



Enclosure 6

Prospective Statement of Income

**REPORT OF CERTIFIED PUBLIC ACCOUNTANT ON PROSPECTIVE FINANCIAL
INFORMATION**

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To The Board of Directors of TICON Logistic Park Company Limited
 The Board of Directors of TICON Industrial Connection Public Company Limited (together
 referred to as the "Companies")
 The Board of Directors of TICON Management Company Limited ("REIT Manager")

This report has been prepared as part of the invitation to the Extraordinary General Meeting of Unitholders No. 1/2016 of TICON Freehold and Leasehold Real Estate Investment Trust ("TREIT") and prospectus in connection with the offering of TREIT bonds in the value not exceeding 1,470 million baht.

I have examined the prospective statements of income of the TREIT for the period from 1 November 2016 to 31 October 2017 in accordance with the Thai Standards on Auditing applicable to the examination of prospective financial information. The management of the Companies and the REIT Manager are responsible for the prospective financial information including the assumptions set out in Note 3 on which it is based.

These prospective statements of income had been prepared to present TREIT results of operations in accordance with the determined assumptions. As the assumptions used in the preparation of the prospective statements of income for the period from 1 November 2016 to 31 October 2017 include hypothetical assumptions about future events and the actions of the management of the Companies and the REIT Manager which may not necessarily occur, the user should therefore use careful consideration and justification to determine that this prospective financial information may not be suitable for other purposes than that mentioned above.



Based on my examination of the evidences supporting the assumptions, nothing has come to my attention which causes me to believe that those assumptions do not provide a reasonable basis for the prospective statements of income for the period from 1 November 2016 to 31 October 2017. Further, based on my examination, nothing has come to my attention which causes me to believe that the prospective statements of incomes for the period from 1 November 2016 to 31 October 2017 are not properly prepared on the basis of the accounting policies and assumptions set out in Notes 2 and 3 to the prospective statements of income.

Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the prospective financial information since other anticipated events frequently do not occur as expected and the variation may be material. I therefore, do not express any opinion as to the possibility of achievement of the results contained within the accompanying prospective statements of income for the period from 1 November 2016 to 31 October 2017.



Ms. Kanyanat Sriratchatchaval

Certified Public Accountant

Registration No. 6549

Bangkok, Thailand

17 August 2016

TICON FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST
PROSPECTIVE STATEMENTS OF INCOME
FOR THE PERIOD FROM 1 NOVEMBER 2016 TO 31 OCTOBER 2017

	In Million baht		
	From existing investment properties	From additional investment properties	From all investment properties
Rental and service income - net	606.1	123.6	729.7
Operating expenses	(61.1)	(9.8)	(70.9)
Gross operating profit	545.0	113.8	658.8
Interest income	3.5	0.5	4.0
REIT setup cost amortisation	(15.2)	(4.7)	(19.9)
REIT management fee	(58.2)	(12.1)	(70.3)
Trustee fee	(5.5)	-	(5.5)
Registrar fee	(1.9)	-	(1.9)
REIT related fees and expenses	(9.1)	(1.3)	(10.4)
Interest expenses	(74.6)	(60.4)	(135.1)
Total Expenses Netted From Interest Income	(161.0)	(78.0)	(239.1)
Net Income from investment	384.0	35.7	419.8
Adjusted item to net income - amortisation expenses	15.2	4.7	19.9
Distributable net income	399.2	40.4	439.6
% Payout	100%	100%	100%
Projected distribution	399.2	40.4	439.6
Total outstanding investment units (million unit)	566.8		566.8
Projected distribution per unit (baht)	0.7043		0.7756
The incremental of projected distribution per unit (baht)			0.0713
A percentage growth rate of projected distribution			10.13%

TICON FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST

NOTES TO THE PROSPECTIVE STATEMENTS OF INCOME

For the 12 months projection period from 1 November 2016 to 31 October 2017

1. GENERAL INFORMATION

TICON Freehold and Leasehold Real Estate Investment Trust (the "Trust") was established in accordance with the Trust for Transaction in Capital Market Act BE 2550 on 12 December 2014. BBL Asset Management Company Limited acts as the Trustee and TICON Management Company Limited acts as the REIT Manager.

On 9 January 2015 the Stock Exchange of Thailand approved the listing of the Trust's units under the abbreviated security name of "TREIT".

