

Opinion of Independent Financial Advisor  
on the Connected Transaction between the REIT and the Related  
Person of the REIT Manager of Bualuang Office Leasehold  
Real Estate Investment Trust  
(Borrowing and Providing Collateral)

Presented to

Trust Unitholders of Bualuang Office Leasehold  
Real Estate Investment Trust



Prepared by



April 12, 2021

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### Glossary

*The glossary used in this report are not sorted alphabetical but by category for the convenience of reading the report.*

Full Name	Abbreviation
BBL Asset Management Company Limited	: The REIT Manager or BBLAM
Krung Thai Asset Management Public Company Limited	: Trustee or KTAM
Bualuang Office Leasehold Real Estate Investment Trust	: The REIT or B-WORK or the Borrower
True Properties Company Limited	: The Property Manager or TRUEP
Bangkok Bank Public Company Limited	: BBL or the Lender
Discovery Management Company Limited	: Independent Financial Advisor or Discover or IFA
The Securities and Exchange Commission	: SEC
The Stock Exchange of Thailand	: SET
The Bank of Thailand	: BOT
KPMG Phoomchai Audit Company Limited	: KPMG
Market for Alternative Investment	: mai
Annual General Meeting of Trust Unitholders	: AGM
Interest rate charged to prime customers for a fixed-term loan of the lending bank (Minimum Loan Rate)	: MLR
Conditions of the preliminary loan agreement between B-WORK and BBL for investing in the Additional Assets (No. 1).	: New Loan Agreement
Conditions of the loan agreement between B-WORK and BBL for investing in the existing assets	: Existing Loan Agreement
Entering into the connected transaction between the REIT and the related person of the REIT Manager of Bualuang Office Leasehold Real Estate Investment Trust	: the Transaction
The acquisition of land, buildings, component parts, and M&E systems of Bangkok Business Center project	: Additional Assets (No. 1)
Bangkok Business Center Building	: BBC Project
Issuance and offering of trust units for sale for acquisition of in the Additional Assets No. 1	: First Capital Increase
Principal Capital Public Company Limited and / or a subsidiary of Principal Capital Public Company Limited	: Property Owner

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Opinion of Independent Financial Advisor on the Connected Transaction  
between the REIT and the Related Person of the REIT Manager  
of Bualuang Office Leasehold Real Estate Investment Trust (Borrowing and Providing Collateral)

April 12, 2021

No. IMAPDM055/2021

Subject: Opinion of Independent Financial Advisor on the Connected Transaction between the REIT and the Related Person of the REIT Manager of Bualuang Office Leasehold Real Estate Investment Trust

To: The Audit Committee and The Trust Unitholders of Bualuang Office Leasehold Real Estate Investment Trust

References:

- 1) Resolutions of the Real Estate Investment Committee Meeting of BBL Asset Management Company Limited held on March 17, 2021.
- 2) Information Memorandum on the Acquisition of the Additional Assets (No. 1) and Information Memorandum on the Connected Transaction between the REIT and the Related Person of the REIT Manager of Bualuang Office Leasehold Real Estate Investment Trust, dated March 17, 2021.
- 3) Capital Increase Report Form (F53-4) of Bualuang Office Leasehold Real Estate Investment Trust
- 4) Annual Registration Statement (Form 56-1) of Bualuang Office Leasehold Real Estate Investment Trust, ending December 31, 2020.
- 5) Draft Annual Report of Bualuang Office Leasehold Real Estate Investment Trust, ending December 31, 2020.
- 6) Audited Consolidated Financial Statements of Bualuang Office Leasehold Real Estate Investment Trust by Certified Public Accountant for the 12 months period ended December 31, 2020.
- 7) Information and other documents as well as interviews with the management and relevant staff of the REIT Manager of Bualuang Office Leasehold Real Estate Investment Trust.
- 8) Draft loan agreement between B-WORK and BBL.

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Disclaimers

1. In preparing this report, Discover Management Company Limited has relied on information provided by the REIT Manager and B-WORK's information that is disclosed to the public on website of the Securities and Exchange Commission ([www.sec.or.th](http://www.sec.or.th)), website of the Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th)), including other public information on other sources and information from interviewing with the management of the REIT Manager.
2. IFA conducted studies using knowledge, competence and caution by adhering to the professional basis. However, IFA shall not be responsible for profits or losses and any impacts resulting from the Transaction and
3. IFA considered and provided opinion the prevailing market conditions and currently available information. If market conditions and information change in the future, the results of the study in this report may be affected.
4. Due to the epidemic situation of COVID-19 in Thailand and overseas in which the World Health Organization ("WHO") has announced that the outbreak of COVID-19 is a pandemic and encouraged all countries to increase measures to prevent and control the spread of the disease, resulting in global control and prevention of the outbreak of COVID-19 by using preventive measures and blocking the infection into the area. In this regard, the lock down and quarantine, which directly affects the operations of the REIT. In this regard, IFA made additional assumptions from interviews with the REIT Manager, which at present are uncertain and subject to change. Changes in the situation of COVID-19 may have a significant effect on the interest rates and/or other conditions in requesting for financial assistance from the related person.

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### Executive Summary

According to BBLAM, as the REIT Manager of B-WORK, the Real Estate Investment Committee Meeting was held on March 17, 2021 and resolved to propose to B-WORK's trust unitholders' meeting to consider and approve the acquisition of land, buildings, component parts, and M&E systems of Bangkok Business Center project ("Additional Assets (No. 1)"), located at Building No. 29, Sukhumvit 63 Road (Ekkamai), Khlong Tan Nuea Sub-District, Wattana District, Bangkok 10110, BTS Ekkamai Station, in an amount not exceeding THB 1,550.00 million (exclusive of VAT, transfer fee, special business tax, and other related fees and expenses). In this investment, B-WORK's sources of funds for the acquisition of the Additional Assets (No. 1) consists of 1) the First Capital Increase; 2) long-term/short-term loan from financial institutions in an amount not exceeding THB 1,000.00 million; and/or 3) issuance and offering of debentures. The loan from financial institutions may be from BBL, which is a major shareholder of the REIT Manager, making this loan the connected transaction between the REIT and the related person of the REIT Manager, with the value exceeding THB 20,000,000 or more than 3.00% of the net asset value of the REIT (valued at THB 3,849.28 million as of December 31, 2020), whichever is higher. In this regard, borrowing and providing collateral in connection with the loan of B-WORK mentioned above are the connected transaction with a conflict of interest between the REIT and the REIT Manager according to the notification of the SEC.

In this regard, the REIT Manager has appointed Discovery Management Company Limited as an independent financial advisor to provide opinions to the trust unitholders on the fairness of price, conditions and justification of the connected transaction between the REIT and the related person of the REIT Manager ("the Transaction") as a supporting information for consideration and approval of the Transaction to trust unitholders.

Besides the Thai language version of the Opinion of Independent Financial Advisor, IFA has prepared the English translation solely for the convenience of the foreign trust unitholders. In the event of any inconsistency between the two versions, the Thai language version is the definitive and official document.

IFA has considered the rationale of the Transaction through analyzing relevant information such as objectives, advantages, disadvantages and risks of the Transaction, including appropriateness of price (interest rate) and conditions of the Transaction, which can be summarized as follows:

From the analysis of IFA, fairness of price (interest rate) and conditions of the Transaction (conditions of loan agreement) when comparing with the Existing Loan Agreement, the New Loan Agreement and other loan agreements in the market (based on publicly available financial information of property funds and real estate investment trusts), **IFA is in the opinion that the Transaction is appropriate in terms of price and the reasonableness of the Transaction, with details as follow:**

## 1. Summary of Bualuang Office Leasehold Real Estate Investment Trust

### 1.1. General information of the REIT

No.	Topic	Details
1	REIT Name	Bualuang Office Leasehold Real Estate Investment Trust
2	Abbreviation	B-WORK
3	REIT Manager	BBL Asset Management (“BBLAM”)
4	Property Manager	True Properties Co., Ltd. (“TRUEP”)
5	Trustee	Krungthai Asset Management Public Company Limited (“KTAM”)
6	Term of REIT	Indefinite
7	Type of REIT Units	Trust unit is not redeemable
8	Term of Lease	Leasehold in land and building of True Tower 1 Project and True Tower 2 Project for 30 years period counting from the date leasehold is listed onwards and expiring on February 7, 2048
9	Paid-up Registered Capital	THB 3,620,030,160

Source: Form 56-1 of year 2020

### 1.2. Current asset investment

Real Estate Property	Type of Investment	Location	Property Value from the Annual Appraisal 2020 <sup>1/</sup>	Value that the REIT invests
True Tower 1 Project	Leasehold right of land and buildings	Ratchadaphisek Road	THB 2,839.10 million	THB 2,934.14 million
True Tower 2 Project	Leasehold right of land and buildings	Phatthanakan Road	THB 1,750.20 million	THB 1,635.71 million

Remarks: 1/ Appraisal of assets as of July 1, 2020 by Edmund Tie & Company (Thailand) Company Limited by the income approach/discounted cash flow analysis (Income Approach).

