

## Hemaraj REIT Management Company Limited

บริษัท เหมราช รีท แมนเนจเม้นท์ จำกัด



### Minute of Trust Holder Meeting 2018 Of Hemaraj Leasehold Real Estate Investment Trust

The meeting is on 24 April 2018, at 14:00 o'clock, Ballroom 1, S31 Hotel, Sukhumvit, Bangkok, 545 Sukhumvit 31 Lane, Khlong Toei Nuea Sub-district, Watthana District, Bangkok.

#### Introduction before Meeting

The Moderator of the meeting greets and welcomes unitholders and introduces directors of the board and executives of Hemaraj REIT Management Company Limited ('**REIT Manager**') as the manager of Hemaraj Leasehold Real Estate Investment Trust ('**HREIT**'), the legal consultant of Trust Manager, Siam Commercial Bank Asset Management Company Limited ('**Trustee**') as the Trustee, and real estate manager of the Trust, who attend the meeting, as follows.

#### 1. Directors of Board of Hemaraj REIT Management Company Limited

- |                  |               |                                      |
|------------------|---------------|--------------------------------------|
| 1. Ms. Jareeporn | Jarukornsakul | Chairperson of the Board of Director |
| 2. Mr. Krailuck  | Asawachatroj  | Director of the Board                |
| 3. Mr. Phorntep  | Rattanataipop | Independent Director                 |

#### 2. Executives of Company

- |            |             |                   |
|------------|-------------|-------------------|
| Mr. Paeree | Ichayapreug | Managing Director |
|------------|-------------|-------------------|

#### 3. Legal Consultant as Meeting Secretary

- |             |                  |
|-------------|------------------|
| Mr. Kasamsi | Sakunchaisiriwit |
|-------------|------------------|

#### 4. Representative from Siam Commercial Bank Asset Management Company Limited as the Trustee

- |               |           |
|---------------|-----------|
| Ms. Aon-Anong | Chaithong |
|---------------|-----------|

#### 5. Representative from Hemaraj Land and Development (Public) Company Limited

- |                           |   |
|---------------------------|---|
| Mr. David Richard Nardone | Vice Chairman of The Board Of Directors; Group Executive Industrial and International |
|---------------------------|---|

Afterwards, the Moderator invites Ms. Jareeporn Jarukornsakul, the Chairperson of the Board, to give speech to open the meeting.

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Ms. Jareeporn Jarukornsakul, the Chairperson of the Board, greets all unitholders and asks Mr. Kasamsi Sakunchaisiriwit, the Legal Consultant, to inform the quorum of the meeting procedure. Thus, Mr. Kasamsi explains the meeting procedure and voting process, as follows.

Since there are a lot of unitholders attending the meeting, for convenience and hasty in counting the votes in each agendum, unitholders who want to show disapproval against or hold their votes in that agendum have to raise their hands and staff of REIT Manager will collect the ballots from disapproving or vote holding unitholders.

Unitholders who do not raise their hands and do not submit their vote ballots are regarded to approve that agendum. Such unitholders should give their ballots to staff at the exit gate after the meeting is over.

As for vote count, each unitholder has one vote per unit. The REIT Manager will exclude the disapprove or omitted votes from all the votes from unitholders who attend the meeting. The remaking votes are for that Agendum,

In case where there is no one disapproving against or omitting his/her vote for each agendum, it is granted that the quorum of the meeting has unanimous resolution to approve that agendum.

From all the votes for each agendum, REIT Manager will exclude votes from unitholders who are special stakeholders in that agendum. REIT Manager will show the details of unitholders who have special stakes in the voted agenda.

As for this meeting, the only agendum to be voted is Agendum 1. As for Agendum 2, Agendum 3 and Agendum 4, they are notifications that unitholders should acknowledge. Thus, they need not be voted.

Unitholders are asked whether there is anyone among them disagreeing or objecting the meeting procedure and vote counting procedure or not. If there is none, it is granted that the quorum agrees with the aforementioned meeting procedure and vote counting procedure.

