate when refinance by increase interest rate by 0.05 and 0.10 percent for 3 and 5 years' debentures respectively.

5.2.6. Debentures

IFA has determined the redemption of debentures back to investor proportionally at 40 percent (proportion of additional leasehold investment in this time which will be mature in 30 years). IFA expects 5 years' tenor debenture will be redeemed first as it has higher interest rate.

5.2.7. Corporate income tax

According to Trust for Transaction in Capital Market Act, B.E. 2550, Trust is not a corporate which has to pay corporate income tax.

Projection of income statement of TREIT can be summarized as follows;

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Rental and related service income	122.00	121.86	122.76	129.73	128.83	128.01	135.38	134.36
Cost of rental and related service	22.07	22.90	23.33	23.31	23.95	24.52	24.32	24.98
Interest expenses	60.64	60.64	61.01	61.01	16.61	57.84	57.84	57.84
Net profit	38.86	37.89	36.31	44.96	43.36	43.51	52.74	51.05

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Rental and related service income	133.83	140.45	139.89	139.28	146.50	144.82	144.72	152.16
Cost of rental and related service	25.44	27.05	26.01	26.47	26.31	27.14	27.49	27.29
Interest expenses	58.21	56.67	54.49	54.86	54.86	54.86	53.53	51.30
Net profit	48.01	54.92	58.75	55.61	64.65	62.13	60.30	72.73

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Rental and related service income	150.77	149.54	157.81	156.30	155.41	162.83	161.83	160.86
Cost of rental and related service	28.00	28.61	28.25	30.16	29.44	29.29	29.89	30.35
Interest expenses	51.30	51.67	51.67	49.83	47.92	47.92	47.92	48.29
Net profit	70.63	66.75	77.03	74.19	75.43	84.66	83.07	79.61

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
Rental and related service income	168.93	166.71	166.30	174.58	172.71	158.94
Cost of rental and related service	30.00	30.88	31.20	30.78	31.54	30.46
Interest expenses	46.31	43.98	44.35	44.35	44.35	44.96
Net profit	91.13	90.86	88.11	98.50	95.91	80.64

5.2.8. Terminal value

Terminal growth is 1.50 percent per annum referred from 10 years' average inflation rate of Thailand. IFA has considered terminal growth only for freehold investment.

5.2.9. Discount Rate

IFA uses weighted average cost of capital (WACC) as a discount rate to calculate the present value of cash flow. Here, IFA has computed WACC from weighted average cost of debt (K_d) and cost of equity (K_e). Details of the discount rate calculation are as follows:

$$WACC = K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$$

$$K_e = \text{Cost of equity or Investors required rate of return } (R_e)$$

$$K_d = \text{Cost of debt or interest rate of TREIT}$$

$$T = \text{Corporate income tax}$$

$$\begin{aligned} E &= \text{Total unitholders' equity} \\ D &= \text{Interest-bearing liabilities} \end{aligned}$$

Cost of equity (K_e) or investors required rate of return (R_e) is calculated from Capital Asset Pricing Model (CAPM) as follows;

$$K_e \text{ (or } R_e) = R_f + \beta (R_m - R_f)$$

As

Risk Free Rate (R_f) = 2.70% p.a. based on 30-year government bond yields (information dated 29 July 2016, which is the common bond issued and comply with the investment period (Reference: www.thaibma.or.th)

Beta (β) = Referred from the average Beta for the past 1 year (until 29 July 2016) of REITs that listed in SET which are 1) TREIT: TICON Freehold and Leasehold Real Estate Investment Trust 2) WHART: WHA Premium Growth Freehold and Leasehold REIT 3) TFUND: TICON fund 4) TLOGIS: TPARK Logistics Property Fund 5) TGROWTH: TICON Industrial Growth Leasehold Property Fund 6) WHAPF: WHA Premium Factory and Warehouse Freehold and Leasehold Property Fund which the Beta is 0.42 (Reference: Bloomberg)

Market Risk (R_m) = 17.32% p.a. based on the average returns on investment in the SET over the past 30 years on order to match with the average dividend yield over the past 30 years to decrease volatility of SET (Reference: Setsmart)

From the above equation, Cost of equity will be 8.84 percent per annum

Cost of debt (K_d) calculated by average cost of debt throughout the projection period which come from coupon rate about 4.00 – 4.25 percent per annum. Therefore, WACC used will be 7.26 – 7.42 percent per annum.

From above assumptions, Free Cash Flow will be as follows;

(Million Baht)	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Free Cash Flow to the Firm	99.50	98.52	97.32	105.96	102.97	101.36	110.58	108.89
Present value of free cash flow	92.48	85.67	78.99	80.87	72.42	66.45	68.33	62.00
Net Present value of free cash flow								

(Million Baht)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Free Cash Flow to the Firm	106.22	111.58	113.23	110.47	119.50	116.99	113.83	124.03
Present value of free cash flow	56.39	55.75	52.20	47.44	48.30	43.57	39.56	40.53
Net Present value of free cash flow								

(Million Baht)	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
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Free Cash Flow to the Firm	121.93	118.42	128.70	124.02	123.35	132.58	130.99	127.90
Present value of free cash flow	36.72	33.22	34.01	30.18	27.97	28.27	25.77	23.53
Net Present value of free cash flow								

(Million Baht)	2041F	2042F	2043F	2044F	2045F	2046F
Free Cash Flow to the Firm	137.44	134.83	132.45	142.85	140.26	125.60
Present value of free cash flow	23.89	21.39	19.60	19.86	17.96	14.72
Net Present value of free cash flow						1,510.50

Deducted by 23.58 Million Baht of expenses from entering into the transaction, total assets value in this investment will be 1,486.92 Million Baht.

Moreover, IFA also conduct Sensitivity Analysis of TREIT's value by adjust the discount rate or WACC by ± 0.25 percent per annum

	Discount Rate or WACC per annum		
	0.25%	0.00%	-0.25%
Total assets value	1,435.07	1,486.92	1,542.61

From the Sensitivity Analysis, the value of assets will be 1,435.07 to 1,542.61 Million Baht.

5.3. Summary of investment appropriateness

The assets valuation of this investment can be described as follows;

Method of Valuation	Assets Value (Million Baht)	The expected transaction price (Million Baht)	Difference between Assets value and transaction price (Million Baht)	Percent different (%)
1. Appraisal by appraiser	1,312.00 – 1,362.88	1,443.20	(131.20) - (80.32)	(9.09) - (5.89)
2. Appraisal by IFA	1,435.07 - 1,542.61	1,443.20	(8.13) – 99.41	(0.56) – 6.89

From the 2 methodologies which are Discount Cash Flow Approach in valuation of this additional assets for investment No.2, the value of this investment will be reflected from the operation in the past and ability to generate free cash flow in the future of the assets. The assumption is based on the information IFA got. However, IFA might have different assumption from the appraisers. The assumption of IFA is based on current market condition and economy and considered with the historical data especially for WACC which comply with the industry of TREIT. Therefore, IFA has considered the method appraiser and IFA used as appropriate which make the appropriate value of this investment is around 1,312.00 – 1,542.61 Million Baht which is (Lower)Higher than the amount of investment of TREIT which is about 1,443.20 Million Baht by (131.20) – 99.41 Million Baht or (9.09) – 6.89 percent respectively.

IFA has considered the the transaction price as appropriate because it is in between the fair value of 1,312.00 – 1,542.61 Million Baht

5.4. Summary of fairness of the transaction

IFA has considered the fairness of conditions for the transaction from various contracts related to assets investment plan, namely, 1) The draft of Sale and Purchase Agreement of Land and Building with TPARK 2) The draft of Sale and Purchase Agreement of Land and Building with TICON 3) The Sale and Purchase Agreement of Land with TPARK and 4) The draft of Lease Agreement of Building with TPARK. These contacts are contacts which based on the old agreements which TREIT has reveal the information already since IPO and in the investment No.1 only has a minority change. However, IFA has considered these agreements to be fair.

Especially the main reasons of the agreements as follows;

- 1) When lessee uses option to swap, the seller will pay the compensation of deposits for rental income to buyer.
- 2) In the case that current lessee use option to early terminate without losing deposits from rental agreement made before the additional investment No.2, the seller need to compensate for the deposits from rental income to the lessee.
- 3) Seller need to respond for the registration fee and specific tax, transfer fee and withholding tax while TREIT only respond for Consultant, Financial Advisor, Independent Financial Advisor fee, etc.,

IFA has considered the conditions and/or rules of appointment of TICON or TPARK to be Property manager and TMAN as REIT manger in this investment from the drafted agreement. However, from the interviews with management of TMAN the draft of appointment agreement come from the old agreement without any significant change.

The conditions mentioned above are in accordance with the good governance principles and all related rules and regulations of SEC, and they also protect the unitholders' interests. IFA believes that the agreements are fair and appropriate for TREIT. To conclude, the conditions of this investment is appropriate.

6. Summary of IFA's opinion

From the study about the appropriateness of the Transactions, the fairness of the Transactions price and conditions the transaction, IFA has an opinion that this acquisition of additional assets for Investment No.2 is appropriate and has advantages from entering into transaction as follow;

1. This investment is in accordance with TREIT's investment objective and policy.
2. This investment is the income producing asset and have potential to generate a good return on investment to the unitholders right after completion of the transaction as the occupancy rate of 100 percent
3. This Additional Assets for Investment No.2 has potential to generate long-term growth in the future due to the assets locations which are in the main Industrial area of Thailand
4. Warehouse buildings and factory buildings to be acquired are ready-to-use and has quite low average building age of 0-3 years and 5 to 8 years respectively

5. This investment will attract more investor's interest as it increases the total assets and revenue of the TREIT
6. This investment is considered as revenue diversification
7. An increase in assets and revenue per annum of TREIT will increase confidence of investors and unitholders of TREIT which will support the change in NAV in positive way and increase the liquidity of units
8. This Additional Assets for Investment No.2 will Increase freehold investment for the REIT as 60.06 percent of this investment is freehold investment which will support long-term benefits of the unitholders
9. The transaction price of Thai Baht 1,443.20 Million is an appropriate value compare to the fair value between 1,312.00 – 1,542.61 Million Baht.

However, there are some **disadvantages** and **risk** from entering in to this transaction as follows;

1. Increase debt and interest expenses to TREIT due to newly issues of debenture
2. Cost of debt might increase because TREIT might be downgraded from A- to BBB+ as a result of incremental of LTV.
3. There is the risk that TREIT will not get benefits from this assets according to the plan
4. Risk from natural disaster that used to happen to the assets in 2011
5. Risk from unable to enter into the transaction due to the precedent conditions
6. Risk from unable to refinance in the future

When considering advantages, disadvantages, risk associated and conditions of transaction, IFA considers this transaction to be appropriate based on fairness of transaction price and conditions of the transaction. Therefore, unitholders should **approve this transaction**. However, TRIET will be able to invest in this additional assets only after the transaction has been approved by SEC and unitholders and able to issue new debentures of Thai Baht1,470.00 Million to finance the project.

However, the decision to vote is the sole discretion of the unitholders, which shall include the consideration of advantages, disadvantages, and risk associated with the Transactions as well as consideration of the attached documents submitted to the unitholders along with the invitation letter so as to make the most appropriate decision

Discover Management Company Limited as the Independent Financial Advisor hereby certifies that the opinions have prudently been provided in compliance with the professional standards and principles, with due regard to the shareholders' benefits.

Yours sincerely,
Discover Management Company Limited

(Mr. Vuthichai Tumasaroj)
Director

(Mr. Pronthep Tangkaseranee)
Director

(Mr. Vuthichai Tumasaroj)
Supervisor

Contact: Discover Management Company Limited

02-651-4447

Info@discoverym.com

Attachment 1

Business overviews of TICON Freehold and Leasehold Real Estate Investment Trust

1. General Information

Trust name	: Ticon Freehold and Leasehold Real Estate Investment Trust
Head Office	: 13 th Floor, Sathorn City Tower 175 South Sathorn Road Bangkok 10120 Thailand
Telephone	: 0-2679-6565
Fax	: 0-2287-3153
Business type	: Invest in Freehold and Leasehold of warehouse and factory building and office
Website	: www.treit.co.th
REIT manager	: TICON Management Company Limited
Property Manager	: TICON Logistics Park Company Limited ("TPARK") TICON Industrial Connection Public Company Limited ("TICON")
Trustee	: BBL Asset Management Company Limited ("BBLAM")
Life of trust	: None
Capital from unitholder	: Baht 5,542,062,750.00.00
Paid-up units	: 566,800,000 units
Type of Trust	: Non-redeemable trust unit from the trust unit - holders

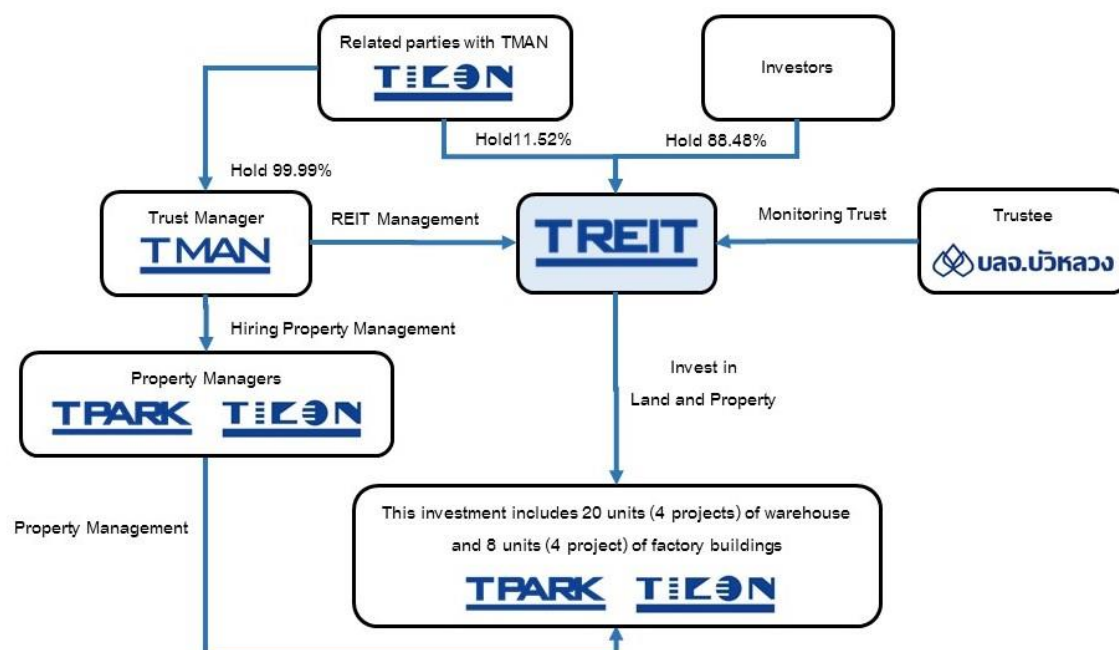
2. Nature of business

2.1 Historical Background and Purposes

Ticon Freehold and Leasehold Real Estate Investment Trust ("Trust" or "TREIT") is founded according to the Act of Trust for transaction in Capital market B.E. 2550 on 12 December 2014 with the registered capital of Baht 3,425,000,000 and has BBL Asset Management Company Limited as a Trustee of Trust and TICON MANAGEMENT COMPANY LIMITED as a REIT manager. This Trust is founded with the purpose of transaction in capital market according to the Notification of Securities and Exchange Commission and Stock Exchange of Thailand in order to be able to issue Trust units as a Real Estate Investment Trust, "REIT") to the investors. Trust founder as a REIT manager had requested to the SET to be registered capital in the stock market and had been approved under the name "TREIT". The Trust units started to be traded in stock market on 9 January 2015.

2.2 Organization Structure of TICON FREEHOLD AND LEASEHOLD INVESTMENT TRUST

Organization structure of TREIT is as bellows;



TREIT's related parties are (1) Trustee (2) REIT manager (3) Property Managers and the details are as follow;

1.) Trustee

Name	BBL Asset Management Company Limited ("Trustee" or "BBLAM")																																		
Location	175 SATHORN CITY TOWER, 7TH, 21ST AND 26TH FLOOR, SOUTH SATHORN ROAD, SATHORN, BANGKOK 10120, THAILAND																																		
Paid-up Capital	Baht 539,996,914																																		
Type of business	<ul style="list-style-type: none"> - BBLAM is a trustee of the TREIT - BBLAM has to tag record, monitor and check the operation of the Trust of REIT manager to be ethical and standard and also reveal the information of the Trust according to the agreement for the most benefits of stakeholders 																																		
Shareholders	Shareholders as of 11 July 2016 are as follow; <table border="1"> <thead> <tr> <th>No.</th><th>Shareholders</th><th>Number of Shares</th><th>Percentage (%)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Bangkok Bank Public Company Limited</td><td>749,995</td><td>75.00%</td></tr> <tr> <td>2.</td><td>Bangkok Lifer Assurance Public Company Limited</td><td>100,000</td><td>10.00%</td></tr> <tr> <td>3.</td><td>Asia Financial Holdings Ltd.</td><td>100,000</td><td>10.00%</td></tr> <tr> <td>4.</td><td>Bangkok Insurance Public Company Limited</td><td>50,000</td><td>5.00%</td></tr> <tr> <td>5.</td><td>Mr. Cherdchu Soponpanitch</td><td>3</td><td>0.00%</td></tr> <tr> <td>6.</td><td>MS. Worawan Tarapoom</td><td>1</td><td>0.00%</td></tr> <tr> <td>7.</td><td>Mr. Ayusm Kritsanamara</td><td>1</td><td>0.00%</td></tr> </tbody> </table>			No.	Shareholders	Number of Shares	Percentage (%)	1.	Bangkok Bank Public Company Limited	749,995	75.00%	2.	Bangkok Lifer Assurance Public Company Limited	100,000	10.00%	3.	Asia Financial Holdings Ltd.	100,000	10.00%	4.	Bangkok Insurance Public Company Limited	50,000	5.00%	5.	Mr. Cherdchu Soponpanitch	3	0.00%	6.	MS. Worawan Tarapoom	1	0.00%	7.	Mr. Ayusm Kritsanamara	1	0.00%
No.	Shareholders	Number of Shares	Percentage (%)																																
1.	Bangkok Bank Public Company Limited	749,995	75.00%																																
2.	Bangkok Lifer Assurance Public Company Limited	100,000	10.00%																																
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6.	MS. Worawan Tarapoom	1	0.00%																																
7.	Mr. Ayusm Kritsanamara	1	0.00%																																