### 1.3. Business overview

#### 1.3.1. Background and history

Bualuang Office Leasehold Real Estate Investment Trust was established pursuant to the Trust for Transactions in Capital Market Act B.E. 2550 (2007) on February 6, 2018, whereas KTAM is the trustee of the REIT, and BBLAM is the REIT Manager.

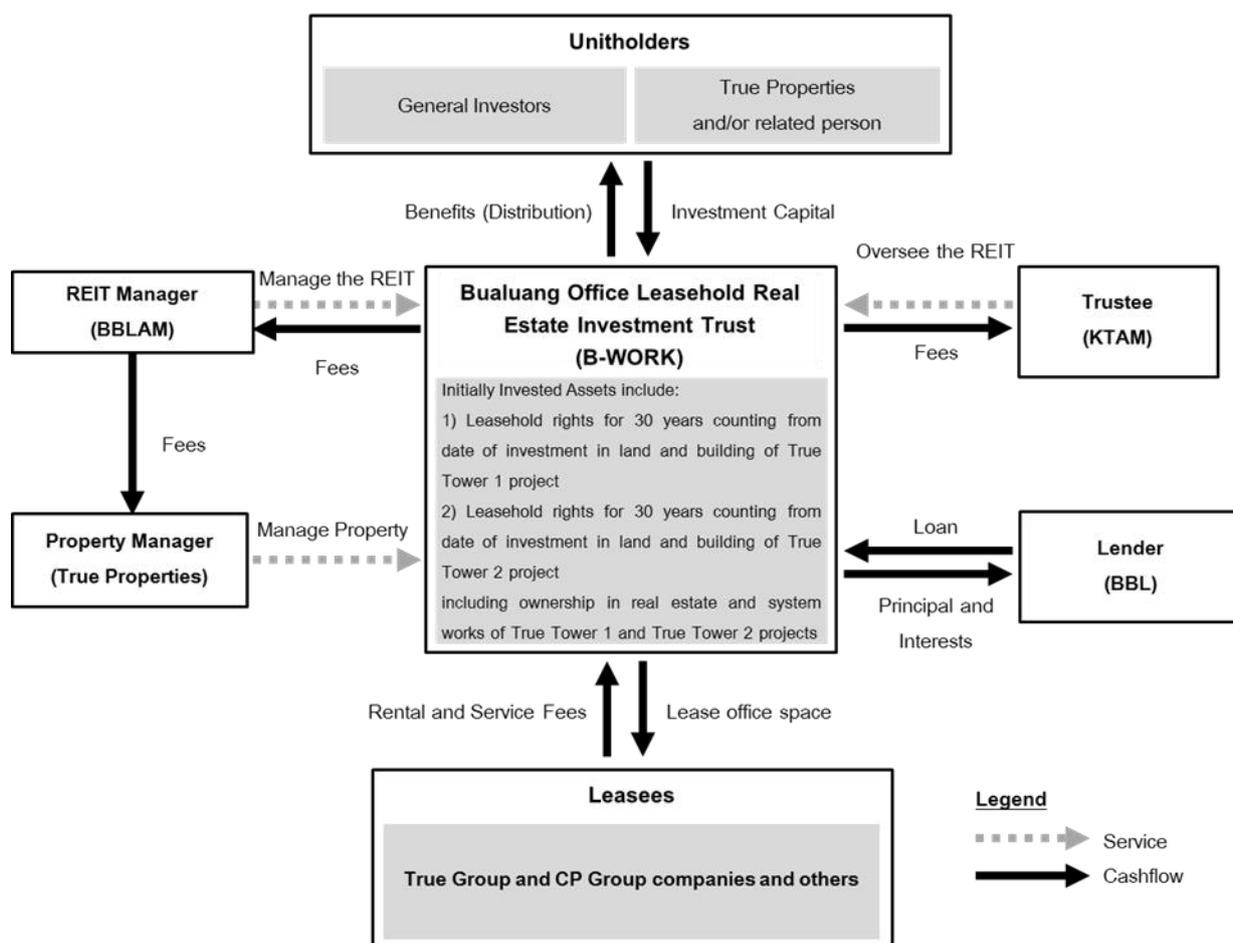
REIT was established for benefit of transaction performing in capital market as prescribed in SEC notifications with the objective to issue and offer for sale of securities in type of trust units of Real Estate Investment Trust (REIT) for initial public offering (IPO) as per Tor.Jor. 49/2555 Notification and to list trust units in the SET.

When the REIT invested the proceeds from offering for sale of trust units and money received from borrowing in core assets of the REIT, BBLAM on behalf of the REIT Manager has appointed TRUEP to be the Property Manager for True Tower 1 Project and True Tower 2 Project in order to procure benefits from core assets by leasing and/or subleasing, and

providing services relating to lease or leased assets. Revenue from procuring benefits from the real estates shall derive from space rental and space service fees, and any other related benefits.

The operation of the REIT Manager shall be monitored and regulated by the Trustee to ensure compliance with terms and conditions of Trust Deed, REIT Manager Appointment Agreement, and the criteria prescribed by The Trust for Transactions in Capital Market Act, including any other relevant SEC and SET notifications. The REIT shall procure benefits from the aforementioned core assets by leasing the real estates only and shall not operate in a manner that the REIT is used in other business operations. In addition, none of the REIT real estates shall be leased to any persons suspected to be involved in unethical or illegal business operations.

Structure of the REIT can be shown in diagram as follows.



### 1.3.2. Details of the invested assets of the REIT

#### 1.3.2.1 Details of asset

##### True Tower 1 Project



True Tower 1 Project is a large office building consisting of 36 stories height including with 1 ground level. The project is located at No.18 Ratchadapisek Road, Huai Khwang, Huai Khwang, Bangkok, and was completely constructed and opened for using the building in 1993. Gross Floor Area (GFA) under construction permit is 63,615 square meter and parking area is for 431 cars. Currently, True Tower 1 Project is mainly operated as the office building for lease to True Group and CP Group companies, and the said building is regarded as Head Office building of True Group. The building's interior is equipped with public utilities system consisting of power system, AC system, elevator system, telephone system, fire protection system, including CCTV camera system installed inside and outside of the building. Facilities are provided to accommodate the employees of the tenants from True Group and CP Group companies. The said facilities include coffee and bakery shops, TRUE Coffee, library, etc.

Land is the location of True Tower 1 Project as per the following details.

No.	Land No.			Land Area		
	Title Deed No.	Lot No.	Survey No.	Rai	Ngan	Sq. Wah
1	8027	409 (328)	468	2	1	86.7
2	42843	405 (1857)	2968	1	1	92.0
Total				3	3	78.7

System works and public utilities inside True Tower 1 Project

System works and public utilities	Details
Electrical and Communication System	<ul style="list-style-type: none"> <li>- High Voltage System</li> <li>- Electrical Emergency</li> <li>- Main Distribution Board, Load Center, and Emergency Distribution Board</li> <li>- Telephone System</li> <li>- Television System</li> <li>- CCTV</li> <li>- Computer Network System</li> </ul>
Sanitary and Fire Protection System	<ul style="list-style-type: none"> <li>- Cold Water System</li> <li>- Waste Water Treatment System</li> <li>- Drainage System</li> <li>- Fire Protection System</li> </ul>
Air Condition and Ventilation System	<ul style="list-style-type: none"> <li>- Air Condition System (Chiller)</li> <li>- Air Condition System (VRV)</li> <li>- Ventilation system</li> </ul>
Elevator System	<ul style="list-style-type: none"> <li>- 6 Passenger Elevators (Low Zone – G to 21)</li> <li>- 6 Passenger Elevators (High Zone – G, 21 to 33)</li> <li>- 2 Passenger Elevators (Car Park – G to 9)</li> <li>- 1 Service Elevator (G to 33)</li> </ul>

#### True Tower 2 Project



True Tower 2 project is an office building located at No. 1252, Pattanakarn Road, Suan Luang, Suan Luang, Bangkok. Currently, True Tower 2 Project is operated as the office building for lease to True Group and CP Group companies. The project consists of 4 building as follows:

1. Building No.1 which is a 14-storey office building with 1 ground level
2. Building No. 2 is a 7-storey office building
3. Building No.3 is a 7-storey car park building with 1 ground level
4. Building No.4 is a 5-storey office building

Building No. 1 was completely constructed and opened for using in 1991. Building No. 2, Building No. 3 and Building No. 4 were completely constructed and opened for using in 2012. Gross Floor Area (GFA) under construction permit is 25,459 square meter including approximate GFA of the whole project of 41,417 square meter and parking area for 429 cars. The interior public utilities system consists of power system, AC system, elevator system, telephone system, fire protection system, including CCTV camera system installed inside and outside of the building. Facilities are provided to accommodate the employees of the tenants from True Group and CP Group companies. The said facilities include coffee and bakery shops, TRUE Coffee, fitness, and daycare, etc. Apart from public utilities system and facilities for office building, the area of the project is designed and constructed to specifically address the needs of the tenants as follows.