No trust unitholders objects or disagrees with the meeting procedure and vote counting procedure; hence, it is assumed that the quorum agrees with such procedures.

### Meeting Commenced

The Chairperson announces to the quorum that there are 114 unitholders who attend the meeting by themselves and have their representatives attend the meeting on their behalves, with the amount of trusts being 246,671,663 units (two hundred forty-six million, six hundred seventy-one thousand, six hundred and sixty-three units) or 35.106 percent of the trust units registered, issued and paid-up 702,634,116 units (seven hundred two million, six hundred thirty-four thousand, one hundred and sixteen units). Thus, the quorum is complete. The Chairperson thus commences the meeting with the aforementioned meeting agenda.

The Chairperson commences the meeting with the aforementioned agenda as follows.

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### Agendum 1: Approval for Minutes of 1/2560 Unitholders' Extraordinary General Meeting

The Chairperson speaks to the quorum that the REIT Manager had hosted the Extraordinary Meeting for 2017 on 21 June 2017 and submit a copy of the minute of that meeting to Stock Exchange of Thailand and publicized the meeting minute in the official website of the REIT Manager, the details of which are in Enclosure 1. The quorum is asked to approve that meeting minute.

The Chairperson asks unitholders whether they would like to ask any question.

Mr. Suphot Phongkidakan states that Mr. Somyos Anantaprayoon, the former chairperson, had stated that the HREIT would pay dividend to all holders in the rate of 7.75 percent, but in quarter 1 of 2017, the dividend was just 7.357 percent, which was not the same as Mr. Somyos had said in 1/2560 Extraordinary Trust Holder Meeting. Thus, Mr. Suphot asked Mr. Somyos to be responsible for the case where the REIT could not pay the dividend as said, but in the meeting minute, there is no 'responsible' word and it was apparent that Mr. Somyos Anantaprayoon had resigned from the position of the chairman. Thus, that meeting minute need not be changed.

There is no other unitholders asking additional question, so the Chairperson asks the quorum to vote for Agendum 1.

#### Resolution of the Quorum

The quorum has considered the agendum and resolves to approve the minutes of 1/2560 Unitholders' Extraordinary General Meeting held on 21 June 2018, with the details as presented by the Chairperson. The votes are as follows.

Approval	246,632,663	Units	or	99.9392	Percent
Disapproval	0	Unit	or	0	Percent
Omission	150,000	Units	or	0.0608	Percent

Of all the votes of unitholders who attend the meeting and are entitled to vote.

### Agendum 2: Report on Performance of HREIT from 2017

The Chairperson assigns Mr. Paeree Ichayapreug to present the details of this agendum to the quorum.

Mr. Paeree Ichayapreug announces to the quorum that the HREIT was established on 21 November 2016 to run a business to lease properties. The HREIT had paid return for the first time in the form of dividend from the earnings in quarter 4 of 2016 and quarter 1 of 2017. Afterwards, the HREIT has been consistently paying return in every quarter, as follows: the payment of return in the form of the first capital reduction money on 31 August 2017 and the payments of 3 other dividends as capital reduction, paid from the earnings from 2017.

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HREIT invests in 2 main types of assets, namely, factory buildings and warehouse buildings, in 3 main locations in the East of Thailand, which is a significant manufacture hub of Thailand. The locations in which the HREIT invests are as follows:

Factory buildings are in the following areas:

- 1) Hemaraj Industrial Estate, Chonburi Province;
- 2) Eastern Seaboard Industrial Estate, Rayong Province; and
- 3) Hemaraj Eastern Seaboard Industrial Estate, Rayong Province;

Warehouse buildings are in the following areas:

- 1) Hemaraj Logistics Park 1 Industrial Estate;
- 2) Hemaraj Logistics Park 2 Industrial Estate; and
- 3) Hemaraj Logistics Park 4 Industrial Estate.