		Total	1,000,000	100.00%
	Reference: www.bblam.co.th as of 11 July 2016			
Board of Directors	Board of Directors as of 11 July 2016 are as follow;			
	No.	Name	Position	
	1.	Mr. Chedchu Soponpanitch	Chairman	
	2.	MS. Worawan Tarapoom	Managing Director	
	3.	Mr. Steven Tan	Director	
	4.	Miss Supanaee Puripanyawanitch	Director	
	5.	Mr. Paisarn Lertkovit	Director	
	6.	Mr. Wasin Wattaworakitjakul	Director	
	7.	Mr. Narin Opamurathawong	Director	
	8.	Mr. Hansa Susayan	Director	
	9.	Miss Piyamas Kumsaikeao	Director	
	Reference: www.bblam.co.th as of 11 July 2016			

2.) REIT Manager

Name	TICON MANAGEMENT COMPANY LIMITED ("TMAN" or "REIT manager")		
Location	13 th Floor, Sathorn City Tower 175 South Sathorn Road Bangkok 10120 Thailand		
Paid-up Capital	Baht 10,000,000		
Type of business	TICON MANAGEMENT COMPANY LIMITED is a Trust management company operates as a REIT manager of TICON FREEHOLD AND LEASEHOLD INVESTMENT TRUST		
Shareholders	Shareholders as of 8 January 2016 are as follow;		
	No.	Shareholders	Number of Shares
	1.	TICON Industrial Connection Public Company Limited	699,996
	2.	Mitsui & Co. (Asia Pacific) Pte. Ltd.	300,000
	3.	Mr. Virapan Pulges	1
	4.	Miss Jantima Jirayachotipoom	1
	5.	Miss Waritha Lerttiwakorn	1
	6.	Miss Primopa Nuttchajaruwit	1
		Total	1,000,000
	Reference: Registered list of unitholders of TIMAN		
Board of Directors	Board of Directors of the company as of 1 April 2016 are as follows;		
	No.	Name	Position
	1.	Mr. Sun Vithespong	Chairman and Independent director
	2.	Mr. Sopon Punyaratabandhu	Independent Director
	3.	Mr. Virapan Pulges	Director
	4.	Mr. Okubo Kiyoshi	Director

	5.	Mr. Chai Vinichbutr	Director
	6.	Mr. Amon Chulaluksananukul	Managing Director
Reference: Certificate of TMAN			

3.) Property Managers

3.1 TICON LOGISTICS PARK COMPANY LIMITED ("TPARK")

Name	TICON LOGISTICS PARK COMPANY LIMITED (“TPARK”)			
Registered no.	0107544000051			
Registered date	2 August 2005			
Location	13 th Floor, Sathorn City Tower 175 South Sathorn Road Bangkok 10120 Thailand			
Paid-up Capital	Baht 19,500,000,000			
Type of business	Develop global standard quality warehouse for leasehold/freehold. TPAEK has currently 33 locations at different 10 provinces of warehouse with the finished and work in process 376 units of warehouse and TPARK is also a fund manager of mutual funds such as TICON Property Funds (“TFUND”), TPARK Logistics Property Funds (“TLOGIS”) and TICON Industrial Growth Leasehold Property Funds (“TGROWTH”).			
Shareholders	Shareholders as of 8 January 2016 are as follows;			
	No.	Shareholders	Number of Shares	Percentage (%)
	1	TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED	1,949,999,993	100%
	2	Mr. Somsak Chaiporn	1	0%
	3	Miss Siriporn Sombatwattana	1	0%
	4	Miss Laritpan Piriyan	1	0%
	5	Mr. Patarn Somburanasin	1	0%
	6	Miss Pornpimol Supawitcharabuncha	1	0%
	7	Miss Napat Supanuntaporn	1	0%
	8	Miss Waranya Intrapairoj	1	0%
		Total	1,950,000,000	100%
Reference: Registered lists of unitholders of TPARK				
Board of Directors	Board of Directors as of 1 April 2106 are as follows;			
	No.	Name	Position	
	1.	Mr. Jirapongs Vinichbutr	Director	
	2.	Mr. Virapan Pulges	Director	
	3.	Mr. Threekwan Bunnag	Director	
	4.	Mr. Patan Somburanasin	Director	
	5.	Mr. Chai Vinichbutr	Director	

	Reference: Certificate of TPARK
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3.2 TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED ("TICON")

Name	TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED (“TICON”)			
Location	13 th Floor, Sathorn City Tower 175 South Sathorn Road Bangkok 10120 Thailand			
Paid-up Capital	Baht 1,099,142,3075.00			
Type of business	TICON develops single floor factory building for over 500 buildings. The factory buildings are located at industrial estate, industrial park and industrial area in Thailand in total 18 locations. TICON has finished and work in process factory building of 313 buildings as of 31 December 2015.			
Shareholders	Shareholders as of 10 May 2016			
	No.	Shareholders	Number of Shares	Percentage (%)
	1.	Rojana Industrial Park Public Company Limited	478,699,619	43.55%
	2.	Mr. Jatupon Kreangchaiyakritjakul	45,751,800	4.16%
	3.	MS. Suchada Lesawattrakul	43,422,970	3.95%
	4.	City Villa Company Limited	38,568,150	3.51%
	5.	NORTRUST NOMINEES LTD-CL AC	35,193,887	3.20%
	6.	THAI NVDR Company Limited	34,106,550	3.10%
	7.	MR. Chali Sophonpanich	24,773,910	2.25%
	8.	SATHORN CITY TOWER PROPERTY FUND	19,503,194	1.77%
	9.	MS. Yupadee Kuan	18,800,000	1.71%
	10.	THE BANK OF NEW YORK MELLON	15,793,287	1.44%
	11.	Others	344,529,008	31.35%
		Total	1,099,142,375	100.00%
Reference: STOCK EXCHANGE OF THAILAND				
Board of Directors	Board of Directors as of 11 July 2016 are as follows;			
	No.	Name	Position	
	1.	MR. Chali Sophonpanich	Chairman	
	2.	Mr. Jirapongs Vinitchbutr	Director	
	3.	Mr. Chai Vinitchbutr	Director	
	4.	Mr. Nate Charanvas	Director	
	5.	Mr. Virapan Pulges	Managing Director	
	6.	Mr. David Desmond Tarrant	Chairman of audit committee /Independent director	
	7.	Mr. Chatchaval Jiaravanon	Audit committee/Independent director	
	8.	Mr. Threekwan Bunnah	Audit committee/Independent director	
Reference: SET				

3. Investment Policy of TREIT

TREIT invests in warehouse buildings and factory buildings which include an investment in land, warehouse and factory buildings both leasehold and freehold. TREIT has an investment policy to support the expansion of this property both domestic and abroad and not limit just only the same business type under the regulation and rules of SECURITIES AND EXCHANGE COMMISSION and related department. Nowadays, TREIT invests in 98 units which are 71 units of warehouse and 27 units of factory building.

4. Management policy

TICON MANAGEMENT COMPANY LIMITED ("TMAN") as a founder and REIT Manager has management policy as follows;

1. Leasehold and/or freehold of warehouse from TPARK
2. Leasehold and/or freehold of factory building from TICON

REIT manager appointed TPARK and TICON to be Property Manager due to experience in managing freehold and leasehold property of both companies for 10 years and 25 years respectively which make the companies has good knowledge and understanding in marketing part and capable in finding customers, build relationship with customers and manages revenue and expenses. Moreover, the Companies also have experienced construction staff such as architect, engineer and project manager who directly control the construction. In addition, administration staff who can cooperate with customers in request for any working license of foreigner and general service for customers which will create efficient management and high return to the TREIT.

Property manager will do with the customers who interesting in leasehold of this property and do direct marketing with the target customer or contact via third parties include marketing campaign for advertising the property and negotiate with customers. REIT manager will pay operating profit to Property manager in the rate stated in financial statement of REIT recorded as Property manager fees.

5. Unitholders

10 major unitholders of REIT as of 24 May 2106 are as follows;

No.	Major unitholders	Number of Units	Units (%)
1	Social Security Office	71,395,700	12.60%
2	TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED	65,294,439	11.52%
3	Bangkok Lifer Assurance Public Company Limited	40,000,000	7.06%
4	Misui and Co (Asia pacific) Pte. Ltd.	35,000,000	6.18%
5	SCB Income Plus Fund	30,000,000	5.29%
6	Muang Thai Life Assurance Public Company Limited	20,266,300	3.58%

7	Government Savings Bank	20,000,000	3.53%
8	Bangkok Insurance Public Company Limited	17,000,000	3.00%
9	South East Life Assurance Public Company Limited	15,000,000	2.65%
10	TISCO Asset Management Company Limited	13,200,000	2.33%
11	Others	239,643,561	42.26%
	Total	566,800,000	100.00%

Reference: STOCK EXCHANGE OF THAILAND

6. Financial Statements

The information below include statement of financial position, income statement, cash flow statement and key financial ratios since 12 December 2014 (founded date of REIT) ended 31 December 2014, year ended 2015 (audited) and for 6 months ended 2016 (revised) are as follows;

Statement of Financial Position

Unit: Million Baht

Lists	2014	2015	As of 30 June 2016
Assets			
Investments in properties at fair value	4,228.00	7,260.76	7,351.65
Investments in securities at fair value	0.00	310.27	70.53
Cash and cash at banks	223.74	3.30	224.25
Account receivables			
From rental and service	2.20	45.56	68.30
From interest	0.45	0.37	0.19
Others	8.39	2.98	1.92
Deferred expenses	42.69	61.76	59.59
Other assets	1.30	2.44	8.72
Total Assets	4,506.77	7,687.44	7,778.13
Liabilities			
Accrued expenses	49.43	39.87	26.85
Withholding taxes payable	61.73	53.24	6.80
Deposits from rental and service	99.02	169.70	181.52
Long-term loans	860.00	1,819.00	1,819.00
Other liabilities	3.63	4.31	3.02
Total liabilities	1,073.80	2,086.12	2,037.18
Net Assets			
Trust registered and capital from unitholders	3,425.00	5,542.06	5,542.06
Retain earnings	7.97	59.25	205.90
Total Net Assets	3,432.97	5,601.32	5,747.95
Total Liabilities and Net Assets	4,506.77	7,687.44	7,778.13

Income statement

unit: Million Baht

Lists	2014	2015	As of 30 June 2016
Investment income			
Rental and service income	8.92	366.16	296.70
Interest income	1.39	0.00	2.04
Income from rental and service guarantees	1.39	41.32	35.04
Total Revenue	11.70	415.65	333.78
Expenses			
Trust management fee	1.51	44.41	31.83
Trustee fee	0.19	3.69	2.92
Registration fees	0.06	1.47	1.12
Professional fees	0.10	0.50	0.30
Operation expenses	0.12	28.12	41.52
Amortization of deferred expenses	0.12	28.12	7.57
Interest expenses	0.95	38.42	37.48
Total expenses	3.72	129.09	122.73
Net investment income	7.97	286.56	211.05

Statement of cash flow

Unit: Million Baht

Lists	2014	2015	As of 30 June 2016
Net cash received (used) from operating activities	4,060.51	3,149.20	413.84
Net cash received (used) from financing activities	4,284.26	2,928.76	(192.89)
Net cash and deposits increase (decrease)	223.74	(220.45)	220.95
Beginning cash and deposits	0.00	223.74	3.30
Ending cash and deposits	223.74	3.30	224.25

Key financial ratios

Unit: Million Baht

Financial ratios	2014	2015	As of June 2016
Ending total net assets (Baht)	3,432.97	5,601.32	5,747.95
Average net assets during the year(Baht)	3,425.40	3,598.03	5,718.19
Net investment income margin (%)	68.16	68.94	63.23
Total expenses to total net assets (%)	0.11	3.59	2.15
Return on average net assets during the year (%)	0.34	11.55	5.84
Debt to average net assets during the year (%)	31.35	57.98	35.63

Note: *Value of traded investment during the year does not include deposits and calculated by average approach during the year

7. Financial statements analysis

Operation result

- Revenue and expenses

In 2015 TREIT has total revenue of 415.65 Million Baht which are rental and service income of 366.16 Million Baht (88.09% of total revenue), revenue from income from rental and service guarantees from TICON and TPARK of 41.32 Million Baht (9.94% of total revenue) and revenue from interest income of 2.54 Million Baht and other revenue of 5.62 Million Baht which come from withdrawing of deposits from rental and service from the bank according to the agreement in the first quarter from one customer who stop leasehold before the agreed date due to decreasing of capacity and cost and from one customer in the fourth quarter because the customer who are Third Party Logistics Provider requires to move their warehouse which is their nature of business. Revenue structure of the TREIT come from rental income from warehouse about 68.00 percent of total revenue and rental in come from factory building of 32.00 percent of total revenue.

Expenses of TREIT of 129.09 Million Baht include 28.12 Million Baht of operating expenses (21.78% of total expenses), 44.41 Million Baht of Trust management fees (34.40% of total expenses) and 38.42 Million Baht of interest income (29.76% of total expenses).

In 2015 TREIT has unrealized loss of 126.50 Million Baht because on 1 April 2015, the appraiser has reviewed the value of property for the first times at 4,011.50 Million Baht less than the initial investment by 126.50 Million Baht which make in 2015, REIT has an increase in net assets from operation of 160.28 Million Baht. However, this first review by appraiser has higher value than appraisal on 1 April which has value of 3,808.90 Million Baht.

For 6 months ended as of 30 June 2016, REIT has total revenue of 333.79 Million Baht increase by 130.10 Million Baht compare to the same period in 2015 or increases by 63.87 percent with the significant change of rental and service income which increases by 117.98 Million Baht because TREIT has invested more in warehouse and factory buildings. The total expenses are 122.73 Million Baht increases by 57.96 Million Baht or 89.48 percent proportionally with the increase in revenue which result from an increase in interest expenses from the increase in long-term loans from financial institution for investment in properties and also an increase in Management fees due to an increase in revenue of TREIT.

Financial Position

- Assets

As of 31 December 2015 TREIT has Total assets of 7,687.44 Million Baht mainly are investment in properties of 7,260.76 Million Baht (94.45 percent of total assets), investment in short-term securities investment

of 310.27 Million Baht (4.04 percent of total assets), deferred expenses of 61.76 Million Baht and account receivable 45.56 Million Baht.

Total assets as of 31 December 2015 increases by 3,180.66 Million Baht from ended 31 December 2014 which mainly result from an increase in investment in property on 18 and 22 December 2015 with the total investment of 3,159.26 Million Baht (calculated by income approach by 2 independent appraisers with the value of 2,956.80 Million Baht and 2,927.10 Million Baht from the first reviews of property value which make an investment in property in at year ended has value of 7,260.76 Million Baht)

As of 30 June 2016 TREIT has total assets of 7,778.13 Million Baht which are investment in properties of 7,778.13 Million Baht (94.52% of total assets) and cash and cash at banks of 224.25 Million Baht (2.88 percent of total assets).

Total assets as of 30 June 2016 increases by 90.69 Million Baht from total assets as of 31 December 2015 or increases by 1.12% only because there is no additional investment in properties yet in this period.

- Liabilities

As of 31 December 2015 TREIT has total liabilities of 2,086.12 Million Baht which mainly are long-term loans 1,819.99 Million Bhat (87.20% of total liabilities) and deposits from rental and service from customers transfer from TPARK and TICON of 169.70 Million Baht (8.13% of total liabilities). Total liabilities have increased by 1,012.32 Million Baht from as of 31 December 2014 due to increases of long-term loans of 959 Million Baht for an additional investment in assets in December.

TREIT has 2 long-terms loans with the Bangkok bank which are terms loans in 2014 with the maximum line of credit of 1,350 Million Baht which has been withdrawn for 860 Million Baht for the first investment in December 2014 and second terms loans with the maximum line of credit of 969.99 million Baht and has 536 Million Baht remaining unused. REIT has to pay back these loans for the first times in December 2022 and 2023 respectively.

As of 30 June 2016 REIT has total liabilities of 2,037.18 Million Baht decreases by 48.94 Million Baht or decrease by 2.40 percent compare to as of year ended 2015 which mainly are long-term loans of 1,819.99 Million Baht (89.29% of total liabilities) and deposits from rental and services of 181.52 Million Baht increases by 11.82 Million Baht.

- Net Assets

As of 31 December 2015 TREIT has Net Assets Value (NAV) of 5,601.32 Million Baht which are registered capital and capital from unitholders of 5,542.06 Million Baht and retain earnings pf 59.25 Million Baht. The Net assets value has increased by 2,168.34 Million Baht from as of 31 December 2014 due to an investment in property during the year of 2,243.00 Million Baht.

In 2015, meeting of Board of Directors of TREIT has approved to decrease registered capital and pay unitholders back 2 times. The first times declines value of Trust by Baht 0.1934 per unit accounted for 66.24 Million Baht and the second times decline by Baht 0.1743 per unit accounted for 59.70 Million Baht which make Net Assets Value per unit is Baht 9.8823 as of 31 December 2015. This buy back of Trust unit is to liquidate the amount excess unrealized loss due to a decrease in value of appraisal value of property assets.

As of 30 June 2016 TREIT has Net Assets Value ("NAV") of 5,747.95 Million Baht which are registered capital and capital from unitholders of 5,542.06 Million Baht and retain earnings of 205.90 Million Baht. NAV as of 30 June 2016 has increased from year end 2015 by 146.63 Million Baht result from an increase in retain earnings.

- Liquidity

As of year ended 2015 Cash and deposits of TREIT decreased by 220.45 Million Baht. TREIT has cash received from financing activities of 2,928.76 Million Baht which are cash from Trust's unit issued and sold of 2,243.00 Million baht, cash from long-term borrowings of 959.00 Million Baht deduct by cash used for interest expenses of 39.32 Million Baht, cash used in payback the amount of declining value of Trust's units of 125.94 Million Baht and share of capital to unitholders of 108.98 Million Baht. TREIT uses cash for operating activities of 3,149.20 Million Baht which mainly are an increase in investment in property of 3,159.26 Million Baht, an investment in net assets (fixed interest rate 1 year) of 310.06 Million Baht deducted by an increase in collateral of rental and service income of 70.68 Million Baht.

According to operation in 2015, TREIT has an increase in NAV from 3,432.97 Million Baht on 31 December 2014 to 5,601.32 Million Baht on 31 December 2015 and has average of 3,595.03 Million Baht of NAV during 1 January 2015 to 31 December 2015 which increases from 3,425.40 Million Baht of average NAV in 2014. The Return on average NAV in 2015 is 11.55 percent increases from 2014 which is 0.34 percent.