- Conference Room and Training Center available at Building No.2, Floors 5-7, with capacity to hold up to more than 250 persons
- Studio Room with height from floor to ceiling equaling to 10.5 meters available at Building No.4 including with Editing Room
- Server Area with floor load capacity of 1,000 tons including area for support systems such as backup power generator, UPS and chemical type fire extinguishing system. Ground floor level has been raised 5.4 meters above sea level for flood damage prevention.

Land is the location of True Tower 2 Project as per the following details.

No.	Land No.			Land Area		
	Title Deed No.	Lot No.	Survey No.	Rai	Ngan	Sq. Wah
1	2923	2822 (61)	99	4	0	56.0
2	90760	2823 (1684)	7111	4	0	57.0
<b>Total</b>				<b>8</b>	<b>1</b>	<b>13.0</b>

System works and public utilities inside True Tower 2 Project

System works and public utilities	Details
Electrical and Communication System	<ul style="list-style-type: none"> <li>- High Voltage System</li> <li>- Electrical Emergency</li> <li>- Main Distribution Board, Load Center, and Emergency Distribution Board</li> <li>- Telephone System</li> <li>- Television System</li> <li>- CCTV</li> <li>- Computer Network System</li> </ul>
Sanitary and Fire Protection System	<ul style="list-style-type: none"> <li>- Cold Water System</li> <li>- Waste Water Treatment System</li> <li>- Drainage System</li> <li>- Fire Protection System</li> </ul>
Air Condition and Ventilation System	<ul style="list-style-type: none"> <li>- Air Condition System (Chiller)</li> <li>- Air Condition System (VRV)</li> <li>- Ventilation system</li> </ul>

System works and public utilities	Details
Elevator System	True Tower 2 Building 1 - 3 Passenger Elevators - 1 Service Elevator True Tower 2 Building 2 - 3 Passenger Elevators - 1 Service Elevator True Tower 2 Building 3 - 2 Passenger Elevators (Car Park) True Tower 2 Building 4 - 1 Passenger Elevator - 1 Freight Elevator

### 1.3.2.2 Value from the latest appraisal report

The asset valuation company, Edmund Tie & Company (Thailand) Company Limited, is the asset appraiser under consent of the SEC, applying criteria of asset valuation by Income Approach/Discounted Cash Flow Analysis in determining asset value. It is the estimation of statement of cash flow throughout the remaining term of lease contract. According to the said approach, the estimated income of assets that is expected to generate income in the future is taken into consideration. Summary of key valuation assumption is as follows.

Details	True Tower 1	True Tower 2
Valuation Method	Income Approach / Discounted Cash Flow Analysis	
Remaining Leasehold Period	27 years 7 months 7 days	
Valuation Date	1 July 2020	
Appraised Value	THB 2,839,100,000	THB 1,750,200,000
Assumptions		
Net Leasable Area (NLA)	36-storey and 1 underground level NLA 37,315 sq.m.	- Building 1 NLA 11,624 sq.m. - Building 2 NLA 7,788 sq.m. - Building 3 NLA 1,032 sq.m. - Building 4 NLA 4,628 sq.m. Total NLA 25,072 sq.m.
Average Rental Rate	THB 647 / sq.m. /month	THB 599 / sq.m. /month <sup>1/</sup>
Growth Rate	3.25% annual increase	
Occupancy Rate	98% from year 2 onwards	
Other revenues	It consists of income for parking revenue, utility bill revenue and other revenue	
Management Expenses	Estimated from actual cost incurred	
Property Management Fee	Details from Property Management Agreement	
Other Expenses	Cost of renovation and/or repair of buildings and structures in the major renovation 3.00% of the rental and service income	
Discount Rate	9.50%	

Remarks: 1/ Considered from weighted average method based on the space of each building.

The REIT Manager has reviewed the key assumption of the asset appraiser and deemed that it is reasonable when compared with current turnover and covers the trend of office building space business for lease.

Nevertheless, the actual occurred turnover may be different from the said assumption or events may not be in line with prediction since the said opinion is based on current conditions of business operation and economic situation. Therefore, if there is any change in the future, it may affect the opinion of the REIT Manager to be changed in the future.

#### 1.4. Trust unitholders and REIT's management structure

##### 1.4.1. Trust unitholders

Bualuang Office Leasehold Property Investment Trust has a total paid-up capital of THB 3,620,030,160.00, divided into a total of 368,800,000 units, par value of THB 9.8157.

Unitholders as of December 30, 2020

No.	Shareholders	Shares	% Shares
1.	True Properties Company Limited	56,000,000	15.18
2.	CIMB-PRINCIPAL PROPERTY INCOME FUND	37,405,500	10.14
3.	Social Security Office	32,585,000	8.84
4.	Allianz Ayudhya Assurance Public Company Limited	28,000,000	7.59
5.	Government Savings Bank	26,208,200	7.11
6.	Muang Thai Life Assurance Public Company Limited	12,128,900	3.29
7.	Muang Thai Insurance Public Company Limited	9,400,000	2.55
8.	Krungthai-AXA Life Insurance Public Company Limited	7,403,400	2.01
9.	Aioi Bangkok Insurance Public Company Limited	7,323,100	1.99
10.	FWD Life Insurance Public Company Limited	6,830,000	1.85
	Top 10 major unitholders	223,284,100	60.54
	Minority unitholders	145,515,900	39.46
	<b>Total</b>	<b>368,800,000</b>	<b>100.00</b>

Source: REIT Manager

##### 1.4.2. Relationship with affiliated of the Property Manager or the major trust unitholder

As of December 31, 2020, TRUEP has been the major unitholder of the REIT by holding total of trust units by 15.18%. Even though TRUEP is related to the REIT on behalf of the major unitholder, and the Property Manager of the REIT, the mechanism and measure of the REIT on selection of the Property Manager mainly takes maintenance of best interest of the unitholders into account.

##### 1.4.3. List of REIT Manager's shareholders as of December 31, 2020

No.	Shareholders	Shares	% Shares
1.	Bangkok Bank Public Company Limited	749,996	75.00
2.	Bangkok Life Assurance Public Company Limited	100,000	10.00
3.	Asia Financial Holdings Ltd.	100,000	10.00

No.	Shareholders	Shares	% Shares
4.	Bangkok Insurance Public Company Limited	50,000	5.00
5.	Ms. Chollada Sophonpanich	2	0.00
6.	Mr. Chone Sophonpanich	1	0.00
7.	Mrs. Voravan Tarapoom	1	0.00
	<b>Total</b>	<b>1,000,000</b>	<b>100.00</b>

Source: REIT Manager

#### 1.4.4. REIT Manager's organizational structure

The organizational chart of the REIT Manager, comprises the following Board of Director and Executive Board:



Source: Form 56-1 of B-WORK

#### 1.4.5. REIT Manager's Board of Director

List of the Board of Directors of the REIT Manager

No.	Name	Position	Education	Work Experience
1	Mr. Stephen Tan	Director	- Master of Business Administration, St. John's University - BA Rutgers University	- Executive Director, Asia Financial Group - CEO, Asia Commercial Bank Ltd.
2	Mr. Narin Opamurathawong	Director	- Master of Business Administration in Finance, University of Chicago	- Executive Vice President, Bangkok Bank Public Company Limited
3	Ms. Suyanee Puripanyawanich	Director	- Master of Finance, National Institute of Development Administration	- Senior Vice President, Bangkok Bank Public Company Limited
4	Mr. Paisarn Lertkowitz	Director	- Master of Commerce, Funds Management, University of New Southwales	- Director, BBL Asset Management Company Limited - Dealer – Senior Vice President Treasury, Bangkok Bank Public Company Limited