The total building space that is leased is 261,314 sq.m., with 101 units for lease. Most of major lessees run businesses of automotive industries, logistics, electronics and consumer products and appliances. In addition, the lessees are diversified and well spread. The major nationalities of the parent companies of the lessees are Japanese, Australian, German and American.

Currently, the occupancy rate of all areas is 71.6 percent per annum, decreasing from 2016 the average occupancy rate of which is 84 percent, because major lessees, accounted for 12.5 percent, expand their businesses in Thailand. Thus, they have bought their own land to established their manufacture centers instead of leasing the areas.

The current average rental rate is 188 baht per sq.m., which is relatively high compared with the rates of other operators in the same areas.

In 2017, the HREIT could pay total return of 473.5 million baht or 0.736 baht per unit, paid in the forms of dividends and capital reduction to unitholders, from profit from business operations in 2016 and 2017, the total amount of which is 469.8 million baht. The business performance exclude 1 accounting entry, unrealized loss from asset revaluation of the 1<sup>st</sup> investment in assets that has the purchase price 7,974.99 million baht. The purchase value is in accordance with common price valuation procedure for sales proposals and accounting standards that order that the HREIT has to record value equivalent to the purchase value. According to related requirements, the HREIT has to estimate the value of the assets in its first investment every year and record the newly estimated value in the account. The value of the assets that the HREIT has invested in the first time, which has been verified, from the first evaluation is 7,123 million baht, which is inferior to the amount that the HREIT has purchased, which has led to accounting loss in the amount of 852 million baht. Such accounting loss is no cash. However, when there is loss, the HREIT cannot pay return in the form of dividend to unitholders; thus, the HREIT has paid returns to unitholders in the forms of capital reduction money from surplus cash flow.

Nevertheless, compared with the price estimated later, the first estimated price during the first investment has risen from 6,980.99 million baht to 7,123 million baht, which has reflected the perspective of the price appraiser that the estimated price of such assets tends to rise.

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Furthermore, in 2017, the HREIT has adjusted the payment of administrators' fee and the compensation for incomes received from asset owners in order that the returns that unitholder will receive will be more stable, as follows.

1. HREIT has negotiated with property manager for deduction of the property management fee in the first 5 years, from 2 percent to 1.75 percent.
2. HREIT has negotiated with asset owners for the compensation rental income under undertaking agreement, paid to the Trust, based on the minimum rental, as follows.

Type of Leased Asset	Minimum Rental (Baht/Sq.M./Month)
Factory of Attached Building Type	190
Factory with Detached Building Type	200
Warehouse	155

Later, around the beginning of 2018, HREIT has invested in additional assets by buying assets for the second time. Thus, HREIT has more assets in terms of space and operational areas. In other words, HREIT has more space for rent for 55,131 sq.m., and 21 more units. Advantages from this capital increase are as follows.

1. The assets that the HREIT has additionally invests in has good quality.
2. The locations of the assets that the HREIT has additionally invested in are strategically beneficial. Saraburi Province is a center of transportation for the North and the Northeast of Thailand whilst Chonburi Province and Rayong Province are in the Eastern Economic Corridor (EEC) Program that is supported by the government.
3. The occupancy rate of the additional asset is 100 percent, and there has never been any HREIT that has invested in assets with the occupancy rate of new assets of 100 percent.
4. The assets to be leased are pretty new. They have been used for just around 4 years.

The investment in additional assets allows the HREIT to have diversity in terms of operational areas of the HREIT, and the characteristics of lessees and nationalities of the lessees' companies. It can also reduce the risk of lessee's decision not to renew the lease contracts.

The Chairperson asks unitholders whether any of them would like to ask questions or not.

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Mr. Suphot Phongkidakan asks what ways the Chairman can do in order to improve the purchase unit price. The price has dropped from the event where the HREIT has bought additional assets because the proposed price is 8.30 baht which is lower than the first proposed price, or 10 baht. In addition, the estimated prices of the assets at the purchase are too high, making the HREIT to face with non-cash accounting loss of 852 million baht.