The Trust's objectives are to raise funds domestically and internationally from general investors who are natural persons or juridical persons and to use the proceeds from such fundraising to acquire, lease and/or sub-lease immovable properties and seek benefits from these properties. This includes investment in other properties and/or securities and/or seeks interest by any other means as prescribed by security laws and/or other relevant laws. The proceeds from the public offering and bank borrowing have been used to invest in warehouse buildings of TICON Logistic Park Company Limited ("TPARK") and land and factory buildings of TICON Industrial Connection Public Company Limited ("TICON") in forms of freehold and leasehold. Details of current invested properties are as follows:

1. 25 warehouse buildings divided into 71 units with 293,805 square metres of net leasable area located on 362 rai 2 ngan 57.8 square wah of land. The details are as follows:
 - 1.1. Freehold right in 14 warehouse buildings divided into 38 units with 145,988 square metres of net leasable area and 179 rai 60.3 square wah of land. The land and buildings are located in the following locations:
 - 1.1.1. TICON Logistics Park Eastern Seaboard 1 (B), Pluak Daeng sub-district, Pluak Daeng district, Rayong province, for one warehouse building divided into four units with 11,400 square metres of net leasable area;
 - 1.1.2. TICON Logistics Park Eastern Seaboard 2 (A), Bo Win sub-district, Si Racha district, Chonburi province, for two warehouse buildings divided into four units with 15,800 square metres of net leasable area;
 - 1.1.3. TICON Logistics Park Laemchabang 2, Nong Kham sub-district, Si Racha district, Chonburi province, for five warehouse buildings divided into 15 units with 43,950 square metres of net leasable area;

- 1.1.4. TICON Logistics Park Panthong 1, Phanthong sub-district, Phanthong district, Chonburi province, for one warehouse building divided into five units with 10,600 square metres of net leasable area;
 - 1.1.5. Rojana Industrial Park (Prachinburi), Hua Wa sub-district, Si Maha Phot district, Prachinburi province, for one warehouse building, one unit with 10,020 square metres of net leasable area;
 - 1.1.6. TICON Logistics Park Sriracha, Surasak sub-district, Si Racha district, Chonburi province, for three warehouse buildings divided into five units with 44,418 square metres of net leasable area; and
 - 1.1.7. TICON Logistics Park Wangnoi 2, Payom sub-district, Wangnoi district, Phra Nakhon Si Ayutthaya province, for one warehouse building divided into four units with 9,800 square metres of net leasable area.
- 1.2. Leasehold right for 30 years from the date of leasehold right registration, in 19 rai 1 ngan 14 square wah of land currently owned by TPARK and freehold right in three warehouse buildings divided into 10 units with a total area of 14,640 square metres. The land and buildings are located in TICON Logistics Park Bangna, Bang Samak sub-district, Bang Pakong district, Chachoengsao province.
 - 1.3. Leasehold right for 30 years from the date of leasehold right registration, in 62 rai 1 ngan 58.4 square wah of land and two warehouse buildings divided into 13 units with a total area of 56,700 square metres. The land and buildings are located in TICON Logistics Park Bangplee 3, Bang Pla sub-district, Bangplee district, Samutprakarn province and are currently owned by TPARK.
 - 1.4. Leasehold right for approximately 28 years from the date of leasehold right registration (until 21 February 2043), in 98 rai 3 ngan 7.6 square wah of land and five warehouse buildings divided into nine units with a total area of 74,995 square metres. The land and buildings are located in TICON Logistics Park Bangplee 1, Srisa Chorakhe Yai sub-district, Bangplee district, Samut Prakan province and are currently owned by TPARK.
 - 1.5. Leasehold right for approximately 27 years from the date of leasehold right registration (until 21 February 2043), in 3 rai 17.5 square wah of land and one warehouse building of one unit with a total area of 1,482 square metres. The land and building are located in TICON Logistics Park Bangplee 1, Bang Sao Thong sub-district, Bangplee district, Samut Prakan province and are currently owned by TPARK.
2. 27 factory buildings with 75,900 square metres of net leasable area located on 140 rai 2 ngan 13,7 square wah of land. The details are as follows:

- 2.1. Freehold right in 23 factory buildings with 61,050 square metres of net leasable area and 115 rai 3 ngan 66.7 square wah of land. The land and buildings are located in the following locations:
 - 2.1.1. Amata City Industrial Estate, Mapyangphon sub-district, Pluak Daeng district, Rayong province, for three factory buildings with 9,000 square metres of net leasable area;
 - 2.1.2. Ban Wah Industrial Estate (Hi-Tech), Ban Lane sub-district, Bang Pa-in district, Phra Nakhon Si Ayutthaya province, for four factory buildings with 8,675 square metres of net leasable area;
 - 2.1.3. Hemaraj Chonburi Industrial Estate, Bo Win sub-district, Si Racha district, Chonburi province, for three factory buildings with 7,200 square metres of net leasable area;
 - 2.1.4. Pinthong Industrial Estate, Nong Kham, Bo Win, and Bueng sub-district, Si Racha district, Chonburi province, for 11 factory buildings with 33,350 square metres of net leasable area; and
 - 2.1.5. Rojana Industrial Park, Ban Chang sub-district, Uthai district, Phra Nakhon Si Ayutthaya province, for two factory buildings with 2,825 square metres of net leasable area.
- 2.2. Leasehold right for 30 years from the date of leasehold right registration, in 24 rai 2 ngan 47 square wah of land and four factory buildings with a total area of 14,850 square metres. The land and buildings are located in Amata City Industrial Estate Panthong and Don Hua Lo sub-district, Mueang Chonburi district, Chonburi province and are currently owned by TICON.

The aforementioned land, warehouse buildings and factory buildings that have already been invested by the Trust are collectively referred to as "Current Investment Properties".

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The prospective statements of income are presented in baht and are rounded off to the nearest million baht, unless otherwise stated. The prospective statements of income are prepared in accordance with the Thai Accounting Standards ("TAS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and with generally accepted accounting principles in Thailand. TAS No. 106 "Accounting for Investment Companies". The Trust presents only income and expenses of the Trust. As such it does not present the statement of financial positions, statement of changes in net assets, statement of cash flows, financial information disclosures and full note disclosures in accordance with reporting standards in accordance with generally accepted accounting principles in Thailand.

The prospective statements of income do not include the consideration of the prospect of asset impairment.

2.2 Income

Rental and service income is recognised as revenue on an accrual basis at the amount stipulated under the lease agreement.

Interest income is recognised as income on a time proportion basis, taking into account the effective yield rate.

2.3 Expenses

Expenses are recognised based on an accrual basis.

2.4 Measurement of investment value

Investments in properties

Investments in properties are presented at fair value without depreciation. The costs of properties invested by the Trust in the initial phase are presented at the acquisition costs plus other relevant costs. The REIT Manager will arrange the valuation of the properties, which will be performed by an independent appraiser who is approved by the Securities and Exchange Commissions. The valuation will be performed every two years, commencing from the date the appraisal is made for the purposes of purchasing or leasing the properties. In addition, the valuation will be reviewed every year from the latest appraisal date.

Investment in bank deposit

Bank deposits are presented at fair value.

2.5 Income tax

The Trust is exempted from income taxes in Thailand. As such no provision for income tax has been made in the prospective statements of income.

2.6 Value added tax ("VAT")

The Trust is classified as a group of operators who have to pay VAT. In accordance with the notification of the Director General of the Revenue Department on VAT (No.29) Section 2(1), the registered operators who have started their businesses are able to deduct up to half of the input VAT from output VAT. According to the projection of the Trust, the unclaimable VAT in connection with the Current Investment Properties and for the additional properties to be invested at this time are assumed to be 51.4% and 50.6% of total output VAT, respectively.

3. SIGNIFICANT ASSUMPTIONS

The prospective statements of income for the 12 months projection period from 1 November 2016 to 31 October 2017 and notes have been prepared as part of the invitation to the Extraordinary General Meeting of Unitholders No. 1/2016 of TICON Freehold and Leasehold Real Estate Investment Trust, and in support of decisions made on investment in additional properties to be invested by the Trust. The properties, which the REIT Manager offers to the unitholders to consider, consist of land and warehouse buildings of TPARK and land and factory buildings of TICON in the form of ownership, lease and/or sublease. The details of the properties are as follows:

Warehouses

1. Freehold right in three warehouse buildings divided into 12 units with 24,632 square metres of net leasable area and 29 rai 1 ngan 88.8 square wah of land. The land and buildings are owned by TPARK and are located in the following locations:
 - 1.1. TICON Logistics Park Laemchabang 2, Tambol Nong Kham, Amphur Sriracha, Chonburi Province, for one warehouse building divided into two units with 4,900 square metres of net leasable area;
 - 1.2. Rojana Industrial Park Prachinburi, Tambol Huawa, Amphur Si Maha Phot, Prachinburi Province, for one warehouse building divided into Eight units with 14,832 square metres of net leasable area; and
 - 1.3. TICON Logistics Park Sriracha, Tambol Surasak, Amphur Sriracha, Chonburi Province, for one warehouse building divided into two units with 4,900 square metres of net leasable area.
2. Leasehold right for 30 years from the date of leasehold right registration, in 27 rai 21.44 square wah of land and four warehouse buildings divided into eight units with a total area of 27,564 square metres. The land and buildings are located in TICON Logistics Park Bangplee 3, Bang Pla sub-district, Bangplee district, Samutprakarn province, and are currently owned by TPARK.