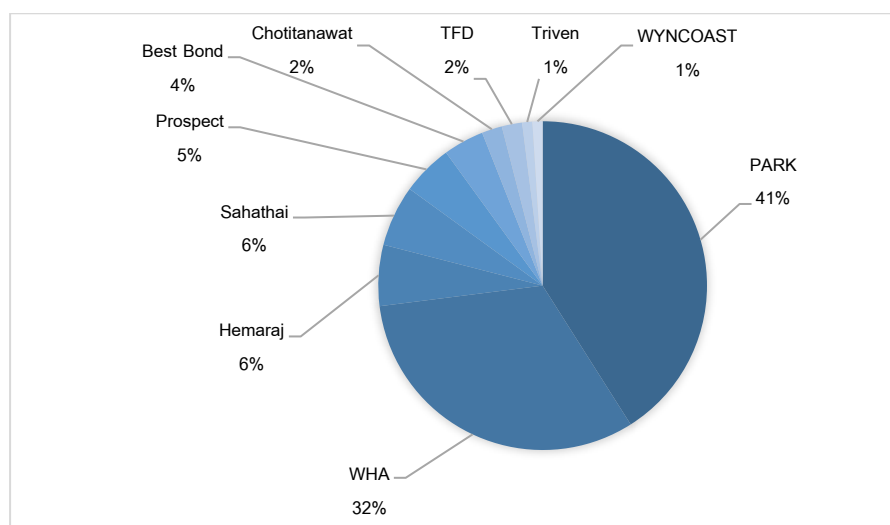
As of 30 June 2016 Cash and deposits of TREIT increases by 220.95 Million Baht which decreases by 30.34 Million Baht compares to the same period in 2015. Net cash received from operating activities is 413.84 Million Baht and net cash used in financing activities of 192.89 Million Baht.

8. Industry Overviews

- Warehouse for leasehold

From the study of warehouse for leasehold from 6 locations which are North Bangkok, East Bangkok, Chonburi, Rayong, Chachoengsao and Prachinburi by CBRE (Thailand) Company Limited, as of March 2016, there is study area of warehouse for leasehold about 3,105.535 sq.m. and the demand mainly come from East Bangkok (Bangplee, Bangna-Trad, Radkabang and etc.) for 474,171 sq.m. or 43 percent of total demands.

When categorized by the developer, the company found out that the first 3 developers gain market shares of 79 percent of total demand which are TPARK (including property asset management and REIT) who has the highest market shares of 1,275,149 sq.m. or 41 percent of total demand, followed by WHA Public Company Limited (including property fund and REIT) ("WHA") who has market shares of 979,814 sq.m. or 32 percent of total demand and the last one is Hamaraj Public Company Limited who has market shares of 179,320 sq.m. or 6 percent of total demand respectively.



Reference: CBRE

- Note
- TPARK means TICON LOGISTICS PARK COMPANY LIMITED and property fund and REIT managed by TPARK
 - WHA means WHA corporation Public Company Limited and property fund and REIT managed by WHA
 - Hemaraj means Hemaraj Land and Development Public Company Limited and property assets management managed by Hemaraj
 - Sahathai means Sahathai Terminal Company Limited
 - Prospect means Prospect Development Company Limited
 - Best Bond means Best Bond Warehouse Company Limited
 - Chotitanawat means Chotitanaat Company Limited
 - TFD means Thai Factory Development Public Company Limited and property fund managed by Thai Factory development
 - Triven means Thriven Group Company Limited
 - WYNCOAST means WYNCOAST Industrial Park Public Company Limited

From the total demand of 3,105,535 sq.m. in the study area, occupation rate is 78 percent or 2,437,437 sq.m. which has been stable since 2013. East Bangkok (Bangplee, Bangna-Trad and Ladkawang, etc.) and north Bangkok (Ayutthaya, Pathum Thani and etc.) has an occupation rate of 87 percent and 85 percent

respectively which are very high compare to other area. East Bangkok area is mainly demand by Transportation business both domestic and abroad because the area is located near the Suvarnabhumi airport, industrial estate, port Leamchabang and distribution center of consumable goods.

Occupation rate categorized by study areas as of March 2016

Study areas	Rental areas (sq.m.)	Occupated areas (sq.m.)	Occupation rate
North Bangkok	474,171	405,121	85%
East Bangkok	1,325,187	1,158,539	87%
Chonburi	776,631	507,641	65%
Rayong	147,087	85,781	58%
Chachoengsao	372,439	270,335	73%
Prachinburi	10,020	10,020	100%
Total	3,105,535	2,437,437	78%

Reference: CBRE

Asking Rent for these study areas is around Baht 120 per /sq.m./month to Baht 200 /sq.m./month. However, from the CBRE's point of view, usually, the normal rent price will be less than asking rent around 5 to 15 percent. For warehouse that is built to suit will have the higher rent price than the others due to the special characteristic of the warehouse for example, the rental rate will depend on specific details from customers.

Asking Rent classified by study areas as of March 2016

Study areas	Minimum Asking Rent (Baht/sq.m./month)	Maximum Asking Rent (Baht/sq.m./month)	Average Asking Rent (Baht/sq.m./month)
North Bangkok	120	195	158
East Bangkok	135	195	165
Chonburi	145	180	163
Rayong	130	175	153
Chachoengsao	150	200	175
Prachinburi	145	160	153

Reference: CBRE

Moreover, the rental rate is varied by the zone of warehouse such as Free zone and General Zone which the developer told that the rental in Free zone will normally higher than in General zone by 10 Baht/sq.m./month depend on size of occupation area. Normally, the developer will give the discount to big occupation area about 5 to 10 Baht/sq.m./month depend on many factors such as characteristic of warehouse and level of competition in the locations. The study of demand in the future founds out that there are 169,581 sq.m. of warehouse that are being constructed which will increase the demand from 3,105,535 sq.m. to

3,280,000 sq.m. or increase by 5 percent which mainly come from East Bangkok of 33 percent. Usually, the construction period is around 6 to 8 months.

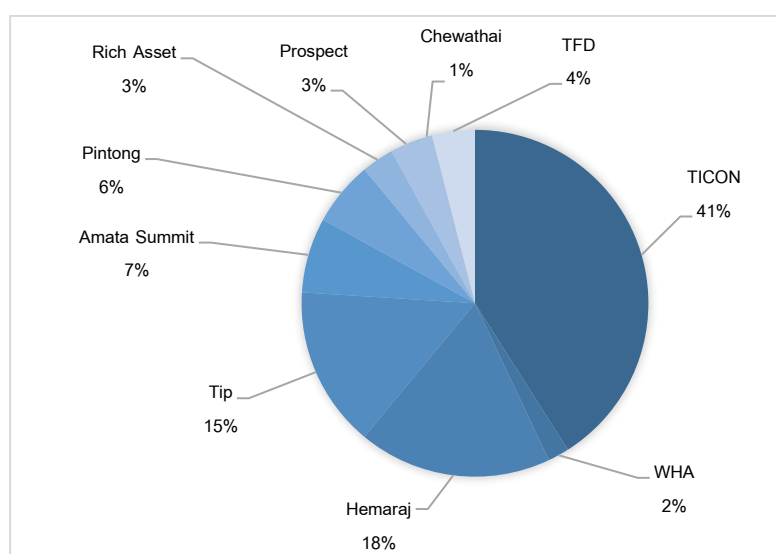
The Demand for leasehold of warehouse in the future that being constructed is managed by 2 developers which are mainly PARK of 149,231 sq.m. or 88 percent of future demand and Thai Development.

- Factory building for leasehold

From the study of factory building for leasehold business in 6 study areas which are North Bangkok, East Bangkok, Chonburi, Rayong, Chachoengsao and Prachinburi by CBRE, as of March 2016, the total demand for factory building is 2,843,093 sq.m. which mainly are in Chonburi 938,725 sq.m. or 33 percent of total demand which are the most attractive location because it is located near Bangkok, Suvarnabhumi airport and Leamchabang port.

When categorized by developer, the company found out that the first 3 developer gain 73 percent of market shares which are TICON (including property fund and REIT) who gains the most market shares of 1,128,765 sq.m. or 41 percent of total demand, follows by Hemaraj who gains 527,941 sq.m. or 18 percent of total market shares and Tip Holding who gains 441,404 sq.m. or 15 percent of total market shares respectively.

Demand of factory building categorized by developer as of March 2016



Reference: CBRE

Note - TICON means TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED and property fund and REIT managed by TICON

- WHA means WHA Corporation Public Company Limited and property fund and REIT managed by WHA

- Hemaraj means Hemaraj Land and Development Public Company Limited and property fund managed by Hemaraj

- Tip holding means Tip Holding Company Limited

- Amata Summit means Amata Summit Ready Bill Company Limited

- Pintong means Pintong Industrial Park Estate Company Limited and property fund managed by Pintong
- Prospect means Prospect Development Company Limited
- Thai Factory Development means Thai Factory Development and Thai industrial property fund 1
- Rich assets means Rich assets Company Limited
- Chewathai means Chevathai Company Limited

From the total demand of 2,843,093 sq.m. in the study areas, the occupation rate is around 75 percent or 2,129,801 sq.m. compare to in 2014 which has occupation rate of 130,000 sq.m. dramatically increase by 2 times mainly in East Bangkok, Chonburi and Rayong.

East Bangkok and Chonburi has occupation rate about 91% and 85% respectively compare to other areas. East Bangkok is attractive for the customers because it is located near Suvarnabhum airport, Leamchabang port, industrial estate and distribution center of consumable goods. While Chonburi areas is attractive for export- import business due to the locations near Bangkok, Suvarnabhum airport and Leamchabang port.

Occupation rate of factory building classified by study areas as of March 2016

Study areas	Rental areas (sq.m.)	Occulated areas (sq.m.)	Occupation rate
North Bangkok	582,674	299,554	51%
East Bangkok	661,154	603,370	91%
Chonburi	938,725	796,338	85%
Rayong	559,197	375,254	67%
Chachoengsao	31,050	23,910	77%
Prachinburi	70,293	31,375	45%
Total	2,843,093	2,129,80	75%

Reference: CBRE

Asking Rent of factory building in study areas is between 120 and 250 Baht/sq.m./month. According to the CBRE, the normal rental rate will be less than asking rent around 5 to 15 percent of asking rent.

Asking Rent of factory building classified by study areas as of March 2016

Study areas	Minimum Asking Rent (Baht/sq.m./month)	Maximum Asking Rent (Baht/sq.m./month)	Average Asking Rent (Baht/sq.m./month)
North Bangkok	160	210	185
East Bangkok	120	250	185
Chonburi	130	220	175
Rayong	130	250	190
Chachengsao	175	250	213

Prachinburi	170	240	205
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Reference: CBRE

Asking Rent is varied by location of the occupied areas such as Free zone and General zone or independent operation which developer will charge for the rental rate 10 Baht/sq.m./month higher than the normal area.

The demand of factory building in the future as of March 2016 is estimated by the constructing factory building of 40,960 sq.m. which will slightly increase the demand from 2,843,093 sq.m. to be 2,884,053 sq.m. because the developer slows down the business and focusing on occupation rate. TICON own most of the constructing factory building around 32,300 sq.m. or 79 percent of the total demand in the future. Normally, the construction period is around 6 to 8 months.

Attachment 2**Business Overview of TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED****1. Business Overview**

Company name : TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED ("TICON")
 Head Office : 13th Floor, Sathorn City Tower 175 South Sathorn Road Bangkok 10120 Thailand
 Tel : 0-2679-6565
 Fax : 0-2287-3153
 Business type : Construct a Factory building and warehouse for leasehold and freehold in industrial estate, industrial park and other potential area in Thailand and providing service to ease the operation of customers
 Company no. : 0107544000051
 Website : www.ticon.co.th
 Registered Capital : Baht 1,115,941,811
 Paid-up Capital : Baht 1,099,142,375.00
 Number of paid-up units: 1,099,142,375 units

2. Business Operation

The company is a constructor of factory building and warehouse for leasehold in industrial estate, industrial park, industrial area and other potential areas in Thailand. The Company's building and warehouse are located at industrial estate, park and areas 15 locations as follows;

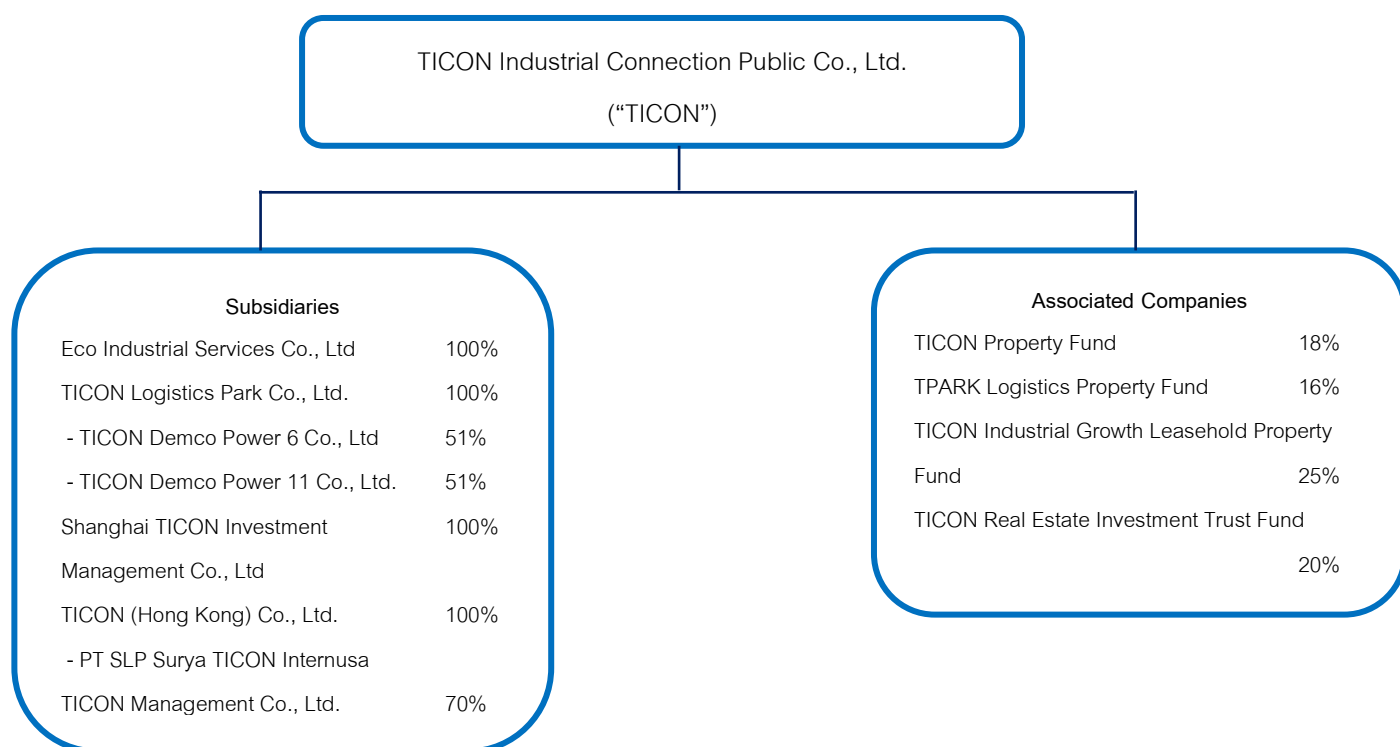
No.	Location	Province
1	Bang Pa-In Industrial Estate	Ayutthaya
2	Hitech Industrial Estate	Ayutthaya
3	Rojana Industrial Park- Ayutthaya	Ayutthaya
4	Amatanakorn Industrial Estate	Chonburi
5	Leamchabang Industrial Estate	Chonburi
6	Hemaraj Industrial Estate – Chonburi	Chonburi
7	Pintong Industrial Estate	Chonburi
8	Amata city Industrial Estate	Rayong
9	Bangpu Industrial Estate	Samutprakarn
10	Asia Industrial Estate	Samutprakarn
11	Nawanakorn Industrial area	Pathum thani
12	Ladkrabung Industrial Estate	Bangkok

No.	Location	Province
13	Rojana Industrial Park- Rayong	Rayong
14	Kabinburi Industrial Area	Prachinburi
15	Rojana Industrial Park- Prachinburi	Prachinburi

Warehouse of TICON 33 locations are located as follows;

No.	Location	Province
1	Logistics TICON Industrial area Bangna	Chachoengsao
2	Leamchabang warehouse center	Chonburi
3	Logistics TICON Industrial Area Leamchabang	Chonburi
4	Logistics TICON Wangnoi Industrial area (3 areas)	Ayutthaya
5	Rojana Industrial Park – Ayutthaya	Ayutthaya
6	Amatanakorn Industrial Estate	Chonburi
7	Logistics TICON Industrial area Ladgabang	Bangkok
8	Eastern Sea Board warehouse center	Rayong
9	Eastern Sea Board warehouse center (5 areas)	Chonburi
10	Logistics TICON Industrial Area Sriracha	Chonburi
11	Hemaraj Industrial Estate Chonburi (Bor Win)	Chonburi
12	Pantong warehouse center (3 areas)	Chonburi
13	Logistics TICON Industrial Area Bangpakong	Chachoengsao
14	Bangplee warehouse center (6 areas)	Samutprakarn
15	Rojana Industrial Park – Prachinburi	Prachinburi
16	Khonkaen warehouse center	Khonkaen
17	Suratthani warehouse center	Suratthani
18	Amata city warehouse center	Rayong
19	Samut Sakhon warehouse center	Samut Sakhon
20	Lumpoon warehouse center	Lumpoon

3. Shareholders structure of the company



The company has 5 subsidiaries which are Eco Industrial Services Company Limited, TICON LOGISTICS PARK COMPANY LIMITED, Shanghai TICON Investment Management Company Limited, TICON (Hong Kong) Company Limited and TICON MANAGEMENT COMPANY LIMITED. The company and Eco Industrial Services Company Limited are the constructors of factory building whereas TICON LOGISTICS PARK COMPANY LIMITED, Shanghai TICON and TICON (Hong Kong) are warehouse constructors. These companies are founded to support the expansion to China and other countries while TMA is founded in order to be REIT manager. The details of the companies are as follows;

1. Eco Industrial Services Company Limited: EISCO

TICON holds about 100 percent of registered capitals of EISCO. EISCO operates the same business as TICON and is founded to support factory building for leasehold business in Leamchabang Industrial Estate. EISCO started their operation in April 2001 and approved to be supported by The Board of Investment in August 2001.

On 31 December 2015, EISCO has registered capital and paid-up capital of 50 Million Baht and has been guaranteed by ISO 9001: 2000 in 2003

2. TICON Logistics Park Company Limited: TPARK

TICON holds 100 percent of registered capitals of TPARK founded in August 2005 in order to develop warehouse for leasehold. TPARK has been supported in development of Logistics TICON Bangna Industrial

Area, Logistics TICON Wangnoi Industrial Area, Logistics TICON Sriracha Industrial Area, Logistics TICON Leamchabang Industrial area and development of warehouse in Hemaraj Chonburi Industrial Estate (Bor Win)

On 31 December 2015, TPARK has registered capital and paid-up capital of 19,500 Million Baht and has been guaranteed by ISO 9001: 200 in 2009

3. Shanghai TICON Investment Management Company Limited

TICON holds 100 percent of Shanghai TICON founded in China in July 2010 in order to support the expansion of the investment in property assets in China which is being studied about project feasibility.