The Chairperson explains that the sale and purchase prices of the HREIT are not to be controlled by REIT Manager. As for the capital increase of the HREIT, the Chairperson asks Mr. Krailuck Asawachatroj, the director, to explain to the quorum.

Mr. Krailuck Asawachatroj explains that, according to the relevant regulations and accounting standards on the record of value and the verification of value, the REIT must record the value of assets that the REIT has purchased and the estimate from the review and verification. The appraisal value of the assets that the HREIT has invested in the first time is around 6,980 million baht whilst the estimate from the appraisal reviewed report verification is around 7,123 million baht. The purchase price of 7,975 million baht that the HREIT has paid is from the process of a survey on institutional investors' needs, which is like an auction. After getting the price that institutional investors are tempted to buy, the purchase price is set. Since accounting standards has set out that the REIT should record the value of assets that the REIT has purchased in the account, in the balance sheet of the REIT, there is an entry of the value of assets of the HREIT as at the investment day, which is around 7,975 million baht.

However, Securities and Exchange Commission (SEC) regulation stated that the REIT must evaluate or review asset value every year. The former appraiser has indicated asset value from the review to be 7,123 million baht which is greater than the first appraisal report or 6,980 million baht but is still lower than the purchase price that the REIT shows in the balance sheet. Nevertheless, it is noticeable that the price that the REIT has paid is the value that institutional investors deem to be worth investment and to allow the REIT to pay returns. Additionally, not only has the first investment in assets used unitholders' money but it has also used loaned money that has low interest rate. Not only is the estimation by the appraiser based on financial structure but it also based on other factors.

As for the capital reductions of the REIT, they also occur to other REIT. Nowadays, there are 21 REITs 6 from which are new and have never paid dividend whilst 12 from the other 15 have had capital reductions. This is a fact that should be included in the consideration whether the capital reduction of the REIT is normal or not.

In order to consider whether a REITs is in good circumstances or not, one should consider the cash flow from the operation, which is a fundamental factor to be considered when one would like to determine whether the financial status of a REIT is good or not or whether a REIT has performed well or not. In 2017, the HREIT has generated the total profit from business operations for 469.6 million baht. The REIT Manager has also found ways to distribute this money to unitholders as the return of investment for unitholders. Since the HREIT has the non-cash accounting loss of 852 million baht, it has to pay the return in the form of capital reduction.

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Mr. Suphot Phongkidakan asks for explanation on the incident where the REIT has bought assets in the price higher than the one estimated by the appraiser whether that asset purchase is to benefit a particular person or group of people or not.

The Chairperson explains that the operations of the REIT never aim to benefit any particular individuals or group. The Board of the Company of the REIT Manager must focus mainly on the benefits of the REIT. Also, assets to be purchased must be appraised by an appraiser before and the appraised price is used for negotiating the price in the sale and purchase transaction with a counter-party.

Concerning the capital increase, Mr. Paeree has explained that the assets that the HREIT has additionally invested have the lease rate of 100 percent and are relatively new. The Board has deemed that this capital increase will be beneficial and advantageous to the HREIT, so the Board approves the HREIT to run the capital increase in order to earn money to buy such additional assets.

Mr. Morakot Chaithongkham asks the following questions.

1. Can the additional assets that the HREIT has invested in be used for substituting the lease terms of old assets that have ended and income compensation period, and how do they affect the return rate?
2. How much time will the HREIT take in order to clear the non-cash accounting loss of 825 million baht?

Mr. Morakot Chaithongkham states that securities in the form of REIT generate cash flow and investors expect return of investment rather than the margin of price per unit, and will hold the trust in a long run. The adjustment of unit price may be caused from the case where the REIT cannot invest in the REIT because the fund has a policy not to invest in a REIT that has accumulated loss. Mr. Morakot expresses his personal opinion that he is not worried with the decreasing price per unit but he deems that it is a good sign because it means an opportunity to have a greater return rate.

The Chairperson explains that the assets that the HREIT has invested in the first time are worth around 8,000 million baht whilst the additional assets are worth 1,000 million baht and asks Mr. Krailuck Asawachatroj, director, to give additional explanations.