No.	Name	Position	Education	Work Experience
5	Ms. Piyamart Kumsaikaew	Director	- Ph.D. in Industrial Engineering, Iowa State University - Master of Industrial Engineering, Iowa State University - Bachelor of Computer Engineering King Mongkut's Institute of Technology Ladkrabang	- Senior Vice President, Bangkok Bank Public Company Limited
6	Mr. Chone Sophonpanich	Director	- Master Degree, Johns Hopkins University - Bachelor Degree, University College London	- Director, Bangkok Life Assurance Public Company Limited - Director, Thaisri Insurance Public Company Limited.
7	Mrs. Voravan Tarapoom	Director / Chairman of Executive Board	- MBA University of North Texas - Bachelor of Architecture, Silpakorn University	- Chairman of the Executive Committee BBL Asset Management Company Limited
8	Mr. Peerapong Jirasevijinda	Director / Chief Executive Officer	- Master of Marketing and Finance Sasin Graduate Institute of Business Administration - Bachelor of Finance, Georgia State University	- Chief Executive Officer BBL Asset Management Company Limited
9	Mr. Wasin Wattanaworakijkul	Director	- Master of Marketing, Chulalongkorn University - Bachelor of International Marketing Chulalongkorn University	- Managing Director, Business Distribution BBL Asset Management Company Limited

#### 1.4.6. Executive Board

The Executive Committee of the REIT Manager consist of 6 people, as shown in the table below.

No.	Name	Nationality	Position
1	Mrs. Voravan Tarapoom	Thai	Chairman of Executive Board
2	Mr. Narin Opamurathawong	Thai	Director
3	Ms. Suyanee Puripanyawanich	Thai	Director
4	Mr. Paisarn Lertkowitz	Thai	Director
5	Mr. Peerapong Jirasevijinda	Thai	Chief Executive Officer
6	Mr. Wasin Wattanaworakijkul	Thai	Director

#### 1.4.7. The Property Manager

Name	True Properties Company Limited
Registration Date of the Company Establishment	July 2, 1992
Paid-Up Registered Capital	THB 7,059,000,000

Type of Business	Engage in the business for space leasing of office buildings in Bangkok, and office buildings in the region, and providing interior services and furniture leasing.												
Shareholders	The name list of shareholders as of December 31, 2020 is as follows. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Name List</th> <th style="text-align: center;">Number of Holding Shares</th> <th style="text-align: center;">Name List</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1. Thana Telecom Co., Ltd.</td> <td style="text-align: center;">40,079,998</td> <td style="text-align: center;">56.78</td> </tr> <tr> <td style="text-align: center;">2. CP Property Holding Co., Ltd.</td> <td style="text-align: center;">30,510,001</td> <td style="text-align: center;">43.22</td> </tr> <tr> <td style="text-align: center;">3. Mr. Voravit Chanethanakul</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0.00</td> </tr> </tbody> </table>	Name List	Number of Holding Shares	Name List	1. Thana Telecom Co., Ltd.	40,079,998	56.78	2. CP Property Holding Co., Ltd.	30,510,001	43.22	3. Mr. Voravit Chanethanakul	1	0.00
Name List	Number of Holding Shares	Name List											
1. Thana Telecom Co., Ltd.	40,079,998	56.78											
2. CP Property Holding Co., Ltd.	30,510,001	43.22											
3. Mr. Voravit Chanethanakul	1	0.00											
Head Office Location	True Tower 1, No. 18, Ratchadapisek Road, Huai Khwang, Huai Khwang, Bangkok 10310												
Telephone	02-858-1188												
Facsimile	02-858-1480												
The Board of Directors	<ol style="list-style-type: none"> <li>1. Mr. Suphachai Chearavanont</li> <li>2. Mr. Kachorn Chiaravanont</li> <li>3. Mr. Noppadol Dej-Udom</li> <li>4. Miss Narumol Tanedsounthron</li> <li>5. Mr. Chartiwudh Tanchanpong</li> <li>6. Mr. Ruengkiarti Choavaratana</li> <li>7. Mr. Somkiat Vipusanamungkla</li> <li>8. Mr. Prasert Chiarakul</li> <li>9. Miss Netima Urthamapimuk</li> <li>10. Mr. Thanasorn Jaidee</li> </ol>												
Board of Directors who signs in binding	The signatory authorized directors of True Properties consisting of Mr. Suphachai Chearavanont, or Mr. Kachorn Chiaravanont, or Mr. Noppadol Dej-Udom, or Miss Narumol Tanedsounthron, or Mr. Chartiwudh Tanchanpong, or Mr. Ruengkiarti Choavaratana, or Mr. Somkiat Vipusanamungkla, or Mr. Prasert Chiarakul, or Miss Netima Urthamapimuk, or Mr. Thanasorn Jaidee, shall counter sign in total of two directors, and affix the company's seal.												

#### 1.4.8. Trustee

Name	Krung Thai Asset Management Public Company Limited, "KTAM"
License	KTAM has been granted for Trustee Business License on January 23, 2014.
Location of Head Office	No. 1 Empire Tower, 32th Floor, South Sathorn Road, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone	02-686-6100
Facsimile	02-670-0430
Website	www.ktam.co.th

### 1.5. Key financial statement

#### 1.5.1. Balance sheet

List (Unit: THB)	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
Asset			
Investments in leasehold properties at fair value	4,491,000,000	4,455,394,394	4,578,035,559

List (Unit: THB)	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
Investments in cash at financial institution at fair value	143,605,079	224,297,392	147,894,052
Cash and cash equivalents	134,921,117	86,410,536	207,568,928
Rental and service receivables	55,752,275	65,962,562	14,507,151
Accrued income	6,455,758	7,439,096	7,865,384
Accrued interest income	330,528	656,893	45,939
Deferred expenses	2,171,982	1,642,407	1,111,382
Refundable value added tax	17,801,438	3,713,678	-
Refundable deposits	10,726,388	10,523,200	10,523,200
Other assets	1,855,480	17,022,422	23,119,152
<b>Total assets</b>	<b>4,864,620,045</b>	<b>4,873,062,580</b>	<b>4,990,670,747</b>
<b>Liabilities</b>			
Trade accounts payable	18,990,116	7,355,663	15,419,587
Other payables and accrued expenses	31,923,049	46,579,316	42,928,386
Rental and service income received in advance	77,703,343	81,143,349	38,262,492
Deposits from rental and services	111,281,114	114,404,351	121,871,267
Long-term borrowings	920,000,000	920,000,000	920,000,000
Other liabilities	1,913,200	2,380,234	2,912,303
<b>Total liabilities</b>	<b>1,161,810,822</b>	<b>1,171,862,913</b>	<b>1,141,394,035</b>
<b>Net assets</b>	<b>3,702,809,223</b>	<b>3,701,199,667</b>	<b>3,849,276,712</b>
Capital from unitholders	3,620,030,160	3,620,030,160	3,620,030,160
Profit for the period	82,779,063	81,169,507	229,246,552
<b>Net assets</b>	<b>3,702,809,223</b>	<b>3,701,199,667</b>	<b>3,849,276,712</b>
<b>Net asset value per unit (THB/unit)</b>	<b>10.0401</b>	<b>10.0357</b>	<b>10.4373</b>
<b>Number of units issued at the end of period (units)</b>	<b>368,800,000</b>	<b>368,800,000</b>	<b>368,800,000</b>

### 1.5.2. Income statement

List (Unit: THB)	February 6, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
<b>Investment income</b>			
Rental income	185,285,070	211,752,115	216,572,021
Service income	310,758,954	354,983,472	346,726,000
Interest income	2,347,203	3,311,094	2,089,892
Other income	7,808,409	9,480,341	10,248,522
<b>Total income</b>	<b>506,199,636</b>	<b>579,527,022</b>	<b>575,636,435</b>
<b>Expenses</b>			
Management fees	11,846,989	13,053,240	13,298,111
Trustee fees	7,703,580	8,499,685	8,627,017
Registrar fees	1,351,641	1,470,390	1,196,782
Property management fees	30,632,678	40,501,146	46,562,495
Professional fees	1,384,205	1,536,000	1,556,800