On 31 December 2015, Shanghai TICON Investment Management Company Limited has registered capital of 2.8 Million Dollar and paid-up capital of 2.8 Million Dollar

4. TICON (Hong Kong) Company Limited

TICON holds about 100 percent of TICON (Hong Kong) founded in China in April 2015 in order to support the expansion of the investment in property assets in other country beside China which recently the company has a joint venture project with PT SLP Surya TICON Internusa at Indonesia.

On 31 December 2015, TICON (Hog Kong) Company Limited has registered capital and paid-up capital of 11.6 Million Dollar.

5. (TICON Management Company Limited: TMAN

TICON holds about 70 percent of registered capital of TMA founded in May 2013 in order to be REIT manager from SECURITIES AND EXCHANGE COMMISSION on 6 August 2014. In October 2014, TICON has sold the investment in TMAN about 300,000 shares or 30 percent of registered capitals to Mitsui & Co. (Asia Pacific) Company Limited

On 31 December 2015, TMAN has registered capital and paid-up capital of 10 Million Baht

Besides the above subsidiaries, TICON also has joint venture project with 2 companies which are TICON DEMCO Power 6 Company Limited and TICON DEMCO Power 11 Company Limited in order to be developer and distributor of Solar Power Plant and also with PT Surya TICON Internusa in order to develop factory building and warehouse for leasehold in Indonesia. The details of each company are as follows;

1. TICON DEMCO Power 6 Company Limited: TICON DEMCO 6
2. TICON DEMCO Power 11 Company Limited: TICON DEMCO 11
3. PT SLP Surya TICON Internusa
4. TICON Property Fund: TFUND
5. TPARK Logistics Property Fund: TLOGIS
6. TICON Industrial Growth Leasehold Property Fund: TGROWTH
7. TICON Freehold and Leasehold Real Estate Investment Trust Fund: TREIT

4. Revenue Structure

The company revenue mainly come from revenue from selling factory building and warehouse compare to the total revenue of the company because the company has sold a lot of these property to Property fund and REIT for the past several years in order to expand the business of the company because rental revenue from factory building and warehouse are the second largest revenue about 8-90 percent of the company's total revenue. Subsidiaries also has other sources of revenue as follows;

Revenue Structure	2013		2014		2015		6 months ended 2016	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Sales of properties	4,663.04	69.80	4,561.28	73.98	3,345.61	62.55	0	0
Rental and related service income	1,109.69	16.61	966.06	15.67	1,048.55	19.60	531.26	70.32
Management fees income from associates	152.59	2.28	165.34	2.68	204.12	3.81	99.21	13.13
Share of profit from investment in associates	216.57	3.24	267.13	4.33	248.47	4.65	0	0
Realized additional gain on sales of properties to property funds	154.45	2.31	41.37	0.67	246.69	4.61	88.56	11.72
Other revenue	384.70	5.76	163.79	2.67	255.65	4.78	34.47	4.83
Total	6,681.04	100.00	6,164.97	100.00	5,349.09	100.00	755.50	100.00

5. Board of Directors

Board of Directors as of 11 July 2016 are as follows;

No.	Name	Position
1.	Mr. Chali Sophonpanich	Chairman
2.	Mr. Jirapong Winitchbud	Director
3.	Mr. Chai Winitbut	Director
4.	Mr. Ned Jaranwad	Director
5.	Mr. Verapan Puket	Managing Director
6.	Mr. David Desmond Tearance	Chairman of audit committee/Independent Director
7.	Mr. Chacawan Jiarawanon	Audit Committee/Independent Director
8.	Mr. Trijawan Boonak	Audit Committee/Independent Director

Reference: SET

6. Shareholders

Shareholders of the company as of 10 May 2016

No.	Shareholders	Number of Shares	Percentage (%)
1.	Rojana Industrial Park Public Company Limited	478,699,619	43.55%
2.	Mr. Jatupon Kreingchaikitjakul	45,751,800	4.16%
3.	MS. Suchada Lesawastagul	43,422,970	3.95%
4.	City Villa Company Limited	38,568,150	3.51%
5.	NORTRUST NOMINEES LTD-CL AC	35,193,887	3.20%
6.	Thai NVDR Company Limited	34,106,550	3.10%
7.	Mr. Chali Sophonpanich	24,773,910	2.25%
8.	Sathorn city Tower Fund	19,503,194	1.77%
9.	MS. Yupadee Kuan	18,800,000	1.71%
10.	THE BANK OF NEW YORK MELLON	15,793,287	1.44%
11.	Others	344,529,008	31.35%
	Total	1,099,142,375	100.00%

Reference: STOCK EXCHANGE OF THAILAND

7. Financial statements

Statement of Financial Position

(Unit : Million Baht)

Lists	2013	2014	2015	As of 30 June 2016
Assets				
Current assets				
Cash and cash equivalent	347.86	202.08	1,133.89	634.25
Current investment	420.66	257.68	22.18	22.77
Trade and other receivables	90.67	87.09	94.96	95.27
Advances for construction	0.00	170.40	73.93	40.23
Other current assets	185.70	142.86	223.66	243.22
Non-current assets for sale	2,683.97	0.00	0.00	1,404.68
Total current assets	3,728.86	860.12	1,548.62	2,440.43
Non-current assets				
Pledged deposits at financial institution	0.24	70.62	57.43	57.43
Unbilled operating leases receivables	30.27	49.65	80.32	90.18
Long-term loans to related companies	0.00	0.00	0.00	0.00
Investment in subsidiaries	0.00	0.00	0.00	0.00
Investment in joint ventures	0.00	4.20	4.07	4.33

Lists	2013	2014	2015	As of 30 June 2016
Investment in associates	3,242.41	3,316.43	3,574.45	2,947.63
Investment in related companies	0.26	0.26	0.26	0.26
Investment properties under development and available for rent/sale	13,726.60	17,179.75	20,305.65	19,934.59
Investment properties for rent	3,534.65	6,734.57	9,769.27	9,622.00
Property, plant and equipment	1,094.90	1,593.45	183.23	182.57
Computer software	5.39	5.18	3.76	4.03
Deferred tax assets	108.76	90.97	28.30	0.00
Deposits for purchase of property	610.79	461.74	0.00	0.00
Prepaid rental expenses	348.94	758.27	714.98	699.59
Other non-current assets	19.33	83.91	23.43	23.82
Total non-current assets	22,722.53	30,349.00	34,745.14	33,566.43
Total Assets	26,451.39	31,209.12	36,293.76	36,006.86
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans	2,108.00	660.00	2,040.00	1,430.00
Short-term loans from related party		0.00	0.00	0.00
Trade and other payables	765.62	660.75	606.34	509.06
Current portion of liabilities under financial lease agreements	0.00	0.69	1.15	2.06
Current portion of long-term loans from related party	0.00	0.00	71.60	143.20
Current portion of long-term loans	45.00	55.00	304.90	222.32
Current portion of debentures	1,080.00	2,170.00	3,250.00	2,900.00
Income tax payable	2.22	83.50	0.68	1.25
Short-term provisions	0.00	39.41	76.33	29.18
Other current liabilities	62.52	139.19	134.23	152.57
Liabilities directly related to non-current assets for sale	112.74	0.00	0.00	72.18
Total current liabilities	4,176.11	3,808.53	6,485.22	5,461.82
Non-current liabilities				
Liabilities under financial lease agreements	0.00	2.53	2.91	2.33
Long-term loans from related party	707.30	748.38	676.78	605.18
Long-term loans	1,208.87	952.38	721.98	611.76
Debenture	10,530.00	12,640.00	14,940.00	16,240.00
Provision for long-term employee benefits	25.34	28.40	32.20	39.19
Long-term provision	0.00	93.79	59.69	7.08
Deferred tax liabilities	0.00	0.00	0.00	43.70
Customer deposits	193.26	283.72	302.98	248.99
Unearned land rental income	922.75	1,185.76	1,382.49	1,357.04
Total non-current liabilities	13,587.52	15,934.96	18,119.04	19,155.26
Total liabilities	17,763.63	19,743.50	24,604.26	24,617.08
Shareholders' equity				

Lists	2013	2014	2015	As of 30 June 2016
Share capital – 1 Baht par				
Registered capital 1,115,941,811 shares	1,115.94	1,115.94	1,115.94	1,115.94
Paid-up capital 1,099,142,375 shares	912.38	1,099.14	1,099.14	1,099.14
Premium on ordinary shares	4,669.47	7,343.38	7,343.38	7,343.38
Appropriate retain earnings	126.37	126.37	126.37	126.37
Unappropriated retain earnings	2,983.90	2,831.85	3,052.85	2,746.51
Other components of shareholders' equity	(4.36)	63.61	65.27	70.05
Shareholders' equity	8,687.76	11,464.36	11,687.02	11,385.46
Non-controlling Interests of the subsidiaries	0.00	1.26	2.48	4.32
Total shareholders' equity	8,687.76	11,465.62	11,689.50	11,389.78
Total liabilities and shareholders' equity	26,451.39	31,209.12	36,293.76	36,006.86

Income statement

(Unit : Million baht)

Lists	2013	2014	2015	6 months ended as of 30 June 2016
Revenue				
Rental and related service income	1,109.69	966.06	1,048.55	514.58
Revenue from service	56.45	54.16	30.16	16.59
Sales of properties	4,663.04	4,561.28	3,345.61	0.00
Utilities income	25.99	37.95	35.62	11.31
Dividend income from subsidiary	0.00	0.00	0.00	0.00
Management fee income from associates	152.59	165.34	204.12	99.21
Interest income	7.15	8.25	6.52	4.42
Other revenue	69.65	63.42	183.35	20.74
Compensation from insurance	225.45	0.00	0.00	0.00
Gain from sales of investment in associates	0.00	0.00	0.00	88.56
Total revenue	6,310.01	5,856.46	4,853.93	755.50
Expenses				
Cost rental and related services	261.52	243.45	306.39	128.43
Cost of service	40.68	46.92	22.96	12.88
Cost of sales of properties	2,886.28	3,192.14	2,401.42	0.00
Cost of utilities	24.38	34.50	29.09	9.88
Provision related to sales of properties (reversal)	0.00	117.96	33.32	(52.69)
Selling expenses	159.41	68.11	36.44	13.89
Administrative expenses	381.80	445.60	435.85	205.20
Depreciation	174.38	255.75	284.59	88.70

Lists	2013	2014	2015	6 months ended as of 30 June 2016
Other expenses	9.65	4.01	9.69	18.78
Total expenses	3,938.10	4,408.44	3,559.75	425.06
Profit before share of profit (loss) from investments in associates and joint ventures, realized additional gains on sales of properties to associates, deferred gains on sales of properties to associates, finance cost and income tax expense	2,371.91	1,448.02	1,294.18	330.44
Shares profit (loss) from investments in associates	216.57	267.13	248.47	138.74
Shares profit (loss) from investments in joint ventures	0.00	(0.39)	(0.14)	0.27
Realized additional gain on sales of properties to associates	154.45	41.37	246.69	259.36
Deferred gains on sales of properties to associates	(505.07)	(213.42)	(166.26)	0.00
Profit before finance cost income tax expense	2,237.86	1,542.71	1,622.93	728.81
Finance cost	(546.43)	(642.61)	(762.21)	(405.48)
Profit before income tax expense	1,691.44	900.09	860.72	323.33
Income tax expenses	(277.20)	138.52	89.76	(75.23)
Net profit (loss) for the period	1,968.64	761.57	770.96	248.11
Earnings per share				
Earnings per share (EPS)	2.16	0.69	0.70	0.24

Statement of cash flow

(Units : Million Baht)

Lists	2013	2014	2015	As of 30 June 2016
Net cash received (used) from operating activities	5,066.33	4,098.34	3,247.26	(59.35)
Net cash received (used) from investing activities	(9,851.90)	(8,016.38)	(6,672.44)	(36.73)
Net cash received (used) from financing activities	4,436.64	3,493.54	4,230.12	(402.43)
Ending cash and cash equivalent	758.86	334.58	1,133.89	(499.64)

Key financial ratios

Financial ratios	2013	2014	2015	As of 30 June 2016
Current ratio (times)	0.89	0.23	0.24	0.45
Gross profit margin (%)	37.59	24.73	26.66	75.04
Net profit margin (%)	31.20	13.00	15.88	32.84
Return on Equity (%)	22.66	7.56	6.66	2.18
Return on Assets (%)	7.44	2.64	2.28	0.69
Debt to Equity ratio (times)	2.04	1.72	2.10	2.16

8. Financial statements Analysis

Operation result

- Revenue

The company is a developer of Property assets rent/sale of factory buildings and warehouse. In the last 3 years, the company has rental and service income about 17.6, 16.5 and 21.6 percent of total revenue respectively while the sales of properties to TFUND/TLOGIS/TGROWTH/TREIT is still main sources of revenue which are 73.9, 16.5 and 21.6 percent of total revenue for the last 3 years respectively. The properties were sold in order to expand the business of the company in each year.

The company sometimes has revenue from sales of factory building to customers who use the right to buy the factory according to the financial lease agreement. However, the company cannot forecast this revenue which mainly depends on customers.

The investment income in TFUND/TLOGIS/TGROWTH/TREIT are composed of profit sharing from property management fees, profit sharing from investment units and additional realized gain from selling property to fund and REIT.

In 2014, the company has total revenue of 5,856.46 Million Baht, decreased by 453.56 Million Baht from 2013 or decreased by 7.19 percent which mainly come from a decrease in rental and service income, sales of properties and compensation received from insurance.

In 2015, the company has total revenue of 4,853.93 Million Baht, decreased by 1,002.53 Million Baht or decreased by 17.12 percent from last year which mainly come from a decrease in sales of properties which decreased by 1,215.67 or 26.65 percent.

For 6 months ended as of 31 March 2016, the company has total revenue of 755.50 Million Baht, increased by 0.43 Million Baht when compare to the same period in last year as of 31 March 2015 which mainly come from a decrease in sale of properties of 488.13 Million Baht and an increase in gain from sale of investment in associates of 64.49 Million Baht or 267.91 percent.

- Rental and services expenses

In 2014, the company has cost of rental and service of 3,517.01 Million Baht, increased by 304.15 Million Baht or 9.47 percent which mainly come from an increase in the cost from sales of properties by 305.86 Million Baht or 10.60.

In 2015, the company has cost rental and service of 2,759.86 Million Baht, decreased by 757.15 Million Baht or 21.53 percent which mainly come from a decrease in the cost sales of properties by 790.72 Million Baht or 24.77 percent and a decrease in provision related to sales of properties (reversal by 84.65 Million Baht or 71.76 percent from previous year.

For 6 months ended as of 30 June 2016, the company has rental and services expense of 151.19 Million Baht, decreased by 48.60 Million Baht or 24.33 percent which mainly come cost efficiency of the company.

- **Selling and Administrative expenses**

In 2014, the company has selling and administrative expenses of 760.05 Million Baht, increased by 53.9 Million Baht from previous year or increased by 7.53 percent which mainly come from an increase in depreciation expenses and related employee's expenses according to the business growth.

In 2015, the company has total expenses of 756.9 Million Baht, decreased by 12.6 Million Baht from previous year which come from a decrease in selling expenses which mainly are advertising expenses and in 2014, the company has cost of sales of properties to TREIT more than in 2015. Moreover, in 2015, the company has a decrease in administrative expenses which are repairmen expenses and property improvement expenses.

For 6 months ended as of 30 June 2016 the company has total selling and administrative expenses of 425.06 Million Baht, decreased by 157.48 Million Baht or 27.03 percent from the same period of previous year which mainly come from a decrease in cost of rental and related service, administrative expense and depreciation compare to the same period pf the previous year.

- **Net profit**

In 2014, the company has a decrease in net profit of 1,207.07 Million Baht or 61.31 percent which mainly come from a decrease in rental income and revenue from sales of properties from previous year because the company has no sales of properties to TFUND/TLOGIS during the year which differ from in 2013 that the company sold a lot of properties which decrease an additional realized gain from sales of properties. Moreover, there are a lot of provisions related to sales of properties to TREIT at the end of 2014 with the increase in selling and administrative expenses accordingly to the growth of the company.

In 2015, the company has net profit of 779.96 Million Baht, increased by 9.39% 1.23% when compare to the previous year which mainly comes from loss from a decrease in investment value and has operating profit close to the previous year. Also, the company sold a lot of properties to TFUND/TLOGIS/TGROWTH and has an increase in profit sharing from associates. Moreover, the company can manage their cost more efficient which make the selling and administrative expenses decrease.

For 6 months ended as of 30 June 2016, the company has net profit of 248.11 Million Baht, increased by 277.97 Million Baht from the same period of the previous year which mainly come from an increase in realized additional gain on sales of properties to associates by 213.16 Million Baht including with a decrease in many costs as mentioned.

Financial Position

- **Assets**

As of 2014 TICON has total assets of 31,209.12 Million Baht, increased by 4,757.73 Million Baht or 17.99 percent from the previous year which mainly are an increase in investment properties under development and available for rent/sale by 3,453.15 Million Baht or 25.16 percent and investment properties for rent that increased by 3,199.91 Million Baht or 90.53 percent compare to the previous year which is the investment in TFUND, TLOGIS, TGROWTH and TREIT.

As of 2015, the company has total assets of 36,293.76 Million Baht, increased by 5,084.64 Million Baht or 16.29 percent from the previous year which mainly are an increase in investment properties under development and available for rent/sale by 3,235.90 Million Baht or 18.20 percent and investment properties for rent that increased by 3,034.70 Million Baht or 45.06 percent compare to the previous year which is the investment in TFUND, TLOGIS, TGROWTH and TREIT.

As of 30 June 2015, the company has total assets of 36,006.86 Million Baht, decreased by 326.99 Million Baht or 0.79 percent from the previous year ended which is the insignificant change.

- **Liabilities**

As of year ended 2014, the company has total liabilities of 19,743.50 Million Baht, increased by 1,979.87 Million Baht or 11.5 percent from the previous year which mainly come from an increase in debentures of 2,110.00 Million Baht or 20.04 percent and an increase in current portion of debentures of 1,090 Million Baht or 100.93 percent. Both debentures are used in order to buy land and invest in warehouse and factory building during the year.

As of year ended 2015, the company has total liabilities of 24,603.26 Million Baht, increased by 4,860.77 Million Baht or 24.06 percent from the previous year which mainly come from an increase in short-term loans of 1,380 Million Baht or 209.09 percent and an increase in debentures of 2,300 Million Baht or 18.20 percent in order to develop project in both Thailand and to foreign country.