Mr. Krailuck Asawachatroj explains that if the lease terms of the assets that the HREIT has invested in the first time end and there is no additional lessee at all, the yield of the HREIT will be 9.6 percent which is still deemed to be very high compared with the yield rates of other REITs in the same natures, which are around 5.8 - 8.5 percent. The average yield rate is 7 percent. If there is no additional lessee, the yield rate will fall to the mean of yield rates in the market. If the compensate rental income period of the HREIT ends, the yield rate will further fall for approximately 0.6 percent. However, in the current market, the situations that cause negative effects on the yield rate have passed already and the government has provided supports; hence, there should be no concern about yield rate from the HREIT.

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The Chairperson adds that, currently, there are more investors putting their money in EEC and there are more applicants for privileges. Assets of the HREIT are also in that zone. When the investment in EEC grows, the benefits that the HREIT will get are that the number of lessees will grow and the rental rate tends to rise.

Mr. Krailuck Asawachatroj additionally explains that, concerning the accumulated loss, nowadays, the HREIT has non-cash accounting loss of 852 million baht. Next year, the assets will be appraised again. From the former appraisal, there is tendency that the appraiser will appraise the asset value to be higher. When the business performance of the next year is added to the calculation, the accounting loss might be dissolved; however, this depends on the appraised value from appraiser.

Mr. Morakot Chaithongkham asks an additional question whether the HREIT has set the limit of the size of its assets or not.

The Chairperson explains that the HREIT has a plan to increase capital in order to enlarge the HREIT every year and to support more investors who want to invest

Ms. Morakot Chaithongkham asks an additional question why the HREIT is not integrated with Hemaraj Industrial Property and Leasehold Fund (HPF) and whether the HREIT will increase capital to make money to pay expenses if the HREIT is merged with HPF and has to pay tax.

The Chairperson explains that the Board has considered the integration of HPF and the HREIT; however, findings from the study reveal that the merger of the HREIT and HPF will make unitholders of the HREIT lose certain benefits. Thus, there is no merger.

Mr. Somchai Chaensathiraphan states that the unitholders who state that the incident where the unit price does not rise is a good sign should think about unitholders who have bought the trust when the price was 10 baht per unit. Afterwards, Mr. Somchai Chaensathiraphan asks how the assets bought in the first time are different from those bought later because the price in the first proposal was 10 baht per unit but the price in the capital increase event is 8.30 baht per unit; and whether the HREIT has ways to increase the occupancy rate since Mr. Paeree explains that the occupancy rate of the assets of the HREIT falls from 84 percent to 71.6 percent, what the occupancy rate is and whether the HREIT has received the compensation for price or not.

The Chairperson asks Mr. Krailuck Asawachatroj, director, to explain the capital increase.

Mr. Krailuck Asawachatroj explains that the valuation of the newly issued units for the investment in order to increase capital must be based on the market price at that time. At that time, the price per unit of the HREIT was 8.30 baht; thus, the HREIT has proposed the price per unit of 8.30 baht.

Mr. Somchai Chaensathiraphan argued that, explaining the capital increase, Mr. Somyos Anantaprayoon explains that the proposed sales price of the newly issued trusts was 10 baht per unit, based on the price of the assets of the HREIT, but after the sale, the price per unit becomes based on the price per unit of the HREIT in the SET.

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Mr. Krailuck Asawachatroj explains that the proposed price of the units of the Trust was set by the underwriter who suggested on the appropriate price and suggested whether the issuance of additional unit will affect the shares that unitholders have had or not. The addition of assets into the HREIT will be beneficial to unitholders in many ways as Mr. Paeree has mentioned, including the better risk distribution and the increase of rental rate.

The Chairperson asks Mr. David Nardone, Vice Chairman of The Board of Directors; Group Executive Industrial and International of Hemaraj Land and Development (Public) Company Limited, as the administrator of the real estate, to explain the lease of all the assets of the HREIT.