List (Unit: THB)	February 6, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
Amortisation of deferred expenses	453,258	529,575	531,026
Costs of rental and services	141,461,580	156,820,035	148,469,436
Administration expenses	2,810,248	2,906,884	2,294,774
Finance costs	35,029,315	47,020,822	41,276,493
<b>Total expenses</b>	<b>232,673,494</b>	<b>272,337,777</b>	<b>263,812,934</b>
<b>Net investment income</b>	<b>273,526,142</b>	<b>307,189,245</b>	<b>311,823,501</b>
Net loss on investments			
Net gain on changes in fair value of investments in leasehold properties	-	-	122,141,165
Net unrealised loss on investments in leasehold properties	(78,853,159)	(35,813,041)	-
Net gain on changes in fair value of investments measured at fair value through profit or loss	-	-	42,921
<b>Total net gain (loss) on investments</b>	<b>(78,853,159)</b>	<b>(35,813,041)</b>	<b>122,184,086</b>
<b>Net increase in net assets from operations</b>	<b>194,672,983</b>	<b>271,376,204</b>	<b>434,007,587</b>

### 1.5.3. Cash flow statement

List (Unit: THB)	February 6, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
<b>Cash flows from operating activities</b>			
Net increase in net assets from operations	194,672,983	271,376,204	434,007,587
<i>Adjustments to reconcile increase in net assets from operations to net cash used in operating activities</i>			
Purchases of investments in leasehold properties	(4,569,853,159)	(207,435)	(500,000)
Purchase of investments in cash at financial institution	(143,605,079)	(80,692,313)	76,743,962
Amortisation of deferred expenses	453,258	529,575	531,025
Amortisation of discount on investments in bonds	-	-	(297,702)
Increase in rental and service receivables	(55,752,275)	(15,125,381)	51,455,411
Increase in accrued income	(6,455,758)	(983,338)	(426,288)
Decrease (increase) in refundable value added tax	(17,801,438)	14,087,760	3,713,678
Increase in refundable deposits	(10,523,200)	-	-
Increase in other assets	(2,058,668)	(10,048,660)	(6,096,730)
Increase (decrease) in trade accounts payable	18,990,116	(11,634,453)	8,063,924
Increase in other payables and accrued expenses	18,746,885	11,877,362	(872,026)
Increase in rental and service income received in advance	77,703,343	3,440,006	(42,880,857)
Increase in deposits from rental and services	111,281,114	3,123,237	7,466,916
Increase in other liabilities	1,913,200	467,034	532,069
Interest income	(2,347,203)	(3,311,094)	(2,089,892)
Interest received	2,016,675	2,984,729	2,700,846
Finance costs	35,029,315	47,020,822	41,276,493
Net gain (loss) on changes in fair value of investments in leasehold properties	-	-	(122,141,165)

List (Unit: THB)	February 6, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
Net unrealised loss on investments in leasehold properties	78,853,159	35,813,041	-
Net gain on changes in fair value of investments measured at fair value through profit or loss	-	-	(42,921)
<b>Net cash from (used in) operating activities</b>	<b>(4,268,736,732)</b>	<b>268,717,096</b>	<b>451,144,331</b>
<b>Cash flows from financing activities</b>			
Proceeds from issued of trust capital from unitholders	3,688,000,000	-	-
Proceeds from long-term loans	920,000,000	-	-
Payment for the trust unit issuance costs and offering the trust unit expenses	(2,625,240)	-	-
Interest paid	(21,853,151)	(44,241,917)	(44,055,397)
Distribution to unitholders	(111,893,920)	(272,985,760)	(285,930,542)
The reduction of paid-in capital distributed to unitholders	(67,969,840)	-	-
<b>Net cash from (used in) financing activities</b>	<b>4,403,657,849</b>	<b>(317,227,677)</b>	<b>(329,985,939)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>134,921,117</b>	<b>(48,510,581)</b>	<b>121,158,392</b>
Cash and cash equivalents at the beginning of the year/period	-	134,921,117	86,410,536
Cash and cash equivalents at the end of the year/period	134,921,117	86,410,536	207,568,928

## 1.6. Management discussion and analysis

### 1.6.1. REIT's operating performance

#### 1.6.1.1. Total income

Total income during February 6, 2018 – December 31, 2018 was THB 506.20 million, which consists of rental income of THB 185.29 million, service income of THB 310.76 million, interest income of THB 2.35 million and other incomes of THB 7.81 million.

Total income for FY2019 was THB 579.53 million, which consists of rental income of THB 211.75 million, service income of THB 354.98 million, interest income of THB 3.31 million and other incomes of THB 9.48 million.

Total income for FY2020 was THB 575.64 million, dropping slightly 0.67% from last year which consist of rental income of THB 216.57 million, service income of THB 346.73 million, interest income of THB 2.09 million and other income of THB 10.25 million with details of important changes as follows:

- Rental income was THB 216.57 million, growing 2.28% from last year, which came from an increase in the rental rate in lease agreements recognized based on a straight-line basis
- Services income was THB 346.73 million, dropping 2.33% YoY from last year. The details are as follows:
  - Service agreement income of THB 253.86 million, increasing 2.4% from last year, which came from an increase in the service rate in service agreements recognized based on a straight-line basis
  - Utility income of THB 89.70 million, dropping 11.7% from last year, due to work from home policy of tenants that was in line with the reduction in the utility costs

- Parking revenue was THB 3.17 million, decreasing 42.7% from last year, due to work from home policy of tenants to limit spread of COVID-19

List (Unit: THB)	February 6, 2018 - December 31, 2018 <sup>1/</sup>	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
<b>Investment income</b>			
Rental income	185,285,070	211,752,115	216,572,021
Service income	310,758,954	354,983,472	346,726,000
Interest income	2,347,203	3,311,094	2,089,892
Other income	7,808,409	9,480,341	10,248,522
<b>Total income</b>	<b>506,199,636</b>	<b>579,527,022</b>	<b>575,636,435</b>

Remarks: 1/ B-WORK was established on February 6, 2018. Therefore, the financial statement for FY2018 represented the period from February 6, 2018 - December 31, 2018 which cannot be compared with the financial statement for FY2019.

#### 1.6.1.2. Total expenses

Total expense for during February 6, 2018 – December 31, 2018 was THB 232.67 million, which consists of costs of rental and services of THB 141.46 million, fees and expenses for property management of THB 52.92 million, administrative expenses of THB 2.81 million, amortisation of deferred expenses of THB 0.45 million and finance costs of THB 35.03 million.

Total expense for FY2019 was THB 272.34 million, which consists of costs of rental and services of THB 156.82 million, fees and expenses for property management of THB 65.06 million, administrative expenses of THB 2.91 million, amortisation of deferred expenses of THB 0.53 million and finance costs of THB 47.02 million.

Total expense for FY2020 was THB 263.81 million, dropping 3.13% from last year, which consists of costs of rental and services of THB 148.47 million, fees and expenses for property management of THB 71.24 million, administrative expenses of THB 2.29 million, amortisation of deferred expenses of THB 0.53 million and finance costs of THB 41.28 million with details of important changes as follows:

- Property management fee of THB 46.56 million, a 15.0% increase from the previous year, mainly due to contract service fees which are gradually recognized as an expense over the renewal period.
- Costs of rental and services were THB 148.47 million, dropping 5.32% from last year, came mainly from the decrease in utility expense due to work from home policy of tenants this year
- Finance costs were THB 41.28 million, dropping 12.22% from last year, due to a MLR rate cut

List (Unit: THB)	February 6, 2018 - December 31, 2018 <sup>1/</sup>	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
<b>Expenses</b>			
Management fees	11,846,989	13,053,240	13,298,111
Trustee fees	7,703,580	8,499,685	8,627,017
Registrar fees	1,351,641	1,470,390	1,196,782
Property management fees	30,632,678	40,501,146	46,562,495

List (Unit: THB)	February 6, 2018 - December 31, 2018 <sup>1/</sup>	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
Professional fees	1,384,205	1,536,000	1,556,800
Amortisation of deferred expenses	453,258	529,575	531,026
Costs of rental and services	141,461,580	156,820,035	148,469,436
Administration expenses	2,810,248	2,906,884	2,294,774
Finance costs	35,029,315	47,020,822	41,276,493
<b>Total expenses</b>	<b>232,673,494</b>	<b>272,337,777</b>	<b>263,812,934</b>

Remarks: 1/ B-WORK was established on February 6, 2018. Therefore, the financial statement for FY2018 represented the period from February 6, 2018 - December 31, 2018 which cannot be compared with the financial statement for FY2019

### 1.6.1.3. Net investment income and net increase in net assets from operations

During February 6, 2018 – December 31, 2018, B-WORK have net investment income for 2018 at THB 273.53 million and an increase in net assets from operations of THB 194.67 million. The fair value measurement for investments in leasehold properties is THB 78.85 million.