As of 30 June 2016, the company has total liabilities of 24,617.08 Million Baht, increased by 12.82 Million Baht which is an insignificant change.

The company has the policy to limit the interest rate of loans from the financial institutions to the interest rate from debentures not more than 2.5 – 3.0 times which the company has never violate this policy.

- **Shareholders' equity**

As of year ended 2014, the company has shareholders' equity of 11,465.62 Million Baht, increased by 2,777.87 Million Baht or 31.97 percent from the previous year which mainly comes from issuing of registered capital of 186.77 Million Baht or increased by 20.47 percent and Share premium that increased by 2,673.91 Million Baht or 57.26 percent result from TCON-W3 and TICON-W6 warrants in Q1/2014 and TICON-W2 and TICON-W6 in Q2/2014 and also from purchase of ordinary share of Hemaraj Industrial Park asset management in Q4/2014.

As of year ended 2015, the company has shareholders' equity of 11,689.50 Million Baht, increased by 223.87 Million Baht or 1.95 percent from 2014 result from net profit in 2015.

As of 30 June 2016, the company has shareholders' equity of 11,389.78 Million Baht, increased by 300.28 Million from 2015 which is not a significant change.

- Liquidity

As of year ended 2014, the company has cash and cash equivalent of 334.58 Million Baht. The company has cash received from operating activities 4,098.34 Million Baht, cash used in investing activities 8,016.38 Million Baht and cash received from financing activities 3,493.54 Million Baht and has current ratio of 0.23 times as of 31 December 2014.

As of year ended 2015, the company has cash and cash equivalent of 1,133.89 Million Baht. The company has cash received from operating activities 3,247.26 Million Baht, cash used in investing activities 6,672.44 Million Baht and cash received from financing activities 4,230.12 Million Baht and has current ratio of 0.24 times as of 31 December 2015.

As of year ended 2015, the company has cash and cash equivalent of 634.25 Million Baht. The company has cash used in operating activities 59.35 Million Baht, cash used in investing activities 36.73 Million Baht and cash used in financing activities 402.43 Million Baht and has current ratio of 0.45 times as of 30 June 2016. The decrease in cash and cash equivalent of 499.43 Million Baht is a result of an increase of amount paid to debenture's holders.

9. Industry overview

- Referred from Attachment 1, no. 9 -

Attachment 3**Business overview of TICON LOGISTICS PARK COMPANY LIMITED****1. General information**

Company name : TICON LOGISTICS PARK COMPANY LIMITED ("TPARK")

Head office : 13th Floor, Sathorn City Tower 175 South Sathorn Road Bangkok 10120 Thailand 13/1

Tel : 02 679 6565

Type of business : Develop global standard quality warehouse for leasehold/freehold and fund manager

Company no. : 0107544000051

Registered capital : Baht 19,500,000,000

Paid-up capital : Baht 19,500,000,000

2. Business operation

Develop global standard quality warehouse for leasehold/freehold. TPARK has currently 33 locations at different 10 provinces of warehouse with the finished and work in process 376 units of warehouse and TPARK is also a fund manager of mutual funds such as TICON Property Funds ("TFUND"), TPARK Logistics Property Funds ("TLOGIS") and TICON Industrial Growth Leasehold Property Funds ("TGROWTH").

3. Shareholders

Shareholders as of 8 January 2016 are as follows;

No.	Shareholders	Number of Shares	Percentage (%)
1	TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED	1,949,999,993	100%
2	Mr. Somsak Chaiporn	1	0%
3	Miss Siriporn Sombatwattana	1	0%
4	Miss Laritpan Piriyan	1	0%
5	Mr. Patarn Somburanasin	1	0%
6	Miss Pornpimol Supawitcharabuncha	1	0%
7	Miss Napat Supanuntaporn	1	0%
8	Miss Waranya Intrapairoj	1	0%
	Total	1,950,000,000	100%

Reference: Lists of shareholders of TPARK

4. Board of Directors

Board of Directors as of 1 April 2016 are as follows;

No.	Name	Position
1.	Mr. Jirapong Winitboot	Director
2.	Mr. Verapan Pulkreait	Director
3.	Mr. Teekwan Bunnak	Director
4.	Mr. Patarn Somburanasin	Director
5.	Mr. Chai Winitbut	Director

Reference: Certificate of TPARK

5. Financial statements

Statement of financial position

Unit: Million Baht

Lists	2556	2014	2015	As of 30 June 2016
Assets				
Current assets				
Cash and cash equivalent	35.17	31.69	39.54	42.53
Trade and other receivables	39.41	40.93	54.04	69.41
Advance for construction	111.00	149.99	62.96	31.88
Short-term loans to related party	0.00	0.00	291.50	0.00
Withholding tax deducted at source	4.61	81.19	128.97	134.63
Other current assets	10.92	40.53	45.27	43.56
Non-current assets held-for-sale	1,933.00	0.00	0.00	1,139.75
Total current assets	2,104.11	344.33	622.27	1,461.76
Non-current assets				
Pledged fixed deposits	0.24	0.24	0.24	0.24
Accounts receivable for operation leases	23.97	40.42	70.00	80.73
Investment in associates	0.00	411.00	0.00	0.00
Investment in joint ventures	0.00	4.59	4.59	459
Investment properties under development and available for rent/sales	11,414.46	12,862.17	14,813.33	14,578.45
Investment properties for rent	1,460.03	4,870.13	7,753.10	7,708.39
Property, plant and equipment	851.01	1,326.64	129.64	132.44
Computer software	1.84	1.60	1.41	2.22
Deposit for purchase of land	95.27	233.36	0.00	0.00
Prepaid rental expenses	348.94	758.27	714.98	699.59
other non-current assets	1.16	7.17	7.12	7.44
Total non-current assets	14,196.92	20,515.59	23,494.42	23,669.50

Lists	2556	2014	2015	As of 30 June 2016
Total assets	16,331.03	20,859.92	24,116.69	24,675.84
Liabilities and shareholders' equity				
Current liabilities				
Trade and account payable	530.09	331.80	334.89	256.69
Current portion of liabilities under financial lease agreement	0.00	0.40	0.86	1.77
Current portion of long-term loans from related party	0.00	0.00	71.60	143.20
Current portion of long-term loans	0.00	0.00	164.90	31.90
Short-term provisions	0.00	33.84	65.56	29.18
Other current liabilities	32.73	103.15	97.03	112.94
Liabilities related directly to non-current assets held-for-sale	51.80	0.00	0.00	50.60
Total current liabilities	614.61	469.19	734.84	626.27
Non-current liabilities				
Liabilities under financial lease agreements	0.00	1.50	2.17	1.73
Long-term loan from Parent company	9,075.96	1,820.00	0.00	685.18
Long-term loan from related party	707.30	748.38	676.78	605.18
Long-term loan	902.62	500.88	50.00	50.00
Acc Employee Benefits	2.99	3.61	6.44	12.63
Long-term provisions	0.00	28.56	13.27	7.08
Deferred tax liabilities	33.55	21.26	28.15	43.16
Customer's deposits	76.23	155.92	189.22	146.12
Prepaid Income from Lease Agreement	594.66	830.56	953.74	936.13
Total non-current liabilities	11,393.30	4,110.67	1,919.77	2,487.21
Total liabilities	12,007.91	4,579.86	2,654.61	3,113.29
Shareholders' equity				
Registered				
Ordinary shares – 10 Baht par	2,500.00	14,500.00	19,500.00	19,500.00
Issued and paid-up				
Ordinary shares – 10 Baht par	2,500.00	14,500.00	19,500.00	19,500.00
Retain earnings	1,823.12	1,780.06	1,962.09	2,062.55
Total shareholders' equity	4,323.12	16,280.06	21,462.09	21,562.55
Total liabilities and shareholders' equity	16,331.03	20,859.92	24,116.69	24,675.84

Income statement

Unit: Million Baht

Lists	2013	2014	2015	For 6 months as of 30 June 2016
Revenue				
Rental and related service income	487.96	481.49	663.81	344.88
Revenue from construction services	6.83	13.22	7.49	2.65
Sales of properties	2,925.56	2,571.51	2,693.28	0.00
Utility income	16.13	25.83	25.73	7.15
Dividend received from associate	0.00	0.00	9.30	0.00
Management fees income	25.86	43.59	53.74	28.94
Interest income	0.78	0.32	0.48	0.48
Compensation from insurance	59.65	0.00	0.00	0.00
Other revenue	20.97	20.22	35.71	10.68
Total revenue	3,543.74	3,156.19	3,489.54	394.78
Expenses				
Cost of rental and related service	139.33	153.79	224.33	101.69
Cost of construction services	3.76	11.33	2.55	0.70
Cost of sales of properties	2,013.68	2,219.78	2,095.50	0.00
Cost of utilities	14.52	22.62	19.22	5.72
Provision related to sales of properties	0.00	63.12	50.25	(7.65)
Selling expenses	96.27	51.70	25.21	10.01
Administrative expenses	112.45	144.44	147.22	81.41
Depreciation	120.32	190.71	192.58	57.57
Other expenses	9.28	0.00	0.29	8.61
Total expenses	2,509.62	2,857.50	2,757.16	258.16
Profit before shares of profit (loss) from investments in associate and joint ventures, realized additional gains on sales of properties, deferred gains on sales of properties, finance cost and income tax expenses	1,034.12	298.68	732.38	136.62
Profit before finance cost and income tax expense	1,034.12	298.68	732.38	136.62
Finance cost	(320.16)	(354.03)	(69.10)	(19.09)
Profit (loss) before income tax expenses	713.95	(55.35)	663.29	117.53
Income tax expenses	(34.83)	12.29	(31.70)	(15.98)
Profit (loss) for the period	679.12	(43.06)	631.59	101.56
Earnings (losses) per share for the period	2.72	(0.03)	0.36	0.06

Statement of cash flow

Unit: Million Baht

Lists	2013	2014	2015
Net cash received (used) from operating activities	3,171.28	2,045.72	3,113.08
Net cash received (used) from investing activities	(8,225.71)	(6,432.58)	(5,550.75)
Net cash received (used) from financing activities	5,047.31	4,383.38	2,445.52
Increase (decrease) in cash and cash equivalent	(7.12)	(3.48)	7.85

Key Financial ratios

Financial ratios	2013	2014	2015	As of 30 June 2016
Current ratios (times)	0.36	0.73	0.85	2.33
Gross profit margin (%)	36.82	22.14	30.93	70.50
Net profit margin (%)	19.16	(1.36)	18.10	29.45
Return on equity (%)	18.16	(0.42)	3.35	0.47
Return on assets (%)	5.92	(0.23)	2.81	0.41
Debt to equity (times)	2.78	0.28	0.12	0.14

6. Financial statements Analysis**Operation result****Revenue**

As of year ended 2014, TPARK has total revenue of 3,156.19 Million Baht, decreased by 387.55 Million Baht or 10.94 percent compare to the previous year which mainly come from a decrease in sales of properties 354.05 Million Baht or decreased by 12.10 percent and the company has no compensation from insurance like in 2013 which is 59.56 Million Baht.

As of year ended 2015, TPARK has total revenue of 3,489.54 Million Baht, increased by 333.36 Million Baht or 10.56 percent compare to the previous year which mainly come from an increase in rental and related service income 182.32 Million Baht or increased by 37.87 percent and sales of properties 121.76 Million Baht or increased by 4.74 percent.

For 6 months ended as of 30 June 2016, TPARK has total revenue of 394.78 Million Baht, increased by 11.30 Million Baht or 2.85 percent compare to the same period in 2015 which mainly come from an increase in rental and related service income 25.91 Million Baht or increased by 8.12 percent.

Expenses

As of year ended 2014, TPARK has total expenses 2,857.50 Million Baht, increased by 347.88 Million Baht or 13.86 percent compare to in 2013 which mainly come from an increase in cost of sales of properties 206.10 Million Baht or increased by 10.23 percent and additional expenses from provision related to sales of properties of 63.12 Million Baht.

As of year ended 2015, TPARK has total expenses of 2,757.16 Million Baht, decreased by 100.34 Million Baht or 3.51 percent compared to in 2014 which mainly come from an increase in cost of sales of properties 124.47 Million Baht or decreased by 5.60 percent.

Net profit

As of year ended 2014, TPARK has net profit of 43.06 Million Baht, decreased by 722.18 or 106.34 percent as the company has lower revenue from sales of properties and higher cost of sales of properties resulting from the additional investment properties the company has which do not generate realized gain for the company yet.

As of year ended 2015, TPARK has net profit of 631.59 Million Baht, increased by 674.64 Million Baht as the company has higher revenue and lower cost resulting from a realized gain from additional investment in 2014.

For 6 months ended as of 30 June 2016, TPARK has net profit of 101.82 Million Baht, increased by 44.97 Million Baht compared to the same period in 2015 as the company has higher revenue and lower cost resulting from a decrease in depreciation and an increase in sales of properties.

Financial position

Assets

As of year ended 2014, TPARK has total assets of 20,859.92 Million Baht, increased by 4,529.89 Million Baht or 27.73 percent compared to the previous year which has total assets of 14,196.92 Million Baht. The company has current assets of 344.33 Million Baht and non-current assets of 20,515.59 MILLION BAHT which mainly are investment properties under development and available for rent/sale that increased by 1,447.72 Million Baht and properties for rent that increased by 3,410.10 Million Baht.

As of year ended 2015, TPARK has total assets of 24,119.69 Million Baht, increased by 3,256.77 Million Baht or 15.61 percent compared to the previous year. The company has current assets of 622.27 Million Baht and non-current assets of 23,494.42 Million Baht which mainly are investment properties under development and available for rent/sale that increased by 1,951.16 Million Baht and properties for rent that increased by 2,882.97 Million Baht.

As of 30 June 2016, TPARK has total assets of 24,675.58 Million Baht, increased by 559.41 Million Baht or 2.32 percent compared to the previous year ended. The company has current assets of 1,461.79 MILLION BAHT and non-current assets of 23,669.50 Million Baht T which is not a significant change.

Liabilities

As of year ended 2014, TPARK has total liabilities of 4,579.86 MILLION BAHT, decreased by 7,428.05 Million Baht or 61.86 percent compared to the previous year ended. The company has current liabilities of 469.19 Million Baht and non-current liabilities of 4,110.67 Million Baht which mainly are a decrease in long-term loans

from parent company 7,255.66 Million Baht as the company has a capital restructure in order to use capital instead of debt in running business operation.

As of year ended 2015, TPARK has total liabilities of 26,54.60 Million Baht, decreased by 1,925.26 Million Baht or 42.04 percent compare to the previous year ended. The company has current liabilities of 734.84 Million Baht and non-current liabilities of 1,919.77 Million Baht which mainly are a decrease in long-term loans from parent company that be fully paid.

As of 30 June 2016, TPARK has total liabilities of 26,54.60 Million Baht, decreased by 1,925.26 Million Baht or 42.04 percent compare to the previous year ended. The company has current liabilities of 734.84 Million Baht and non-current liabilities of 1,919.77 Million Baht which mainly are a decrease in long-term loans from parent company that be fully paid.

Shareholders' equity

As of year ended 2014, TPARK has total shareholders' equity of 16,280.06 Million Baht, increased by 11,956.94 Million Baht or 276.58 from the previous year as the company has additional registered capital of 12,000.00 Million Baht.

As of year ended 2015, TPARK has shareholders' equity of 21,462.08 Million Baht, increased by 5,182.02 Million Baht or 31.83 as the company has additional registered capital of 5,000.00 Million Baht.

As of 30 June ended 2016, TPARK has shareholders' equity of 21,562.55 Million Baht, increased by 100.46 MILLION BAHT as a result of an increase in retain earnings from the net profit in the period.

Liquidity

As of year ended 2013, TPARK has a net decrease in cash and cash equivalent of 7.12 MILLION BAHT which result from net cash received from operating activities of 3,171.28 Million Baht, net cash used in investing activities of 8,225.71 Million Baht and net cash received from financing activities of 5,047.31 MILLION BAHT and has liquidity ratio of 0.36 times.

As of year ended 2014, TPARK has a net increase in cash and cash equivalent of 7.85 MILLION BAHT which result from net cash received from operating activities of 2,045.72 MILLION BAHT, net cash used in investing activities of 6,432.58 Million Baht and net cash received from financing activities of 4,383.38 Million Baht and has liquidity ratio of 0.85 times.

As of year ended 2014, TPARK has a net decrease in cash and cash equivalent of 3.48 Million Baht which result from net cash received from operating activities of 3,113.08 Million Baht, net cash used in investing activities of 5,550.75 MILLION BAHT and net cash received from financing activities of 2,445.52 Million Baht and has liquidity ratio of 0.85 times.

7. Industry overview

- Referred to Attachment 1, no. 9 -

Attachment 4

Summary of appraisal report from independent appraiser

TRIET appointed independent appraisers which have been approved by SECURITIES AND EXCHANGE COMMISSION in order to write appraisal report for this transaction as follow;

- 1) Grand Asset Advisory Company Limited ("GAA") for public purpose (May 2016).
- 2) Wealth Appraisal Company Limited for public purpose (May 2016).

Details of each asset's appraisal report are summarized as follow;

1.) Summary of TPARK Bangplee 3 project (BPLEE3) appraisal report

1. Summary of TPARK Bangplee 3 project (BPLEE3) appraisal report appraised by GAA

GAA has appraised this asset by using income approach which GAA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. GAA projects cash flow for this asset for 30 years according to the rental period. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

■ Average rental rate

GAA assumes the average rental rate from the financial lease agreement between the project and renter and assume the average rental rate of the land around the area and old renter from the nearby area's rental rate which is 140 Baht/sq.m./month for warehouse with the growth of 3.0% in year 2-4 and 2.5% until the end of projection.