Mr. David Nardone explains that, currently, the investment atmosphere in the industry sector has been improved because of the governmental supports for the investment in EEC, which has been subjected to tax-related privileges; also, the HREIT has invested in new assets in Saraburi Province, which is a popular zone with 100 percent lease rate.

The capital increase that has taken place will enable the HREIT to have well spread lessees, enabling the HREIT to rely less on major lessees as Mr. Paeree has stated before. In addition, the lessees' businesses have become more diversified, which will reduce risks in case of a crisis to a business.

As for the case where a major lessee does not renew the lease contract, it is because that lessee wants to expand its investment, so it has decided to buy its own land, not because the leased asset is not good. Even though this case has made the occupancy rate drop, it also shows that the investment ambience is better; thus, the HREIT should be able to find another lessee.

The Chairperson explains the compensation for income that the HREIT has received the compensation for income as in the related contract. Consequently, unitholders who have bought the HREIT in the price of 10 baht per unit have received the return in the form of capital reduction money at 7 percent.

The Chairperson states that this agendum is just a notification; thus, no vote is needed.

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**Agendum 3: Report of Financial Statements of HREIT Trust of 2017**

The Chairperson assigns Mr. Paeree Ichayapreug to present to the quorum the details of this agendum.

Mr. Paeree Ichayapreug reported that the performance from 1 January to 31 December 2017 of the HREIT shows that the total revenue is 576.83 million baht and the expense is 54.90 million baht. The HREIT has had the net investment income before financial cost 521.93 million baht. After the net investment income before financial cost is subtracted with financial expenditure (interest expenses) which is around 96.57 million baht and the net loss from the investment of 850.77 million baht (some of which were resulted from the net loss that has not occurred yet from the net unrealized loss from investment valuation from the review on the appraised value in second quarter, which was around 852 million baht). Therefore, the HREIT has decrease in net assets from operation during the year, which has been around 425.41 million baht.

As for the balance as at 31 December 2017, the HREIT has the total assets of around 8,433.60 million baht, total liabilities of around 2,448.37 million baht, net asset of 5,985.23 million baht, and investment money at fair value, or, in other words, value of immovable properties of the HREIT, is 7,240.31 million baht, which has fallen from the value in 2016 due to the review on the appraised value of assets. As for cash and cash equivalent of 1,160.02 million baht, there is money raised from unitholders in order to purchase additional assets for the first time, the amount of which is 1,092.5 million baht, which has been invested further on 4 January 2018.

The Chairperson asks whether any unitholders would like to ask questions.

Mr. Wasunthara Kritpracha asks for the explanation where the non-cash accounting loss is from.

Mr. Krailuck Asawachatroj, director, explains that the loss comes from the appraisal in the first investment and the second time in the annual review. In the first time, the appraiser has estimated the value of the assets of the HREIT to be 6,980.99 million baht whilst the estimated price from the second appraisal is 7,123 million baht. As for the price of 7,975 million baht, it is from a survey on the needs of institutional investors. According to accounting standards, the value of assets must be recorded with the purchase price. Hence, in the balance sheet of the HREIT, the recorded value of the assets of the HREIT is 7,975 million baht. Therefore, when there is a review on the price of the assets of the HREIT, the value of assets will be lower than the purchase price. The HREIT has non-cash accounting loss of 852 million baht.

Mr. Wasunthara Kritpracha asks whether the appraised price in this year tends to rise or not and whether it can dissolve the non-cash accounting loss or not.

Mr. Krailuck Asawachatroj, director, points out that the appraisal of asset value of the HREIT depends on the discretion of independent appraisers. The HREIT cannot direct the appraisers' decisions. Nevertheless, based on the consideration of the trend of the appraised asset price, it is apparent that there is tendency of rising, which can be used for dissolving the non-cash accounting loss that has been recorded.

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The Chairperson asks whether the unitholders need to ask more questions or not.

No more questions from unitholders.

The Chairperson states that this agendum is just a notification; thus, no vote is needed.