Factories

1. Freehold right in eight factory buildings with 16,825 square metres of net leasable area and 28 rai 2 ngan 11.9 square wah of land. The land and buildings are currently owned by TICON and are located in the following locations:
 - 1.1. Bangpoo Industrial Estate, Tambol Praeksa, Amphur Muang Samut Prakarn, Samut Prakarn Province, for one factory building with 1,950 square metres of net leasable area;
 - 1.2. Banwa (Hi-Tech) Industrial Estate, Tambol Banlane, Amphur Bangpa-In, Phra Nakhon Si Ayutthaya Province, for one factory building with 1,750 square metres of net leasable area;

- 1.3. Amata City Industrial Estate, Tambol Mabyangporn, Amphur Pluak Deang, Rayong Province, for five factory buildings with 11,375 square metres of net leasable area; and
- 1.4. Rojana Industrial Park Ayutthaya, Tambol Banchang, Amphur U-Thai, Phra Nakhon Si Ayutthaya Province, for one factory building with 1,750 square metres of net leasable area.

The aforementioned land, warehouse buildings and factory buildings to be invested by the Trust are collectively referred to as "Additional Investment Properties".

REIT Manager intends to invest in the Additional Investment Properties by 31 October 2016. Hence the prospective statements of income for the period of 12 months are prepared based on the assumption that the Trust will complete the investing transaction by such date. As such, 1 November 2016 is the starting date of the projection period, which may be different from the actual date on which the Trust completes the transaction.

Assumptions applied under forecasted income and expenses are as follows:

3.1 Rental and service income

- Rental and service income comprise rental and service charge income paid by factory tenants and warehouse tenants (after deducting discounts where applicable), which are based on the above income of the existing lease agreements as at 30 June 2016 of the Current Investment Properties and the Additional Investment Properties.
- The new rental and service rates for new contracts or contract renewals are based on the existing rates according to each contract, renewal rate, market situation, inflation and demand.
- The projected rental and service income for the projection period from 1 November 2016 to 31 October 2017 are based on information of the existing lease agreements as at 30 June 2016 of the Current Investment Properties and the Additional Investment Properties except the properties which are rented to one factory tenant in the Current Investment Property in which the Trust is currently in the process of debt collection for; the tenant is unlikely to fulfil their obligation in the future. To reflect a conservative view of such matter, the projection has not included the rental and service income of such factory tenant.

3.2 Operating expenses

The operating expenses consist of repair and maintenance costs, insurance premiums, leasing commissions, provision of doubtful debts and property taxes. The assumptions used in determining the expenses are as follows;

- Repair and maintenance costs are 2% of rental and service income – net;
- Land lease expenses in relation to a sub-lease contract are incurred at the contractual rate;

- Insurance premium includes:
 - 1) insurance premiums that are the responsibility of the tenants which is not included in the expenses of the Trust; and
 - 2) insurance premiums that are the responsibility of the Trust or in the case of vacant warehouses and/or factories, the insurance premium is calculated at 0.048% of the sum insured.
- Commission fees are paid to the Property Manager and/or an agent engaged by the Property Manager for seeking new tenants at the average rate of two months of the base rental and service charge.
- Provisions for doubtful debts for factories and warehouses are 1.4% and 0.4% of net rental and service income, respectively.
- Property tax will be paid by the Trust only if it is agreed upon in the contract. The property tax rate is assumed to be 12.50% of rental income.
- Common area expenses for warehouses are assumed to be five baht per square metre per month.
- For the common area fees for factories, costs are assumed to be an average of 900 baht per rai, per month.
- Application fees to The Industrial Estate Authority of Thailand (IEAT) for factories are assumed at a rate of 10,700 baht (including VAT) per transaction.
- Other expenses comprise common area expenses and security service expenses in case of vacant factories and/or warehouses.

3.3 Interest income

It has been assumed that interest will be earned on surplus cash that the Trust invests in securities or assets allowed by the Securities and Exchange Commission of Thailand (SEC) at a rate of 1.00% per annum for the prospective statements of income for the projection period.