■ Common area service rate

GAA assumes common fees from the financial lease agreement between the project and renter with the growth according to occupancy rate and ended of rental period by the old renter. The common fees used is 10 Baht/sq.m./month with the growth of 10% every 5 years.

b) Assumption on occupancy rate

Forecasted occupancy rate	Year 1	Year 2	Year 3	Year 4-27	Year 28	Year 29	Year 30
1) Warehouse W6	100%	100%	96%	96%	96%	96%	83%
2) Warehouse W7	100%	100%	96%	96%	96%	96%	70%

3) Warehouse W8/1	100%	96%	96%	96%	96%	80%	70%
4) Warehouse W8/2	100%	100%	96%	96%	96%	96%	70%
5) Warehouse W8/3	100%	96%	96%	96%	96%	80%	70%
6) Warehouse W8/4	100%	96%	96%	96%	96%	80%	70%
7) Warehouse W10/1	100%	100%	100%	96%	80%	70%	70%
8) Warehouse W10/2	100%	100%	100%	96%	80%	70%	70%

c) Assumption on expenses

Lists	Assumption
Common area expenses	- 5 Baht/sq.m./month with the growth of 2.0% per annum
Repairs and maintenance	- 1.0% of total revenue
Warehouse insurance	- 3.0% growth per annum
Property tax	- 12.5 % of 50% of total rental income
Commission	- 2.0 months for new renter and assumption on new renter is 20% of total rent income from new renter
Other expenses	- 1.0% of total expenses
Capital expenditure	- 1.0% of total expenses
Property management fee	
- Management fee	- 2.0% of rental income
- Extraordinary fee	- 4.0% of Gross profit

d) Discount rate

The discount rate GAA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 10.5 percent composes of 3 percent of average government bond yield and risk premium of 7.5 percent

From above assumption, value of BPLEE3 project using income approach both land and buildings as of when GAA appraised equal to 442,000,000 Baht and the details as follow;

Assets	Value of assets (Baht)
1) Warehouse W6	40,000,000
2) Warehouse W7	143,000,000
3) Warehouse W8/1	41,000,000
4) Warehouse W8/2	40,000,000
5) Warehouse W8/3	38,000,000
6) Warehouse W8/4	38,000,000
7) Warehouse W10/1	42,000,000
8) Warehouse W10/2	60,000,000
Total value	442,000,000

Year	1	2	3	4	5	6	7	8	9	10
Free cash flow	40,682,317	40,310,099	40,516,219	42,376,423	43,592,464	44,480,558	45,992,519	47,056,120	47,981,809	49,466,164
Present value at discount rate of 10.5%	36,816,576	33,013,328	30,029,083	28,423,345	26,460,621	24,434,112	22,863,949	21,169,855	19,535,121	18,225,752
Value of asset	439,952,919									
Rounded	442,000,000									

Year	11	12	13	14	15	16	17	18	19	20
Free cash flow	50,437,872	51,555,228	53,300,564	54,482,783	55,556,193	57,246,961	58,573,371	59,861,848	61,715,425	63,086,314
Present value at discount rate of 10.5%	16,817,897	15,556,983	14,555,334	13,464,412	12,425,055	11,586,599	10,728,561	9,922,683	9,257,856	8,564,255

Year	21	22	23	24	25	26	27	28	29	30
Free cash flow	64,265,543	66,439,328	67,974,237	69,314,570	71,464,012	72,874,769	74,489,522	73,923,233	69,973,411	58,698,603
Present value at discount rate of 10.5%	7,895,331	7,386,779	6,839,305	6,311,460	5,888,849	5,434,480	5,027,056	4,514,786	3,867,470	2,936,023

2. Summary of TPARK Bangplee 3 project (BPLEE3) appraisal report appraised by WA

WA has appraised this asset by using income approach which WA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. WA projects cash flow for this asset for 30 years according to the rental period. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

WA has considered the rental rate and related service fee before expiring date of the agreement, calculated according to the agreement while the rental rate and related service fee after the expiring date is calculated based on market rate. The fees have a growth rate of 3% per annum only in the year that agreement is expired by the effective rate (rental and related service fees of the year after the expired year for the year).

b) Assumption on occupancy rate

Average occupation rate of the 7 warehouses are 100% and 90% every 3 years respectively as follows;

	Year										
	1	2	3	4	5	6	7	8	9	...	30
Forecasted occupancy rate	100%	100%	90%	100%	100%	90%	100%	100%	90%	...	90%

c) Assumption on expenses

Lists	Assumption
Management fees	- 2% of total revenue
Extraordinary fees	- 4% of operating profit
Commission	- 3% of rental income per annum
REIT management fee	- 12.5 % of 50% of total rental income
- Management fee of REIT	- 2% of rental of rental income of REIT for warehouse - 4% of rental income of REIT for factory building
- Incentive	- 4% of profit from operation of REIT for warehouse

Lists	Assumption
- Commission	- 6% of profit from operation of REIT for factory building - 2.0 months for new renter for 3-year agreement
Repairs and maintenance	- 2.5% of total revenue
Common utilities expenses for warehouse	- 5 Baht/sq.m./month
Property tax	- 12.5% of revenue (50% or 6.25% of revenue)
Insurance fee	- 0.1% of replacement cost of new building
Other expenses	- 1% of total revenue

d) Discount Rate

The discount rate WA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 10.5 percent composes of 2.56 percent of average government bond yield and risk premium of 7.5

From above assumption, value of BPLEE3 project using income approach both land and buildings as of when WA appraised equal to 465,330,000 Baht and the details as follow;

Assets	Value of assets (Baht)
1) Warehouse W6	41,730,000
2) Warehouse W7	151,160,000
3) Warehouse W8/1	41,920,000
4) Warehouse W8/2	43,030,000
5) Warehouse W8/3, W8/4	79,230,000
6) Warehouse W10/1	44,470,000
7) Warehouse W10/2	63,790,000
Total value	465,330,000

Warehouses

Year	1	2	3	4	5	6	7	8	9	10
Free cash flow	22,768,147	40,399,846	39,541,877	39,801,802	41,844,468	42,721,591	43,608,642	99,894,814	46,843,270	50,299,807
Present value at discount rate of 10%	21,469,514	34,804,538	30,977,026	28,339,457	27,077,300	25,147,153	23,322,401	22,307,972	20,716,267	19,011,731
Value of asset	465,330,000									

Year	11	12	13	14	15	16	17	18	19	20
Free cash flow	50,299,807	51,347,140	52,414,384	55,124,192	56,268,638	57,412,992	60,395,927	61,646,494	57,314,004	66,309,214
Present value at discount rate of 10%	18,363,045	17,060,954	15,820,916	15,127,965	14,046,760	13,025,073	12,452,665	11,562,209	9,786,122	10,276,845

Year	21	22	23	24	25	26	27	28	29	30	31
Free cash flow	67,523,022	68,889,440	72,453,221	73,946,463	75,437,584	79,329,638	80,961,344	82,592,919	86,845,671	87,962,632	39,340,482
Present value at discount rate of 10%	9,514,957	8,822,029	7,432,449	7,830,584	7,258,158	6,936,916	6,440,079	5,970,931	5,705,613	5,259,319	2,254,545

Summary of TPARK Bangplee 3 project (BPLEE3) appraisal report appraised by GAA and WA

Summary of TPARK Bangplee 3 project (BPLEE3) appraisal report appraised as of when appraised by using income approach by GAA and WA

Assets details	Appraised by income approach as of when GAA and WA appraised (May 2016)	
	Value by GAA	Value by WA
14 Land 38 – 3 – 65.4 Rai with other buildings and assets which are parts of the land and buildings	442,000,000 Baht	465,330,000 Baht

IFA opinion's on asset appraisal report

Assets valuation of BPLEE3 project appraised by GAA and WA using income approach under the assumption of future forecast, is considered as appropriate by IFA for this asset. Therefore, IFA has considered to use this asset value from 2 appraisers in valuation of BPLEE3 which has value of 442,000,000 Baht and 465,330,000 Baht respectively.

2.) Summary of LCB2 project (LCB2) appraisal report

1. Summary of LCB 2 project (LCB2) appraisal report appraised by GAA

GAA has valued the asset from 10 years' projection free cash flow which come from cash inflow/outflow of the asset in the future such as rental rates, expenses, etc. and find present value of it to get the value of this asset and also analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

■ Average rental rate

GAA assumes the average rental rate from the financial lease agreement between the project and renter and assume the average rental rate of the land around the area and old renter from the nearby area's rental rate which is 140 Baht/sq.m./month for warehouse with the growth of 3.0% in year 2-4 and 2.5% until the end of projection.

■ Common area service rate

GAA assumes common fees from the financial lease agreement between the project and renter with the growth according to occupancy rate and ended of rental period by the old renter. The common fees used is 10 Baht/sq.m./month with the growth of 10% every 5 years.

b) Assumption on occupancy rate

Forecasted occupancy rate	Year 1	Year 2	Year 3	Year 4	Year 5 – ended of projection period
1) Warehouse W5/1	100%	100%	96%	96%	96%
2) Warehouse W5/2	100%	96%	96%	96%	96%

c) Assumption on expenses

Lists	Assumption
Common area expenses	- 5 Baht/sq.m./month with the growth of 2.0% per annum
Repairs and maintenance	- 1.0% of total revenue
Warehouse insurance	- 3.0% growth per annum
Property tax	- 12.5 % of 50% of total rental income

Commission	- 2.0 months for new renter and assumption on new renter is 20% of total rent income from new renter
Other expenses	- 1.0% of total expenses
Capital expenditure	- 1.0% of total expenses
Property management fee	
- Management fee	- 2.0% of rental income
- Extraordinary fee	- 4.0% of Gross profit

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, GAA uses 8.0% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate GAA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.25 percent composes of 3 percent of average government bond yield and risk premium of 6.25 percent

From above assumption, value of LBC2 project using income approach both land and buildings as of when appraised equal to 97,000,000 Baht and the details as follow:

<i>Assets</i>	<i>Value of assets (Baht)</i>
1) Warehouse W5/1	40,000,000
2) Warehouse W5/2	57,000,000
Total value	97,000,000

Warehouse

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		7,478,390	7,376,352	7,581,315	7,772,706	7,932,720	8,224,559	8,407,509	8,569,979	8,862,269	9,055,284	9,055,284
Present value at 9.25% discount rate	50,714,148	6,845,208	6,180,146	5,814,069	5,456,152	5,097,003	4,837,088	4,526,028	4,222,875	3,997,164	3,738,416	
Terminal value at 8.0% capitalization rate	46,730,196											
Value of asset (Rounded)	97,000,000											

2. Summary of LCB2 project appraisal report appraised by WA

WA has appraised this asset by using income approach which WA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. WA projects cash flow for this asset for 20 years. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

WA has considered the rental rate and related service fee before expiring date of the agreement, calculated according to the agreement while the rental rate and related service fee after the expiring date is calculated based on market rate. The fees have a growth rate of 3% per annum only in the year that agreement is expired by the effective rate (rental and related service fees of the year after the expired year for the year).

b) Assumption on occupancy rate

Average occupation rate of the 2 warehouses are 100% and 90% every 3 years respectively as follows;

	Year										
	1	2	3	4	5	6	7	8	9	...	20
Forecasted occupancy rate	100%	100%	90%	100%	100%	90%	100%	100%	90%	...	90%

c) Assumption on expenses

Lists	Assumption
Management fees	- 2% of total revenue
Extraordinary fees	- 4% of operating profit
Commission	- 3% of rental income per annum
REIT management fee	- 12.5 % of 50% of total rental income
- Management fee of REIT	- 2% of rental of rental income of REIT for warehouse - 4% of rental income of REIT for factory building
- Incentive	- 4% of profit from operation of REIT for warehouse

Lists	Assumption
	- 6% of profit from operation of REIT for factory building
- Commission	- - 2.0 months for new renter for 3-year agreement
Repairs and maintenance	- 2.5% of total revenue
Common utilities expenses for warehouse	- 5 Baht/sq.m./month
Property tax	- 12.5% of revenue (50% or 6.25% of revenue)
Insurance fee	- 0.1% of replacement cost of new building
Other expenses	- 1% of total revenue

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, WA uses 7.75% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate WA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.75 percent composes of 2.11 percent of average government bond yield and risk premium of 7.5

From above assumption, value of LCB2 project using income approach both land and buildings as of when WA appraised equal to 102,420,000 Baht and the details as follow;

Assets	Asset value
1) Warehouse W5/1	42,210,000
2) Warehouse W5/2	60,210,000
Total value	102,420,000

Warehouse

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		1,975,397	7,445,726	7,246,085	7,684,905	8,030,137	7,949,724	8,423,675	8,800,919	8,713,049	9,230,948
Present value at discount rate of 9.25%	75,459,766	1,799,906	6,181,559	5,481,379	5,296,883	5,043,132	4,549,094	4,392,077	4,181,112	3,771,633	3,640,835
Terminal value at 7.75% capitalization rate	26,963,751										
Value of asset	102,423,517										

	11	12	13	14	15	16	17	18	19	20	21
Free cash flow	9,643,173	9,547,156	10,113,078	10,563,527	10,458,606	11,077,004	11,569,222	11,454,573	12,130,313	12,668,173	12,542,892
Present value at discount rate of 9.25%	3,465,534	3,126,221	3,017,342	2,871,743	2,590,633	2,500,057	2,379,179	2,146,334	2,071,028	1,970,713	

Summary of LCB2 project appraisal report appraised by GAA and WA

Summary of LCB2 appraisal report appraised as of when appraised by using income approach by GAA and WA

Assets details	Appraised by income approach as of when GAA and WA appraised (May 2016)	
	Value by GAA	Value by WA
1 Land 38 – 3 – 65 Rai with other buildings and assets which are parts of the land and buildings	97,000,000 Baht	102,420,000 Baht

IFA's opinion on asset appraisal report

Assets valuation of LCB2 project appraised by GAA and WA using income approach under the assumption of future forecast, is considered as appropriate by IFA for this asset. Therefore, IFA has considered to use this asset value from 2 appraisers in valuation of LCB2 which has value of 97,000,000 Baht and 102,420,000 Baht respectively.

3.) Summary of RJP project appraisal report

1. Summary of RJP project appraisal report appraised by GAA

GAA has valued the asset from 10 years' projection free cash flow which come from cash inflow/outflow of the asset in the future such as rental rates, expenses, etc. and find present value of it to get the value of this asset and also analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset. The client of GAA would like to divide the asset valuation into 2 aspects as follows;

- First case is the valuation of asset under the present agreement start on 1 August 2016 as of present value of the asset which does not include accrued construction expenses from 1 April 2016
- Second case is the valuation of asset under the present agreement start on 1 August 2016 and the agreement on guarantee rental income for 1 year and include accrued construction expenses from 1 April 2016

a) Assumption on rental rate

■ Average rental rate

GAA assumes the average rental rate from the financial lease agreement between the project and renter and assume the average rental rate of the land around the area and old renter from the nearby area's rental rate which is 130 Baht/sq.m./month for warehouse with the growth of 3.0% in year 2-4 and 2.5% until the end of projection.

■ Common area service rate

GAA assumes common fees from the financial lease agreement between the project and renter with the growth according to occupancy rate and ended of rental period by the old renter. The common fees used is 10 Baht/sq.m./month with the growth of 10% every 5 years.

b) Assumption on occupancy rate

Forecasted occupancy rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 – ended of projection period
1) Warehouse first case	67%	100%	100%	96%	96%	96%
2) Warehouse second case	100%	100%	100%	96%	96%	96%

c) Assumption on expenses

Lists	Assumption
Common area expenses	- 5 Baht/sq.m./month with the growth of 2.0% per annum
Repairs and maintenance	- 1.0% of total revenue
Warehouse insurance	- 3.0% growth per annum
Property tax	- 12.5 % of 50% of total rental income
Commission	- 2.0 months for new renter and assumption on new renter is 20% of total rent income from new renter
Other expenses	- 1.0% of total expenses
Capital expenditure	- 1.0% of total expenses
Property management fee	
- Management fee	- 2.0% of rental income
- Extraordinary fee	- 4.0% of Gross profit

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, GAA uses 8.0% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate GAA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.25 percent composes of 3 percent of average government bond yield and risk premium of 6.25 percent

From above assumption, value of RJP project using income approach both land and buildings as of when appraised equal to 173,000,000 and 275,000,000 Baht and the details as follow:

Assets	Value of assets (Baht)
1) Value of asset first case	173,000,000
2) Value of asset second case	275,000,000

Income approach Asset value in first case

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		13,092,709	22,836,713	22,835,713	21,877,822	22,568,725	22,754,596	23,414,222	24,317,284	24,610,721	25,210,889	25,210,889
Present value at discount rate of 9.25%	137,966,550	11,984,173	19,133,336	17,512,584	15,357,421	14,501,062	13,382,599	12,604,616	11,982,391	11,100,213	10,408,154	
Terminal value at 8% capitalization rate	130,101,923											
Value of asset	268,068,473											
Deduct by accrued construction expenses	95,514,000											
Net value of asset	172,554,473											
Rounded	173,000,000											

Income approach Asset value second case2

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		20,582,465	22,839,272	22,839,272	21,877,822	22,568,725	22,754,596	23,414,222	24,317,284	24,610,721	25,210,889	25,210,889
Present value at discount rate of 9.25%	144,824,306	18,839,785	19,135,480	17,512,584	15,357,421	14,501,062	13,382,599	12,604,616	11,982,391	11,100,213	10,408,154	
Terminal value at 8% capitalization rate	130,101,923											
Value of asset	274,926,229											
Rounded	275,000,000											

2. Summary of RJP project appraisal report appraised by WA

WA has appraised this asset by using income approach which WA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. WA projects cash flow for this asset for 20 years. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

WA has considered the rental rate and related service fee before expiring date of the agreement, calculated according to the agreement while the rental rate and related service fee after the expiring date is calculated based on market rate. The fees have a growth rate of 3% per annum only in the year that agreement is expired by the effective rate (rental and related service fees of the year after the expired year for the year).

b) Assumption on occupancy rate

Average occupation rate of the 2 case warehouses is 100% and 90% every 3 years respectively as follows;

	Year										
	1	2	3	4	5	6	7	8	9	...	20
Forecasted occupancy rate	100%	100%	90%	100%	100%	90%	100%	100%	90%	...	90%

c) Assumption on expenses

Lists	Assumption
Management fees	- 4% of total revenue
Extraordinary fees	- 6% of operating profit
Commission	- 3% of rental income per annum
REIT management fee	- 12.5 % of 50% of total rental income
- Management fee of REIT	- 2% of rental of rental income of REIT for warehouse - 4% of rental income of REIT for factory building

Lists	Assumption
- Incentive	- 4% of profit from operation of REIT for warehouse - 6% of profit from operation of REIT for factory building
- Commission	- 2.0 months for new renter for 3-year agreement
Repairs and maintenance	- 2.5% of total revenue
Common utilities expenses for warehouse	- 5 Baht/sq.m./month
Property tax	- 12.5% of revenue (50% or 6.25% of revenue)
Insurance fee	- 0.1% of replacement cost of new building
Other expenses	- 1% of total revenue

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, WA uses 7.75% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate WA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.75 percent composes of 2.11 percent of average government bond yield and risk premium of 7.5

From above assumption, value of RJP project using income approach both land and buildings as of when WA appraised equal to 108,649,000 and 276,330,000 Baht and the details as follow;

Assets	Value of assets (Baht)
1) First case	108,649,000
2) Second case	276,330,000

Income approach first case

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		0	20,793,600	22,661,065	22,661,065	19,497,386	21,800,735	21,800,735	21,404,684	23,919,955	23,919,955
Present value at discount rate of 9.75%	195,212,078	0	18,367,798	18,239,087	16,618,758	13,028,371	13,273,343	12,094,162	10,819,544	11,018,812	10,038,098
Tertian value	73,794,949										
Value of asset	269,007,026										
Deduct by accrued construction expenses	160,365,930										
Value of asset (Rounded)	108,640,000										

Year	11	12	13	14	15	16	17	18	19	20	Last Year
Free cash flow	23,488,840	26,235,684	26,236,684	25,766,254	28,766,143	28,766,143	28,254,845	31,531,245	31,531,245	30,974,196	34,552,746
Present value at discount rate of 9.75%	8,981,484	9,140,593	8,328,559	7,452,882	7,581,411	6,907,892	6,182,332	6,286,312	5,727,847	5,126,793	

Income approach second case

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		7,553,688	20,793,606	22,661,065	22,661,065	19,497,386	21,800,735	21,800,735	21,404,684	23,919,955	23,919,955
Present value at discount rate of 9.75%	202,535,109	7,323,031	18,367,798	18,239,087	16,618,758	13,028,371	13,273,343	12,094,162	10,819,544	11,018,812	10,038,098
Terminal value	73,794,949										
Value of asset	276,330,000										

Year	11	12	13	14	15	16	17	18	19	20	Last Year
Free cash flow	23,488,840	26,235,684	26,235,684	25,766,254	28,766,143	28,766,143	28,254,848	31,531,245	31,531,245	30,974,196	34,552,746
Present value at discount rate of 9.75%	8,981,484	9,140,593	8,328,559	7,452,882	7,581,411	6,907,892	6,182,332	6,286,312	5,727,847	5,126,793	

Summary of RJP project appraisal report appraised by GAA and WA

Summary of RJP appraisal report appraised as of when appraised by using income approach by GAA and WA

Assets details	Appraised by income approach as of when GAA and WA appraised (May 2016)	
	Value by GAA	Value by WA
2 Land 74 – 3 -21 Rai with other building and assets which are parts of the land and buildings	First case	First case
	173,000,000 Baht	108,649,000 Baht
	Second case	Second case
	275,000,000 Baht	276,330,000 Baht

IFA's opinion on asset appraisal report

Assets valuation of RJP project appraised by GAA and WA using income approach under the assumption of future forecast, is considered as appropriate by IFA for this asset. Therefore, IFA has considered to use this asset value from 2 appraisers in valuation of RJP which has value of 275,000,000 Baht and 276,330,000 Baht respectively.