In FY2019, B-WORK recorded an unrealised loss from revaluation of investment in leasehold properties of THB 35.81 million. As a result, B-WORK recorded net investment income of THB 307.19 million and net increase in net assets from operations of THB 271.38 million, respectively.

In FY2020, the B-WORK net investment income for 2020 was THB 311.82 million, an increase of 1.51% from the previous year and an increase in net assets from operations of THB 434.01 million, an increase of 59.93% from the previous year due to the recognized of net profit from fair value measurement for investment in leasehold property of THB 122.18 million, which is a result from gain on revaluation of investment in leasehold properties, which was derived from an income approach method from an independent appraiser in 3Q2020.

List (Unit: THB)	February 6, 2018 - December 31, 2018 <sup>1/</sup>	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
Total income	506,199,636	579,527,022	575,636,435
Total expenses	232,673,494	272,337,777	263,812,934
<b>Net Investment Income</b>	<b>273,526,142</b>	<b>307,189,245</b>	<b>311,823,501</b>
<b>Net loss on investments</b>			
Net unrealised loss on investments in leasehold properties	(78,853,159)	(35,813,041)	122,184,086
<b>Net increase in net assets from operations</b>	<b>194,672,983</b>	<b>271,376,204</b>	<b>434,007,587</b>

Remarks: 1/ B-WORK was established on February 6, 2018. Therefore, the financial statement for FY2018 represented the period from February 6, 2018 - December 31, 2018 which cannot be compared with the financial statement for FY2019.

## 1.6.2. Balance sheet

### 1.6.2.1. Total asset

Total assets of B-WORK as December 31, 2018 were THB 4,864.62 million. These consist of investment in leasehold properties at fair value of THB 4,491.00 million, investment in securities and cash at financial institutions of THB 278.86 million and other assets of THB 94.76 million.

Total assets of B-WORK as December 31, 2019 were THB 4,873.06 million. These consist of investment in leasehold properties at fair value of THB 4,455.39 million, investment in securities and cash at financial institutions of THB 311.37 million and other assets of THB 106.30 million.

Total assets of B-WORK as of December 31, 2020 were THB 4,990.67 million. These consist of investment in leasehold properties at fair value of THB 4,578.04 million, investment in securities and cash at financial institutions of THB 355.51 million and other assets of THB 57.13 million.

List (Unit: THB)	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
<b>Assets</b>			
Investments in leasehold properties at fair value	4,491,000,000	4,455,394,394	4,578,035,559
Investments in cash at financial institution at fair value	143,605,079	224,297,392	147,894,052
Cash and cash equivalents	134,921,117	86,410,536	207,568,928
Rental and service receivables	55,752,275	65,962,562	14,507,151
Accrued income	6,455,758	7,439,096	7,865,384
Accrued interest income	330,528	656,893	45,939
Deferred expenses	2,171,982	1,642,407	1,111,382
Refundable value added tax	17,801,438	3,713,678	-
Refundable deposits	10,726,388	10,523,200	10,523,200
Other assets	1,855,480	17,022,422	23,119,152
<b>Total assets</b>	<b>4,864,620,045</b>	<b>4,873,062,580</b>	<b>4,990,670,747</b>

#### 1.6.2.2. Total liabilities

Total liabilities of B-WORK as of December 31, 2018 were THB 1,161.81 million. These consist of account payables, accrued expenses, and rental and services income received in advance of THB 128.62 million, deposits from rental and services of THB 111.28 million, long-term loan of THB 920.00 million and other liabilities of THB 1.91 million.

Total liabilities of B-WORK as of December 31, 2019 were THB 1,171.86 million. These consist of account payables, accrued expenses, and rental and services income received in advance of THB 135.08 million, deposits from rental and services of THB 114.40 million, long-term loan of THB 920.00 million and other liabilities of THB 2.38 million.

Total liabilities of B-WORK as of December 31, 2020 were THB 1,141.39 million. These consist of account payables, accrued expenses, and rental and services income received in advance of THB 96.61 million, deposits from rental and services of THB 121.87 million, long-term loan of THB 920.00 million and other liabilities of THB 2.91 million.

List (Unit: THB)	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
<b>Liabilities</b>			
Trade accounts payable	18,990,116	7,355,663	15,419,587
Other payables and accrued expenses	31,923,049	46,579,316	42,928,386
Rental and service income received in advance	77,703,343	81,143,349	38,262,492
Deposits from rental and services	111,281,114	114,404,351	121,871,267

List (Unit: THB)	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
Long-term borrowings	920,000,000	920,000,000	920,000,000
Other liabilities	1,913,200	2,380,234	2,912,303
<b>Total liabilities</b>	<b>1,161,810,822</b>	<b>1,171,862,913</b>	<b>1,141,394,035</b>

### 1.6.2.3. Net Asset Value

Net asset value as of December 31, 2018 was THB 3,702.81 million, or THB 10.0401 per unit.

Net asset value as of December 31, 2019 was THB 3,701.20 million, or THB 10.0357 per unit.

Net asset value as of December 31, 2020 was THB 3,849.28 million, or THB 10.4373 per unit.

### 1.6.3. Statement of cash flows

Cash and cash equivalents of B-WORK as of December 31, 2018 were THB 134.92 million with net cash used from operating activities of THB 4,268.74 million and net cash acquired in financing activities of THB 4,403.66 million. This was mainly due to the purchase of investment in property leasehold rights of THB 4,569.85 million on February 8, 2018.

Cash and cash equivalents of B-WORK as of December 31, 2019 were THB 86.41 million, which consists of the following important items:

(1) Net cash from operating activities were THB 268.72 million, which increase from last year due to the purchases of investments in leasehold properties of THB 4,569.85 million on February 8, 2018.

(2) Net cash used in financing activities were THB 317.23 million, which mostly came from distribution to unitholders of THB 272.99 million and interest paid of THB 44.24 million.

Cash and cash equivalents of B-WORK as of December 31, 2020 were THB 207.57 million, which consists of the following important items:

(1) Net cash from operating activities were THB 451.14 million, which increase from last year due to the disposal of investments of THB 182.43 million.

(2) Net cash used in financing activities were THB 329.99 million, which mostly came from distribution to unitholders of THB 285.93 million and interest paid of THB 44.06 million.

List (Unit: THB)	February 6, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020
Net cash from (used in) operating activities	(4,268,736,732)	268,717,096	451,144,331
Net cash from (used in) financing activities	4,403,657,849	(317,227,677)	(329,985,939)
Net increase (decrease) in cash and cash equivalents	134,921,117	(48,510,581)	121,158,392
Cash and cash equivalents at the beginning of the year/period	-	134,921,117	86,410,536
Cash and cash equivalents at the end of the year/period	134,921,117	86,410,536	207,568,928

### 1.6.4. Financial ratio

As of December 31, 2020, the financial ratios of B-WORK are shown as follows:

List (Unit: THB)	As of December 31, 2018	As of December 31, 2019	As of December 31, 2020
Debt to Total Assets (%)	18.91	18.88	18.43
Interest Coverage Ratio (Times)	8.81 Times	7.53 Times	8.55 Times
Return on Capital Employed (ROCE) (%)	7.43	7.69	7.66

### 1.6.5. The REIT's returns

The REIT began its establishment on February 6, 2018 with details of compensation payment and the history of the average return from the reduction of paid-up capital as follows:

#### 1.6.5.1. Dividend payment

No.	Operating Period	Payment Date	Dividend (THB per trust unit)	Total (THB per trust unit)
1	6 FEB 2018 – 30 JUN 2018	September 6, 2018	0.3034	0.4834
2	1 JUL 2018 – 31 DEC 2018	March 25, 2019	0.1800	
3	1 JAN 2019 – 31 MAR 2019	June 11, 2019	0.1912	0.7558
4	1 APR 2019 – 30 JUN 2019	September 5, 2019	0.1810	
5	1 JUL 2019 – 30 SEP 2019	December 6, 2019	0.1880	
6	1 OCT 2019 – 31 DEC 2019	March 26, 2020	0.1956	
7	1 JAN 2020 – 31 MAR 2020	June 10, 2020	0.1951	0.7709
8	1 APR 2020 – 30 JUN 2020	September 10, 2020	0.1923	
9	1 JUL 2020 – 30 SEP 2020	December 8, 2020	0.1923	
10	1 OCT 2020 – 31 DEC 2020	March 24, 2021	0.1912	
Total			2.0101	2.0101

#### 1.6.5.2. Capital reduction

No.	Payment Date	Capital Reduction (THB per trust unit)
1	December 11, 2018	0.1843
Total		0.1843

## 1.7. Overview of the industry conditions of the businesses of the REIT's investment

### 1.7.1. Thai economic overview

In 2020, Thai economy was significantly hit by the spread of Corona virus disease (COVID-19) which negatively impacted both investment and consumption. Thailand's Gross Domestic Product (GDP) for the year 2020 dropped by 6.1% compare with a growth of 2.3% in 2019. Meanwhile, the headline inflation in 2020 was average at -0.8% compare with an average of 0.7% in 2019.