### **Agendum 4: Report on the Appointment of Account Auditors of HREIT Trust for 2017**

The Chairperson assigns Mr. Paeree Ichayapreug to present to the quorum the details of this agendum.

Mr. Paeree Ichayapreug reported that the REIT Manager has appointed the auditors for 2018 already. The appointed auditors are from PricewaterhouseCoopers ABAS Ltd. (PricewaterhouseCoopers), the names of which are listed as follows:

- |                               |   |
|-------------------------------|---|
| 1. Ms. Nopanuch Apichatsatien | with C.P.A. (Thailand) No. 5266, and/or |
| 2. Mr. Chanchai Chaiprasit    | with C.P.A. (Thailand) No. 3760, and/or |
| 3. Mr. Boonrueng Lerdwisewit  | with C.P.A. (Thailand) No. 6552.        |

Any of the aforementioned people runs the account audit and gives opinions towards financial statements of HREIT. In case where the aforementioned people cannot perform duties, PricewaterhouseCoopers must supply other licensed account auditors from PricewaterhouseCoopers, who can replace them.

The audit fee in 2018 is 970,000 (not including other expenses). This audit fee is for the audit on annual financial report and quarterly financial reports.

Mr. Paeree Ichayapreug explains that the account auditors for 2018 are the same as those in the former year but the audit fee has decrease from that of 2017 for 130,000 baht (not including out of pocket). In addition, the REIT Manager has compared the fee with the fees of 2 other auditors and finds out that other auditors' fees are higher.

Afterwards, the Chairperson asks the quorum whether there is any question or not. Since no unitholders asks additional questions, the Chairperson asks the quorum to acknowledge the agendum.

The Chairperson states that this agendum is just a notification; thus, no vote is needed.

### **Agendum 5: Other Issues (if any)**

The Chairperson asks the quorum whether any unitholders would like to ask any additional question or not. Questions from unitholders are as follows.

Mr. Somchai Chaensathiraphan asks whether the HREIT has a policy to rank its credibility or not in order to be able to borrow more money and asks how much the expense for hosting this meeting is.

## Hemaraj REIT Management Company Limited

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The Chairperson states that the HREIT has a policy to rank its credibility. As for the selection of the place to hold a meeting, the REIT Manager considers the number of unitholders and convenience of unitholders.

Mr. Paeree Ichayapreug explains that the fee for that meeting room is 65,000 baht whilst the fee of the room for the last meeting is 200,000 baht.

Mr. Morakot Chaithongkham asks whether the HREIT will invest in assets that are freeholds or not.

The Chairperson explains that even though the HREIT is currently the leasehold, the period of 60 years makes it like a freehold. However, the investment in assets that are freeholds depends on the owners of assets to determine what form the trust should be.

Mr. Morakot Chaithongkham asks additional questions about new assets of the HREIT in Saraburi Province.

The Chairperson asks Mr. David Nardone, Vice Chairman of The Board of Directors; Group Executive Industrial And International of Hemaraj Land and Development (Public) Company Limited, as the administrator of the real estate, to explain.


Mr. David Nardone explains that Saraburi Province has 2 main advantages. 1) Saraburi Province is close to Bangkok and is a hub of transportation of the North and the Northeast of Thailand. 2) There are privileges from electronic industry, the production base of which is Thailand. Even though being outside EEC zone, electronic industry also enjoys tax-related privileges.

Mr. Morakot Chaithongkham asks how the occupancy rate of the HREIT is, compared with the occupancy of other REIT.

Mr. Krailuck Asawachatroj explains that the occupancy rate of the HREIT is the same as the average occupancy rate of other REITs with similar natures. However, as for the rental fee, HREIT charges rental fees that are higher than others.

The Chairperson asks whether any unitholders wants to ask any additional question.

There is no more unitholders to ask additional questions. Thus, the Chairperson closes the meeting at 15:30.

Signed , Chairperson of the Meeting  
(Ms. Jareeporn Jarukornsakul)