4.) Summary of SRC project appraisal report

1. Summary of SRC project appraisal report appraised by GAA

GAA has valued the asset from 10 years' projection free cash flow which come from cash inflow/outflow of the asset in the future such as rental rates, expenses, etc. and find present value of it to get the value of this asset and also analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

▪ Average rental rate

GAA assumes the average rental rate from the financial lease agreement between the project and renter and assume the average rental rate of the land around the area and old renter from the nearby area's rental rate which is 135 Baht/sq.m./month for warehouse with the growth of 3.0% in year 2-4 and 2.5% until the end of projection.

▪ Common area service rate

GAA assumes common fees from the financial lease agreement between the project and renter with the growth according to occupancy rate and ended of rental period by the old renter. The common fees used is 10 Baht/sq.m./month with the growth of 10% every 5 years.

b) Assumption on occupancy rate

Forecasted occupancy rate	Year 1	Year 2	Year 3	Year 4	Year 5 – ended of projection period
1) Warehouse W1/1	100%	100%	96%	96%	96%
2) Warehouse W1/2	100%	96%	96%	96%	96%

c) Assumption on expenses

Lists	Assumption
Common areas expenses	- 5 Baht/sq.m./month with the growth of 2.0% per annum
Repairs and maintenance	- 2.0% of total revenue
Warehouse insurance	- 3.0% growth per annum
Property tax	- 12.5 % of 50% of total rental income
Commission	- 2.0 months for new renter and assumption on new renter is 20% of total rent income from new renter

Other expenses	- 1.0% of total expenses
Capital expenditure	- 1.0% of total expenses
Property management fee	
- Management fee	- 2.0% of rental income
- Extraordinary fee	- 4.0% of Gross profit

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, GAA uses 8.0% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate GAA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.25 percent composes of 3 percent of average government bond yield and risk premium of 6.25 percent

From above assumption, value of SRC project using income approach both land and buildings as of when appraised equal to 92,000,000 Baht and the details as follow;

Assets	Value of assets (Baht)
1) Warehouse W1/1	46,000,000
2) Warehouse W1/2	46,000,000
Total value	92,000,000

Warehouse W1/1

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		3,071,088	3,071,082	3,100,700	3,778,863	3,880,934	3,907,944	4,074,279	4,188,353	4,220,237	4,377,303	4,377,303
Present value at discount rate of 9.25%	23,171,984	2,881,074	2,573,052	2,377,910	2,651,218	2,493,613	2,298,368	2,193,313	2,062,834	1,903,460	1,807,460	
Terminal value at 8% capitalization rate	22,589,267											
Value of asset	45,761,251											
Rounded	46,000,000											

Warehouse W1/2

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		3,071,088	3,071,082	3,100,700	3,778,863	3,880,934	3,907,944	4,074,279	4,188,353	4,220,237	4,377,303	4,377,303
Present value at discount rate of 9.25%	23,171,984	2,881,074	2,573,052	2,377,910	2,651,218	2,493,613	2,298,368	2,193,313	2,062,834	1,903,460	1,807,460	
Terminal value at 8% capitalization rate	22,589,267											
Value of asset	45,761,251											
Rounded	46,000,000											

2. Summary of SRC project appraisal report appraised by WA

WA has appraised this asset by using income approach which WA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. WA projects cash flow for this asset for 20 years. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

WA has considered the rental rate and related service fee before expiring date of the agreement, calculated according to the agreement while the rental rate and related service fee after the expiring date is calculated based on market rate. The fees have a growth rate of 3% per annum only in the year that agreement is expired by the effective rate (rental and related service fees of the year after the expired year for the year).

b) Assumption on occupancy rate

Average occupation rate of the 2 warehouses are 100% and 90% every 3 years respectively as follows;

	Year										
	1	2	3	4	5	6	7	8	9	...	20
Forecasted occupancy rate rehouses	100 %	100 %	90 %	100 %	100 %	90 %	100 %	100 %	90 %	...	90 %

c) Assumption on expenses

Lists	Assumption
Management fees	- 2% of total revenue
Extraordinary fees	- 4% of operating profit
Commission	- 3% of rental income per annum
REIT management fee	- 12.5 % of 50% of total rental income
- Management fee of REIT	- 2% of rental of rental income of REIT for warehouse - 4% of rental income of REIT for factory building
- Incentive	- 4% of profit from operation of REIT for warehouse
- Commission	- 6% of profit from operation of REIT for factory building

Lists	Assumption
	- 2.0 months for new renter for 3-year agreement
Repairs and maintenance	- 2.5% of total revenue
Common utilities expenses for warehouse	- 5 Baht/sq.m./month
Property tax	- 12.5% of revenue (50% or 6.25% of revenue)
Insurance fee	- 0.1% of replacement cost of new building
Other expenses	- 1% of total revenue

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, WA uses 7.75% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate WA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.75 percent composes of 2.11 percent of average government bond yield and risk premium of 7.5

From above assumption, value of SRC project using income approach both land and buildings as of when WA appraised equal to 96,000,000 Baht and the details as follow;

Assets	Value of assets (Baht)
1) Warehouse W1/1 and W1/2	96,000,000
Total Value of asset	96,000,000

Warehouse W1/1 and W1/2

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		4,593,340	6,113,318	6,113,318	7,076,376	7,894,000	7,894,000	7,758,718	8,652,158	8,652,158	8,504,332
Present value at discount rate of 9.75%	70,412,720	4,283,217	5,194,143	4,732,704	4,991,588	5,073,649	4,622,915	4,140,037	4,206,628	3,832,919	3,432,740
Terminal value	25,587,913										
Value of asset (Rounded)	96,000,000										

Year	11	12	13	14	15	16	17	18	19	20	Last Year
Free cash flow	9,480,618	9,480,618	9,319,085	10,385,898	10,385,898	10,209,387	11,375,123	11,375,123	11,182,244	12,456,075	12,456,075
Present value at discount rate of 9.75%	3,486,846	3,177,081	2,845,511	2,889,526	2,632,825	2,358,159	2,394,005	2,181,326	1,953,839	1,983,063	

Summary of SRC project appraisal report appraised by GAA and WA

Summary of SRC appraisal report appraised as of when appraised by using income approach by GAA and WA

Assets details	Appraised by income approach as of when GAA and WA appraised (May 2016)	
	Value by GAA	Value by WA
1 Land 6 – 1 – 43.2 Rai with buildings and assets which are parts of the kind and buildings	92,000,000 Baht	96,000,000 Baht

IFA's opinion on asset appraisal report

Assets valuation of SRC project appraised by GAA and WA using income approach under the assumption of future forecast, is considered as appropriate by IFA for this asset. Therefore, IFA has considered to use this asset value from 2 appraisers in valuation of SRC which has value of 92,000,000 Baht and 96,000,000 Baht respectively.

5.) Summary of AMC project appraisal report

1. Summary of AMC project appraisal report appraised by GAA

GAA has valued the asset from 10 years' projection free cash flow which come from cash inflow/outflow of the asset in the future such as rental rates, expenses, etc. and find present value of it to get the value of this asset and also analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

▪ Average rental rate

GAA assumes the average rental rate from the financial lease agreement between the project and renter and assume the average rental rate of the land around the area and old renter from the nearby area's rental rate which is 190 Baht/sq.m./month for warehouse with the growth of 3.0% in year 2-4 and 2.5% until the end of projection.

b) Assumption on occupancy rate

Forecasted occupancy rate	Year 1	Year 2	Year 3	Year 4	Year 5 – ended of projection period
1) Factory building A2.1	100%	100%	96%	96%	96%
2) Factory building A2.2/1	100%	100%	100%	96%	96%
3) Factory building A2.2/2	100%	100%	100%	96%	96%
4) Factory building A1.5/2	100%	100%	100%	96%	96%
5) Factory building M1.9	100%	96%	96%	96%	96%

c) Assumption on expenses

Lists	Assumption
Common area expenses	- 900 Baht/Rai/month with the growth of 2.0% per annum
Repairs and maintenance	- 1.0% of total revenue
Warehouse insurance	- 3.0% growth per annum
Property tax	- 12.5 % of 50% of total rental income
Commission	- 2.0 months for new renter and assumption on new renter is 20% of total rent income from new renter
Other expenses	- 1.0% of total expenses
Capital expenditure	- 1.0% of total expenses

Property management fee	
- Management fee	- 2.0% of rental income
- Extraordinary fee	- 4.0% of Gross profit

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, GAA uses 8.0% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate GAA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.25 percent composes of 3 percent of average government bond yield and risk premium of 6.25 percent

From above assumption, value of AMC project using income approach both land and buildings as of when appraised equal to 278,000,000 Baht and the details as follow:

Assets	Value of assets (Baht)
1) Factory building A2.1	58,000,000
2) Factory building A2.2/1	61,000,000
3) Factory building A2.2/2	61,000,000
4) Factory building A1.5/2	43,000,000
5) Factory building M1.9	55,000,000
Total value	278,000,000

Factory building A2.1

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		4,210,123	4,210,410	4,210,397	4,632,515	4,924,699	4,956,043	5,111,097	5,302,936	5,337,028	5,504,370	5,504,370
Present value at discount rate of 9.25%	29,985,490	3,853,934	3,527,618	3,222,931	3,251,854	3,164,262	2,914,784	2,751,462	2,613,033	2,407,169	2,272,444	
Terminal value at 8% capitalization rate	28,405,547											
Value of asset	58,391,037											
Rounded	58,000,000											

Factory building A2.2/1

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		4,432,153	4,432,140	4,432,125	4,875,631	5,184,193	5,217,217	5,380,458	5,582,401	5,618,287	5,794,436	5,794,436
Present value at discount rate of 9.25%	31,565,281	4,056,891	3,713,390	3,398,390	3,424,215	3,330,994	3,068,388	2,896,471	2,750,739	2,534,025	2,392,196	
Terminal value at 8% capitalization rate	29,902,445											
Value of asset	61,467,726											
Rounded	61,000,000											

Factory building A2.2/2

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		4,432,153	4,432,140	4,432,125	4,875,631	5,184,193	5,217,217	5,380,458	5,582,401	5,618,287	5,794,436	5,794,436
Present value at discount rate of 9.25%	31,565,281	4,056,891	3,713,390	3,398,390	3,424,215	3,330,994	3,068,388	2,896,471	2,750,739	2,534,025	2,392,196	
Terminal value at 8% capitalization rate	29,902,445											
Value of asset	61,467,726											
Rounded	61,000,000											

Factory building A1.5/2

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		3,128,463	3,128,452	3,159,272	3,514,953	3,594,632	3,654,191	3,792,181	3,877,990	3,935,099	4,083,979	4,084,979
Present value at discount rate of 9.25%	22,246,919	2,863,581	2,621,178	2,422,828	2,467,367	2,309,656	2,149,130	2,041,453	1,910,888	1,774,854	1,686,044	
Terminal value at 8% capitalization rate	21,075,555											
Value of asset	43,322,474											
Rounded	43,000,000											

Factory building A1.9

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		3,754,202	3,665,013	4,381,053	4,516,053	4,516,042	4,553,325	4,744,956	4,922,749	5,109,725	5,267,035	5,267,035
Present value at discount rate of 9.25%	28,290,836	3,436,341	3,070,666	3,359,806	3,170,094	2,925,643	2,790,640	2,632,842	2,425,694	2,304,648	2,174,462	
Terminal value at 8% capitalization rate	27,180,770											
Value of asset	55,471,606											
Rounded	55,000,000											

2. Summary of AMC project appraisal report appraised by WA

WA has appraised this asset by using income approach which WA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. WA projects cash flow for this asset for 20 years. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

WA has considered the rental rate and related service fee before expiring date of the agreement, calculated according to the agreement while the rental rate and related service fee after the expiring date is calculated based on market rate. The fees have a growth rate of 3% per annum only in the year that agreement is expired by the effective rate (rental and related service fees of the year after the expired year for the year).

b) Assumption on occupancy rate

Average occupation rate of the 5 warehouses are 100% and 90% every 3 years respectively as follows;

	Year										
	1	2	3	4	5	6	7	8	9	...	20
Forecasted occupancy rate	100%	100%	90%	100%	100%	90%	100%	100%	90%	...	90%

c) Assumption on expenses

Lists	Assumption
Management fees	- 4% of total revenue
Extraordinary fees	- 6% of operating profit
Commission	- 3% of rental income per annum
REIT management fee	- 12.5 % of 50% of total rental income
- Management fee of REIT	- 2% of rental of rental income of REIT for warehouse - 4% of rental income of REIT for factory building
- Incentive	- 4% of profit from operation of REIT for warehouse

Lists	Assumption
- Commission	- 6% of profit from operation of REIT for factory building - 2.0 months for new renter for 3-year agreement
Repairs and maintenance	- 2.5% of total revenue
Common utilities expenses for warehouse	- 5 Baht/sq.m./month
Property tax	- 12.5% of revenue (50% or 6.25% of revenue)
Insurance fee	- 0.1% of replacement cost of new building
Other expenses	- 1% of total revenue

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, WA uses 7.75% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate WA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.75 percent composes of 2.11 percent of average government bond yield and risk premium of 7.5

From above assumption, value of AMC project using income approach both land and buildings as of when WA appraised equal to 102,420,000 Baht and the details as follow;

Assets	Value of assets (Baht)
1) Factory building A2.1, A2.2/1 and A2.2/2	188,050,000
2) Factory building A1.5/2	45,100,000
3) Factory building M1.9	56,750,000
Total Value of asset	289,900,000

Factory building A2.1, A2.2/1 and A2.2/2

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		11,904,928	13,045,520	13,045,520	13,859,348	15,414,120	15,414,120	15,145,723	16,843,425	16,843,425	16,551,379
Present value at discount rate of 9.75%	139,456,999	10,935,908	10,919,053	9,949,023	9,630,688	9,759,526	8,892,507	7,961,427	8,067,274	7,350,592	6,581,449
Terminal value	48,597,896										
Value of asset (Rounded)	188,050,000										

Year		11	12	13	14	15	16	17	18	19	20	Last Year
Free cash flow		18,405,266	18,405,266	18,087,378	20,111,931	20,111,931	19,765,805	21,976,850	21,976,850	21,599,867	24,014,697	24,014,697
Present value at discount rate of 9.75%		6,668,450	6,076,037	5,440,632	5,512,175	5,022,483	4,497,536	4,556,392	4,151,610	3,717,900	3,766,337	

Factory building A1.5/2

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		1,825,174	3,121,560	3,121,560	3,288,504	3,657,588	3,657,588	3,593,746	3,996,745	3,996,745	3,927,291
Present value at discount rate of 9.75%	33,212,178	1,728,542	2,693,659	2,454,359	2,355,919	2,387,548	2,175,443	1,947,582	1,973,560	1,798,232	1,610,007
Terminal value	11,888,878										
Value of asset (Rounded)	45,100,000										

Year		12	13	14	15	16	17	18	19	20	Last Year
Free cash flow	4,367,351	4,367,351	4,291,765	4,772,323	4,772,323	4,690,036	5,214,846	5,214,846	5,125,238	5,698,403	5,698,403
Present value at discount rate of 9.75%	1,631,354	1,486,428	1,330,936	1,348,486	1,228,689	1,100,231	1,114,665	1,015,640	909,511	921,388	

Factory building M1.9

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		2,968,041	3,745,872	4,105,248	4,565,644	4,565,644	4,486,271	4,989,002	4,989,002	4,902,624	5,451,617
Present value at discount rate of 9.75%	42,445,370	2,757,118	3,170,545	3,166,036	3,208,292	2,923,273	2,617,269	2,416,392	2,163,604	2,192,149	1,997,402
Terminal value	14,307,850										
Value of asset (Rounded)	56,750,000										

Year	11	12	13	14	15	16	17	18	19	20	Last Year
Free cash flow	5,451,617	5,357,585	5,957,129	5,957,129	5,854,733	6,509,516	6,509,516	6,397,980	7,113,124	7,113,124	6,991,601
Present value at discount rate of 9.75%	1,788,565	1,812,042	1,651,063	1,478,527	1,497,843	1,364,777	1,238,125	1,222,226	1,238,125	1,128,132	

Summary of AMC project appraisal report appraised by GAA and WA

Summary of AMC appraisal report appraised as of when appraised by using income approach by GAA and WA

Asset details	Appraised by income approach as of when GAA and WA appraised (May 2016)	
	Value by GAA	Value by WA
1 Land 17 – 3 – 65 Rai with other buildings and assets which are parts of the land and buildings	278,000,000 Baht	289,900,000 Baht

IFA's opinion on asset appraisal report

Assets valuation of AMC project appraised by GAA and WA using income approach under the assumption of future forecast, is considered as appropriate by IFA for this asset. Therefore, IFA has considered to use this asset value from 2 appraisers in valuation of AMC which has value of 278,000,000 Baht and 289,900,000 Baht respectively.