3.4 Issuance costs of bonds

Issuance costs of bonds comprise the registration fee with the Stock Exchange of Thailand, registration fee with the Securities and Exchange Commission, service fees charged by property appraisal companies, underwriting fees, public relation expenses and other advisory fees. The costs will be capitalized as assets and will be amortised and reported in the income statement of the Trust using the straight line method for five years.

3.5 REIT management fee

The REIT Manager will obtain the following fees for the REIT management during the projection period based on the draft REIT Manager Appointment agreement between the Trust and REIT Manager (TICON Management Company Limited).

- REIT management fee at 0.25% of the total asset value ("TAV").
- Property management fee:
 - at 4% of rental and service revenues for factories.
 - at 2% of rental service revenues for warehouses.
- Incentive fee:
 - at 6% of gross operating profit for factories.
 - at 4% of gross operating profit for warehouses.

3.6 Trustee fee

The fee is charged at 0.09875% of the net asset value of the Trust.

3.7 Registrar fee

The fee is calculated as a percentage of the net asset value of the Trust.

3.8 Fees and other costs related to the Trust

Fees and other expenses related to trust fees comprise the SET application fee, the property appraisal fee, auditor fees, general administration expenses etc.

3.9 Interest repayment

The Trust intends to issue bonds not exceeding 1,470 million baht for investing in the Additional Investment Properties. The interest rate is assumed at 4.125% per annum.

3.10 Projected distribution and capital reduction

The projected distribution is based on the assumption that the payout will be 100% of the restated distributable net income for the fiscal year (net profits of the Trust on a cash basis). The distributable net income is exclusive of the amount of unrealised profit or loss from the appraisal of properties, securities, and/or assets of the Trust. In addition the REIT Manager can consider paying additional dividends from retained earnings (if any).

According to the provision of the Trust and security laws, if the Trust earns the distributable net income (net profits of the Trust on a cash basis) and does not have retained losses, the Trust will pay dividends that are not less than 90% of the distributable net income for the year. The distributable net income has been calculated from accounting net income from investment adjusted by items, ie unrealised gain/loss from revaluation, unrealised gain/loss from the reassessment of the investment, write-off expenses, repayment of the loan or any obligation according to the prospectus or by prior written notice to unitholders of the REIT Manager.

The projected distribution and capital reduction has been presented for the purpose of illustration only. The actual unit offer prices, the actual properties investment price and the actual amount of the bonds have not been determined. As such, the distribution and capital reduction may be different from those in the projection.

3.11 Revaluation of properties

No depreciation is calculated on the investments in properties in accordance with the Generally Accepted Accounting Principles in Thailand. However, an appraisal of the properties will be carried out every two years from the appraisal date when the assets are acquired. Moreover, a review of the property appraisal will be carried out every year from the latest valuation date. The property value to be reported in the financial statements of the Trust as of 1 November 2016 will be equal to the fair value of the investment in the Current Investment Properties as of 31 December 2015 and the acquisition price of the Additional Investment Properties invested by the Trust.

Any subsequent unrealised gain or loss from revaluation of the properties will not affect the distribution per unit of the prospective statements of income because the Trust's distribution is based on net income which does not include the unrealised gain or loss from revaluation of the properties.

3.12 Additional asset investment

The estimation of the prospective statements of income is based on the assumption that the Trust will invest in the Additional Investment Properties of an amount not exceeding 1,444 million baht (excluding the issuance costs of bonds and the expenses relating to the investing in the Additional Investment Properties). The Trust will use the proceeds from issuing bonds for investing in the land and warehouse buildings of TPARK and the land and factory buildings of TICON which are stated in details in the invitation to the Extraordinary General Meeting of Unitholders No. 1/2016 of TICON Freehold and Leasehold Real Estate Investment Trust, in support of decisions made on investment in additional properties to be invested by the Trust.

4. ACCOUNTING STANDARD

It is assumed by the REIT Manager that there will be no change in applicable accounting standards or other financial reporting requirements that may have a material effect to the prospective statement of income.

5. OTHER ASSUMPTIONS

The following additional assumptions were made in the preparation of the prospective statements of income for the projection period:

- The property portfolio remains unchanged throughout the projection period;
- No further capital will be raised during the projection period;
- There will be no capital expenditure incurred by the Trust during the projection period;
- There will be no significant changes in taxation legislation or other applicable legislation;
- All agreements related to the Trust will be enforceable and will be performed in accordance with their terms (allowances for doubtful debts have already been incorporated).