The Government launched several stimulus packages, both fiscal and monetary policies, to accommodate the resilience of overall economy and private consumption. The Monetary Policy Committee (MPC) decided to lower the policy rate from 1.25% per annum in 2019 to 0.5% per annum in 2020. However, the poor investor and consumer confidences caused private investment and private consumption in 2020 to shrink by 8.4% and 1.0%, respectively.

The challenge of COVID-19 is going to persist through 2021 while the effectiveness of virus containing scheme and the success of the vaccine development are the key turning factors of this threat. The Thai economy in 2021 is expected to be driven by domestic investment and consumption and the recovery of export while the foreign tourists is expected to gradually rise in late 2021. The office of the National Economic and Social Development Council (NESDC) projected the Thai GDP in 2021 to grow by 2.5-3.5% with the mild inflation rate of 1.0-2.0%.

#### **1.7.2. Summary of an overview of the market of office building in Ratchadaphisek / Rama 9 area**

At the end of the 4th quarter of 2020, the total supply of office space in the Ratchadaphisek / Rama 9 area is 1,182,055 square meters and in the next 2 years, it is expected that there will be more office space in the Ratchadaphisek / Rama 9 area by approximately 52,000 square meters, all of which are grade B office buildings. From the total supply of office space in this area, it was found most office spaces are grade B office space with 829,546 square meters of spaces, representing 70.2 percent, followed by grade A office space with 202,673 square meters, representing 17.1 percent and grade C office space with 149,836 square meters, representing 12.7 percent of the total office space in this area. Moreover, from the total office space supply, it was found that 84.2 percent of the total office space were developed for leasing of commercial space, and approximately 186,966 square meters, or 15.8 percent of the total office space were developed for internal use by developers or partially for renting space.

At the end of the 4th quarter of 2020, the office space in the Ratchadaphisek / Rama 9 area has been occupied by approximately 1,101,294 square meters or an occupancy rate of 93.2 percent, which was decreased by approximately 2.6 percent from the previous year. On the other hand, the average offering price of office space is THB 682 per square meter per month, which was increased by 0.2 percent from the previous year, and in the past 10 years, the offering price was increased by 40.3 percent or an average of 4.0 percent per year.

When considering only grade B office buildings, it was found that the offering price of office space in the Ratchadaphisek / Rama 9 area is THB 648 per square meter per month which increased by 3.7% from the previous year and is forecast to increase by approximately 3.7% in 2021.

#### **1.7.3. Summary of an overview of the market of office building in Pattanakarn area**

At the end of the 4th quarter of 2020, the total supply of office space in the Pattanakarn area is 43,385 square meters from a total of only 3 office buildings. It was found that the new supply that entered the market was the Building 2 to 4 of True Tower 2 Project in 2012 and since then, there was no new office building and there is no new office building under development that will launch in the future. From the total supply of office space in this area, it was found that most office spaces are grade B office space with 35,516 square meters of spaces, representing 81.9 percent, followed by grade C office space with 8,169 square meters, representing 18.1 percent of the total office space in this area. Moreover, there were no grade A office space developed on this area.

At the end of the 4th quarter of 2020, the office space in the Pattanakarn area has been occupied by approximately 33,795 square meters or an occupancy rate of 97.9 percent, which was increased by approximately 0.3 percent from the previous year. On the other hand, the average offering price of office space is THB 590 per square meter per month, which was increased by 1.7 percent from the previous year, and in the past 10 years, the offering price was increased by 41.8 percent or an average of 4.2 percent per year.

When considering only grade B office buildings, it was found that the offering price of office space in the Pattanakarn area is THB 679 per square meter per month which was decreased by 0.9% from the previous year and is forecast to increase by approximately 2.9% in 2021.

#### **1.7.4. Summary of an overview of the market of office building in Bangkok**

At the end of the 4th quarter of 2020, the total supply of office space in Bangkok is 9.063 million square meters or increased at the rate of 0.3 percent from the previous quarter. Such supply came from the launch of 3 office building projects with a total area of 27,119 square meters and there was a total of 5 office buildings that postponed the launch with a total area of approximately 98,558 square meters.

The amount of vacant renting spaces has a rising trend since midyear 2020 in many office buildings. This is because tenants request to return or reduce the rental space in order to save the operating cost of the business. Moreover, it was found that many companies are in the process of adjusting the office space policy to use co-workspace instead, which may cause the demand for office space to decline. Recently, it was found that the agreed rental fee, for some office buildings, was reduced by more than 15-30 percent in order to attract tenants. Research and Communication Department of Colliers International Thailand predicts that the trend of working lifestyle in 2021 will change by having more combination of work outside the office space. As a result, the functions of future office spaces will be shifted from traditional office spaces toward co-working spaces and more flexibility to meet the corporate and social needs of employees. Office use will shift towards a blended workplace as companies plan to make the best use of office space for businesses and people.

## **2. Information Memorandum on the Connected Transaction between the REIT and the related person of the REIT Manager**

### **2.1. Objective and necessity of the Transaction**

The REIT will directly invest in and acquire ownership of the Additional Assets (No. 1) from the Property Owner, including ownership of land, buildings, component parts, and M&E systems of BBC project. The REIT will enter into agreements relating to the acquisition of the Additional Assets (No. 1) with the Property Owner who is the owner of the properties, on the transaction date. In addition, any Property Owner's rights and obligations under the lease and service agreements and/or other agreements (if any) relating to business operation of the Additional Assets (No. 1), including rent deposit, management deposit, and other properties relating to the Additional Assets (No. 1), will be assigned to the REIT. The investment value of the Additional Assets (No. 1) will not exceed THB 1,550 million (exclusive of VAT, transfer fee, special business tax, and other related fees and expenses), which will be paid to the Property Owner in full on the transaction date and will be funded by the capital raised from the REIT's issuance and offering of additional trust units for sale, loan from financial institutions, and/or the issuance and offering of debentures.

The final price for the acquisition of the Additional Assets (No. 1) will be conditional upon the agreement between the REIT Manager and the Property Owner, and on the final offering price of the trust units, which will be based on the price of the trust units in the secondary market at the period when the final offering price is announced, and/or based on the book building results which will depend on various factors, such as condition of money market and capital market, and the offering of other financial products at the time, etc.

The REIT will invest in the Additional Assets (No. 1), the details of which are as follows:

(1) Land

Two plots of land, which is the current location of Bangkok Business Center building, in Phra Khanong Subdistrict (No. 11 Phra Khanong Nuea), Phra Khanong District, Bangkok, having the total area, as shown in the title deeds, of 1 rai, 3 ngan, 9 square wah. The details are as follows:

No.	Title Deed No.	Plot No.	Survey Page	Land area shown in the title deed			
				Rai – Ngan – Square Wah			Sq. Wah
				Rai	Ngan	Sq. Wah	
1	8330	450	1675	1	2	26.00	626.00
2	188885	1354	24745	0	0	83.00	83.00
<b>Total area according to the deeds</b>				<b>1</b>	<b>3</b>	<b>09.00</b>	<b>709.00</b>

Source: Information Memorandum on the Acquisition of the Additional Assets (No. 1) dated March 17, 2021

(2) Building

Bangkok Business Center building, a 30-storey office building, with one-storey basement. The building was first opened for a business operation in 1995 and has the gross floor area (GFA) of approximately 37,089 square metres, with the net leasable area (NLA) of approximately 17,480 square metres, consisting of the office spaces and retail spaces for lease, and 283 parking spaces in the building. The details are as follows:

Type	Details
<b>Net leasable area (NLA) of approximately 17,480 square meters</b>	
1) Office spaces for lease	16,287 square meters on 11st floor - 30th floor
2) Retail spaces for lease	1,193 square meters on the basement and parts of 1st floor - 3rd floor
<b>Other areas of the project, of approximately 19,609 square meters</b>	
1) Common area of the office	Hallway, lobby area, meeting rooms on 4th floor, and parking spaces on 1st floor-10th floor, etc.
2) Utilities and system areas	Pump rooms, security rooms, CCTV rooms, generator rooms, electrical rooms, and elevator machine rooms, etc.