6.) Summary of BPO project appraisal report

1. Summary of BPO project appraisal report appraised by GAA

GAA has valued the asset from 10 years' projection free cash flow which come from cash inflow/outflow of the asset in the future such as rental rates, expenses, etc. and find present value of it to get the value of this asset and also analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption rental rate

▪ Average rental rate

GAA assumes the average rental rate from the financial lease agreement between the project and renter and assume the average rental rate of the land around the area and old renter from the nearby area's rental rate which is 180 Baht/sq.m./month for warehouse with the growth of 3.0% in year 2-4 and 2.5% until the end of projection.

b) Assumption on occupancy rate

Forecasted occupancy rate	Year 1	Year 2	Year 3	Year 4	Year 5 – ended of projection period
Factory building M1,6	100%	100%	96%	96%	96%

c) Assumption on expenses

Lists	Assumption
Common areas expenses	- 1000 Baht/Rai/month with the growth of 2.0% per annum
Repairs and maintenance	- 1.0% of total revenue
Warehouse insurance	- 3.0% growth per annum
Property tax	- 12.5 % of 50% of total rental income
Commission	- 2.0 months for new renter and assumption on new renter is 20% of total rent income from new renter
Other expenses	- 1.0% of total expenses
Capital expenditure	- 1.0% of total expenses
Property management fee	
- Management fee	- 2.0% of rental income
- Extraordinary fee	- 4.0% of Gross profit

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, GAA uses 8.0% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate GAA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.25 percent composes of 3 percent of average government bond yield and risk premium of 6.25 percent

From above assumption, value of BPO project using income approach both land and buildings as of when appraised equal to 46,000,000 Baht and the details as follow:

Assets	Value of assets (Baht)
Factory building M1.6	46,000,000
Total value	46,000,000

Factory building M1.6

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		3,660,592	3,487,871	3,618,357	3,618,345	3,792,975	3,934,654	3,934,641	4,084,563	4,237,367	4,237,352	4,237,252
Present value at discount rate of 9.25%	24,130,292	3,350,656	2,922,251	2,774,899	2,539,944	2,437,097	2,314,077	2,118,142	2,012,677	1,911,186	1,749,364	
Terminal value at 8% capitalization	21,867,046											
Value of asset	45,997,338											
Rounded	46,000,000											

2. Summary of BPO project appraisal report appraised by WA

WA has appraised this asset by using income approach which WA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. WA projects cash flow for this asset for 20 years. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

WA has considered the rental rate and related service fee before expiring date of the agreement, calculated according to the agreement while the rental rate and related service fee after the expiring date is calculated based on market rate. The fees have a growth rate of 3% per annum only in the year that agreement is expired by the effective rate (rental and related service fees of the year after the expired year for the year).

b) Assumption on occupancy rate

Average occupation rate of the warehouse is 100% and 90% every 3 years respectively as follows;

	Year										
	1	2	3	4	5	6	7	8	9	...	20
Forecasted occupancy rate	100%	100%	90%	100%	100%	90%	100%	100%	90%	...	90%

c) Assumption on expenses

Lists	Assumption
Management fees	- 4% of total revenue
Extraordinary fees	- 6% of operating profit
Commission	- 3% of rental income per annum
REIT management fee	- 12.5 % of 50% of total rental income
- Management fee of REIT	- 2% of rental of rental income of REIT for warehouse - 4% of rental income of REIT for factory building
- Incentive	- 4% of profit from operation of REIT for warehouse
- Commission	- 6% of profit from operation of REIT for factory building

Lists	Assumption
	- 2.0 months for new renter for 3-year agreement
Repairs and maintenance	- 2.5% of total revenue
Common utilities expenses for warehouse	- 5 Baht/sq.m./month
Property tax	- 12.5% of revenue (50% or 6.25% of revenue)
Insurance fee	- 0.1% of replacement cost of new building
Other expenses	- 1% of total revenue

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, WA uses 7.75% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate WA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.75 percent composes of 2.11 percent of average government bond yield and risk premium of 7.5

From above assumption, value of BPO project using income approach both land and buildings as of when WA appraised equal to 47,970,000 Baht and the details as follow:

Assets	Value of assets (Baht)
1) Factory building M1.6	47,970,000
Total Value of asset	47,970,000

Factory building M1.6

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		3,642,246	3,272,724	3,639,450	3,639,450	3,576,452	3,976,926	3,976,926	3,906,343	4,345,694	4,345,694
Present value at discount rate of 9.75%	35,532,100	3,319,519	2,717,758	2,753,801	2,509,158	2,246,674	2,276,306	2,074,083	1,857,235	1,881,606	1,714,448
Terminal value	12,440,102										
Value of asset (Rounded)	47,970,000										

Year	11	12	13	14	15	16	17	18	19	20	Last Year
Free cash flow	4,271,010	4,748,657	4,748,657	4,667,306	5,188,986	5,188,986	5,100,349	5,670,145	5,670,145	5,573,547	6,195,920
Present value at discount rate of 9.75%	1,535,293	1,555,345	1,417,171	1,269,151	1,285,856	1,171,441	1,049,140	1,062,730	968,319	867,264	

Summary of BPO project appraisal report appraised by GAA and WA

Summary of BPO appraisal report appraised as of when appraised by using income approach by GAA and WA

Asset details	Appraised by income approach as of when GAA and WA appraised (May 2016)	
	Value by GAA	Value by WA
1 Land 4 – 0 – 24.0 Rai with other buildings and assets which are parts of the land and buildings	46,000,000 Baht	47,970,000 Baht

IFA's opinion on asset appraisal report

Assets valuation of BPO project appraised by GAA and WA using income approach under the assumption of future forecast, is considered as appropriate by IFA for this asset. Therefore, IFA has considered to use this asset value from 2 appraisers in valuation of BPO which has value of 46,000,000 Baht and 47,970,000 Baht respectively.

7.) Summary of Hi-Tech project appraisal report

1. Summary of Hi-Tech project appraisal report appraised by GAA

GAA has valued the asset from 10 years' projection free cash flow which come from cash inflow/outflow of the asset in the future such as rental rates, expenses, etc. and find present value of it to get the value of this asset and also analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

■ Average rental rate

GAA assumes the average rental rate from the financial lease agreement between the project and renter and assume the average rental rate of the land around the area and old renter from the nearby area's rental rate which is 170 Baht/sq.m./month for warehouse with the growth of 3.0% in year 2-4 and 2.5% until the end of projection.

b) Assumption on occupancy rate

Forecasted occupancy rate	Year 1	Year 2	Year 3	Year 4	Year 5 – ended of projection period
1) Factory building A1.5/2	100%	100%	96%	96%	96%

c) Assumption on expenses

Lists	Assumption
Common areas expenses	- 900 Baht/Rai/month with the growth of 2.0% per annum
Repairs and maintenance	- 1.0% of total revenue
Warehouse insurance	- 3.0% growth per annum
Property tax	- 12.5 % of 50% of total rental income
Commission	- 2.0 months for new renter and assumption on new renter is 20% of total rent income from new renter
Other expenses	- 1.0% of total expenses
Capital expenditure	- 1.0% of total expenses
Property management fee	
- Management fee	- 2.0% of rental income
- Extraordinary fee	- 4.0% of Gross profit

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, GAA uses 8.0% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate GAA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.25 percent composes of 3 percent of average government bond yield and risk premium of 6.25 percent

From above assumption, value of Hi-Tech project using income approach both land and buildings as of when appraised equal to 97,000,000 Baht and the details as follow:

Assets	Value of assets (Baht)
1) Factory building A1.5/2	40,000,000
Total Value of asset	40,000,000

Factory building A1.5/2

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		3,102,547	3,102,537	3,030,123	3,153,808	3,179,263	3,285,832	3,409,256	3,436,668	3,538,647	3,671,561	3,671,561
Present value at discount rate of 9.25%	20,592,722	2,839,860	2,599,406	2,323,785	2,213,857	2,042,769	1,932,487	1,835,310	1,693,425	1,596,042	1,515,781	
Terminal value at 8% capitalization rate	18,947,258											
Value of asset Rounded	40,000,000											

2. Summary of Hi-Tech project appraisal report appraised by WA

WA has appraised this asset by using income approach which WA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. WA projects cash flow for this asset for 20 years. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

WA has considered the rental rate and related service fee before expiring date of the agreement, calculated according to the agreement while the rental rate and related service fee after the expiring date is calculated based on market rate. The fees have a growth rate of 3% per annum only in the year that agreement is expired by the effective rate (rental and related service fees of the year after the expired year for the year).

b) Assumption on occupancy rate

Average occupation rate of the warehouse is 100% and 90% every 3 years respectively as follows;

	Year										
	1	2	3	4	5	6	7	8	9	...	20
Forecasted occupancy rate	100%	100%	90%	100%	100%	90%	100%	100%	90%	...	90%

c) Assumption on expenses

Lists	Assumption
Management fees	- 4% of total revenue
Extraordinary fees	- 6% of operating profit
Commission	- 3% of rental income per annum
REIT management fee	- 12.5 % of 50% of total rental income
- Management fee of REIT	- 2% of rental of rental income of REIT for warehouse - 4% of rental income of REIT for factory building
- Incentive	- 4% of profit from operation of REIT for warehouse

Lists	Assumption
- Commission	- 6% of profit from operation of REIT for factory building - 2.0 months for new renter for 3-year agreement
Repairs and maintenance	- 2.5% of total revenue
Common utilities expenses for warehouse	- 5 Baht/sq.m./month
Property tax	- 12.5% of revenue (50% or 6.25% of revenue)
Insurance fee	- 0.1% of replacement cost of new building
Other expenses	- 1% of total revenue

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, WA uses 7.75% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate WA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.75 percent composes of 2.11 percent of average government bond yield and risk premium of 7.5

From above assumption, value of Hi-Tech project using income approach both land and buildings as of when WA appraised equal to 102,420,000 Baht and the details as follow;

Assets	Value of assets (Baht)
1) Factory building A1.5/2	41,340,000
Total value	41,340,000

Factory building M1.5/2

Year		1	2	3	4	5	6	7	8	9	10
Free cash flow		642,791	3,095,547	3,095,547	2,942,402	3,272,579	3,272,579	3,215,513	3,576,035	3,576,035	3,513,948
Present value at discount rate of 9.75%	30,322,701	630,492	2,766,578	2,520,800	2,183,225	2,212,493	2,015,939	1,804,817	1,828,858	1,666,386	1,491,985
Terminal value	11,017,186										
Value of asset (Rounded)	41,340,000										

Year		11	12	13	14	15	16	17	18	19	20	Last Year
Free cash flow		3,907,630	3,907,630	3,840,057	4,269,973	4,269,973	4,196,404	4,665,915	4,665,915	4,585,795	5,098,571	5,098,571
Present value at discount rate of 9.75%		1,511,744	1,377,443	1,233,370	1,249,615	1,138,601	1,019,575	1,032,938	941,174	842,836	853,832	

Summary of Hi-Tech project appraisal report appraised by GAA and WA

Summary of Ji-Tech appraisal report appraised as of when appraised by using income approach by GAA and WA

Assets details	Appraised by income approach as of when GAA and WA appraised (May 2016)	
	Value by GAA	Value by WA
1 Land 9 – 1 – 78.0 Rai with other buildings and assets which are parts of the land and buildings	40,000,000 Baht	41,340,000 Baht

IFA's opinion on asset appraisal report

Assets valuation of Hi-Tech project appraised by GAA and WA using income approach under the assumption of future forecast, is considered as appropriate by IFA for this asset. **Therefore, IFA has considered to use this asset value from 2 appraisers in valuation of Hi-Tech which has value of 40,000,000 Baht and 41,340,000 Baht respectively.**

8.) Summary of RJN project appraisal report

1. Summary of RJN project appraisal report appraised by GAA

GAA has valued the asset from 10 years' projection free cash flow which come from cash inflow/outflow of the asset in the future such as rental rates, expenses, etc. and find present value of it to get the value of this asset and also analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

■ Average rental rate

GAA assumes the average rental rate from the financial lease agreement between the project and renter and assume the average rental rate of the land around the area and old renter from the nearby area's rental rate which is 180 Baht/sq.m./month for warehouse with the growth of 3.0% in year 2-4 and 2.5% until the end of projection.

b) Assumption on occupancy rate

Forecasted occupancy rate	Year 1	Year 2	Year 3	Year 4	Year 5 – ended of projection period
1) Factory building A1.5	100%	100%	96%	96%	96%

c) Assumption on expenses

Lists	Assumption
Common areas expenses	- 900 Baht/Rai/month with the growth of 2.0% per annum
Repairs and maintenance	- 1.0% of total revenue
Warehouse insurance	- 3.0% growth per annum
Property tax	- 12.5 % of 50% of total rental income
Commission	- 2.0 months for new renter and assumption on new renter is 20% of total rent income from new renter
Other expenses	- 1.0% of total expenses
Capital expenditure	- 1.0% of total expenses
Property management fee	
- Management fee	- 2.0% of rental income
- Extraordinary fee	- 4.0% of Gross profit

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, GAA uses 8.0% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate GAA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.25 percent composes of 3 percent of average government bond yield and risk premium of 6.25 percent

From above assumption, value of RJN project using income approach both land and buildings as of when appraised equal to 42,000,000 Baht and the details as follow:

<i>Assets</i>	<i>Value of assets (Baht)</i>
1) Factory building A1.5	42,000,000
Total Value of asset	42,000,000

Factory building A1.5

Year		1	2	3	4	5	6	7	8	9	10	Last Year
Free cash flow		3,285,104	3,285,093	3,192,983	3,334,288	3,388,203	3,469,718	3,600,563	3,658,623	3,736,670	3,877,575	3,877,575
Present value at discount rate of 9.25%	21,793,479	3,006,960	2,752,357	2,448,681	2,340,547	2,177,019	2,040,636	1,938,297	1,802,794	1,685,356	1,600,832	
Terminal value at 8% capitalization rate	20,010,400											
Value of asset (Rounded)	42,000,000											

2. Summary of RJN appraisal report appraised by WA

WA has appraised this asset by using income approach which WA has considered to be appropriate as it can reflect the capability of assets in generating cash inflow. WA projects cash flow for this asset for 20 years. The assets valuation is done by using cash inflow deduct by cash outflow and discount at the discount rate to find present value of the asset and analyze factors that affect operation of the business such as economy overview, competition in the market, operation and forecast future trend and other factors that might affect the value of the asset.

a) Assumption on rental rate

WA has considered the rental rate and related service fee before expiring date of the agreement, calculated according to the agreement while the rental rate and related service fee after the expiring date is calculated based on market rate. The fees have a growth rate of 3% per annum only in the year that agreement is expired by the effective rate (rental and related service fees of the year after the expired year for the year).

b) Assumption on occupancy rate

Average occupation rate of the warehouse is 100% and 90% every 3 years respectively as follows;

	Year											
	1	2	3	4	5	6	7	8	9	...	20	
Forecasted occupancy rate of Factory building	100%	100%	90%	100%	100%	90%	100%	100%	90%	...	90%	

c) Assumption on expenses

Lists	Assumption
Management fees	- 4% of total revenue
Extraordinary fees	- 6% of operating profit
Commission	- 3% of rental income per annum
REIT management fee	- 12.5 % of 50% of total rental income
- Management fee of REIT	- 2% of rental of rental income of REIT for warehouse - 4% of rental income of REIT for factory building
- Incentive	- 4% of profit from operation of REIT for warehouse

Lists	Assumption
- Commission	- 6% of profit from operation of REIT for factory building - 2.0 months for new renter for 3-year agreement
Repairs and maintenance	- 2.5% of total revenue
Common utilities expenses for warehouse	- 5 Baht/sq.m./month
Property tax	- 12.5% of revenue (50% or 6.25% of revenue)
Insurance fee	- 0.1% of replacement cost of new building
Other expenses	- 1% of total revenue

d) Capitalization Rate

To value the asset when there is no cash flow in the future as the project owner stop operation, WA uses 7.75% capitalization rate for this asset valuation which come from market return and other factors such as location, asset appearance, market overview and future trend, etc.

e) Discount Rate

The discount rate WA used come from the cash inflow/outflow of the assets, competitors, economy, demand and supply, return on investment and risk free rate. The discount rate used is 9.75 percent composes of 2.11 percent of average government bond yield and risk premium of 7.5

From above assumption, value of RJN project using income approach both land and buildings as of when WA appraised equal to 43,590,000 Baht and the details as follow;

Assets	Value of assets (Baht)
1) Factory building A1.5	43,590,000
Total Value of asset	43,590,000

Factory building M1.5

Year	1	2	3	4	5	6	7	8	9	10
Free cash flow	1,370,160	3,277,638	3,277,638	3,115,694	3,465,083	3,465,083	3,404,870	3,786,390	3,786,390	3,720,861
Present value at discount rate of 9.75%	1,317,895	2,872,540	2,617,348	2,266,996	2,297,233	2,093,151	1,874,058	1,898,905	1,730,210	1,549,217
Terminal value	43,590,000									
Value of asset (Rounded)	43,590,000									

Year	11	12	13	14	15	16	17	18	19	20	Last Year
Free cash flow	4,137,491	4,137,491	4,066,152	4,521,148	4,521,148	4,443,461	4,940,380	4,940,380	4,855,757	5,398,487	5,398,487
Present value at discount rate of 9.75%	1,569,645	1,430,200	1,280,675	1,297,476	1,182,211	1,058,676	1,072,500	977,221	875,155	886,534	

Summary of LCB2 project appraisal report appraised by GAA and WA

Summary of RJN appraisal report appraised as of when appraised by using income approach by GAA and WA

Assets details	Appraised by income approach as of when GAA and WA appraised (May 2016)	
	Value by GAA	Value by WA
1 Land 2 -3 – 35.0 Rai with other buildings and assets which are parts of land and buildings	42,000,000 Baht	43,590,000 Baht

IFA's opinion in asset appraisal report

Assets valuation of RJN project appraised by GAA and WA using income approach under the assumption of future forecast, is considered as appropriate by IFA for this asset. Therefore, IFA has considered to use this asset value from 2 appraisers in valuation of RJN which has value of 42,000,000 Baht and 43,590,000 Baht respectively.