Source: Information Memorandum on the Acquisition of the Additional Assets (No. 1) dated March 17, 2021

(3) Ownership of other buildings and assets which are component parts of the land and building, equipment, tools, M&E systems, and other assets which are related to and necessary for the use and business operation of the land and building of Bangkok Business Center project. In this regard, M&E systems consist of air-conditioning system, electric system, sanitary system, communication system, elevator system, security system, fire protection and extinguishing system, and car parking system.

The REIT's estimated that acquisition of the Additional Assets (No. 1) would potentially help maintain the approximate distribution per unit (DPU) rate of the trust unitholders in the next approximate 12 months at the same or higher level, compared with the scenario where there is no acquisition of the Additional Assets (No. 1). Additionally, it would help diversify the REIT's investment risks, increase the average period of REIT's investment, and enhance the REIT's opportunity and stability to generate more income to trust unitholders.

Sources of funds for the acquisition of the Additional Assets (No. 1) consists of 1) the First Capital Increase; 2) long-term/short-term loan from financial institutions in an amount not exceeding THB 1,000.00 million; and/or 3) issuance and offering of the debentures by the REIT. The loan from financial institutions may be from BBL, which is a major shareholder of the REIT Manager, making this loan the connected transaction between the REIT and the related person of the REIT Manager.

## **2.2. Transaction date**

After obtaining the approval from the trust unitholders' meeting of the REIT for the loan transaction between the REIT and the related person of the REIT Manager and other relevant arrangements, and after obtaining the approval from the SEC for the REIT's First Capital Increase and the contractual parties have fulfilled the precedent conditions under the loan or credit facilities agreements and other relevant agreements.

## **2.3. Relevant parties and their relationship with the REIT and the REIT Manager**

The REIT will acquire the Additional Assets (No. 1), using a loan from financial institutions as part of the source of funds. The REIT may enter into the loan agreement with financial institution, which is a related person of the REIT Manager under the relevant laws and regulations. This includes BBL, which is a major shareholder of the REIT Manager, directly holding 75 percent of the total shares issued by the REIT Manager.

## **2.4. Nature of interests of the related person of the REIT Manager**

The REIT may obtain loan from financial institution, which is a related person of the REIT Manager, for the acquisition of the Additional Assets (No. 1), payment of relevant costs and expenses, and/or to be used as working capital for the REIT's management and operation. In addition, the REIT may place collateral in favor of the related person of the REIT Manager,

Furthermore, the REIT Manager may consider appointing BBL, which is a related person of the REIT Manager, as a financial advisor and/or an underwriter for the additional trust units to be issued in the First Capital Increase, and/or an underwriter for the debentures of the REIT. The size of the transaction, calculated from the aggregate fees, is not over 1.50 percent of the net assets value of the REIT, making the proposed transaction a medium-size transaction (over 0.03 per

cent but not over 3.00 percent of the net assets value), which can be carried out with an approval from the Trustee and the Real Estate Investment Committee of the REIT Manager.

## **2.5. General description of the Transaction**

The REIT will acquire the Additional Assets (No. 1), using a long-term/short-term loan of not exceeding THB 1,000 million from financial institutions as one part of source of funds. The REIT may obtain loan from financial institution which is a related person if the REIT Manager (in which case, the REIT Manager shall comply with the relevant rules and regulations), and may place collateral in favor of the related person of the REIT Manager, for acquisition of the Additional Assets (No. 1), payment of the relevant costs and expenses, and/or to be used as working capital for the REIT's management and operation, and/or working capital.

## **2.6. Conditions of the loan**

The long-term/short term loan of not exceeding THB 1,000 million shall be used for the acquisition of the Additional Assets (No. 1) by the REIT, payment of the relevant costs and expenses, and/or REIT's working capital. The key conditions of the loan can be summarized as follows:

1. The REIT must deliver the evidence showing that the entering into the loan agreement, the issuance and allotment of additional trust units, and the acquisition of the Additional Assets (No. 1) have duly been approved by the trust unitholders' meeting of the REIT and the SEC.
2. The REIT must deliver a copy of the sale and purchase agreement in relation to the Additional Assets (No. 1) to the lender.
3. The REIT must deliver the evidence showing that the proposed loan amount combined with the capital raised from the First Capital Increase is sufficient to fund the acquisition of the Additional Assets (No. 1).

At present, the REIT has already obtained the loan of THB 920.00 million from BBL, according to the details disclosed in the registration statement for the initial public offering and the annual report of the REIT.

## **2.7. Size of the Transaction and the total value of consideration**

### **2.7.1. Calculation of the size of the connected transaction**

In this Transaction, the REIT plans to borrow from BBL but since BBL is the major shareholder of the REIT Manager, directly holding 75.00% of the total shares of the REIT Manager, therefore, the Transaction is considered a connected transaction according to the Notification on Connected Transaction. The REIT does not have any other connected transaction that occurred in the six months prior to the date of the Transaction, which has not been approved by the trust unitholders meeting. As a result, the transaction size is equal to 8.71% of the net tangible assets (NTA) of the REIT when calculating according to the REIT's financial statements, which was audited by certified auditor ending on December 31, 2020 with the following details:

- Financial information of the REIT (consolidated financial statements for the period ended December 31, 2020)

Details	(Unit: THB million)
Total Asset (1)	4,990.67
Intangible Asset (2)	-
Total liabilities (3)	1,141.39
Non-controlling interests of trust unitholders (4)	-
Net Tangible Asset (NTA = (1) – (2) – (3) – (4))	3,849.28
Net profit attributable to trust unitholders of the parent company (latest 4 quarters) <sup>1/</sup>	311.82

Remarks: 1/ Calculated from the financial statements of January 1, 2020 - December 31, 2020.

#### ■ Information on the consideration value of the Transaction

In this Transaction, B-WORK desires to obtain loans in the amount not exceeding THB 1,000.00 million from BBL to acquire of the Additional Assets (No. 1). The total interest and fees payable to the lenders for this loan is estimated to be not exceeding THB 335.39 million (calculated by using BBL's MLR as of March 15, 2021 (www.bot.or.th)). The transaction size may change in the future if the MLR changes.

Criteria	Calculation (THB million)	Percentage
Asset value criteria	Total value of the consideration (335.39 <sup>2/</sup> ) /NTA of B-WORK (3,849.28) <sup>1/</sup>	8.71 <sup>2/</sup>

Remarks: 1/ Calculated from the REIT's consolidated financial statements for the period ended December 31, 2020.

2/ Calculated from the MLR of BBL as of March 15, 2021. The future MLR may be subject to change resulting in possible changes in total interest value and the size of the Transaction.

#### 2.7.2. Total value of consideration and the criteria used to determine the value of consideration

Calculation of the total value of consideration of this loan is calculated by combining the total interests that the REIT has to pay to the lenders for the amount not exceeding THB 1,000.00 million. Interest payment term is to pay every 6 months on the last day of the month from the date of the loan drawdown. The interest rate is equal to MLR minus a constant per annum (the constant's value is reduced over time). Details of the total value of consideration are as follows:

Period	Principal Repayment	Outstanding Principal (THB million)	Interest rate per annum <sup>1/</sup> (%)
0	-	1,000.00	
1	-	1,000.00	between 3.25 – 4.25
2	-	1,000.00	between 3.25 – 4.25
3	-	1,000.00	between 3.25 – 4.25
4	-	1,000.00	between 3.25 – 4.25
5	23.95	976.05	between 3.25 – 4.25
6	23.95	952.10	between 3.25 – 4.25
7	26.95	925.15	between 3.25 – 4.25
8	26.95	898.20	between 3.25 – 4.25
9	29.94	868.26	between 3.25 – 4.25
10	29.94	838.32	between 3.25 – 4.25

Period	Principal Repayment	Outstanding Principal (THB million)	Interest rate per annum <sup>1/</sup> (%)
11	32.93	805.39	between 3.25 – 4.25
12	32.93	772.46	between 3.25 – 4.25
13	35.93	736.53	between 3.25 – 4.25
14	35.93	700.60	between 3.25 – 4.25
15	38.92	661.68	between 3.25 – 4.25
16	38.92	622.75	between 3.25 – 4.25
17	41.92	580.84	between 3.25 – 4.25
18	41.92	538.92	between 3.25 – 4.25
19	44.91	494.01	between 3.25 – 4.25
20	494.01	0.00	between 3.25 – 4.25
Total Value of the Interest			335.39 <sup>2/</sup>

Remarks: 1/ IFA uses the MLR of BBL as of March 15, 2021 ([www.bot.or.th](http://www.bot.or.th)) which may be subject to change.

2/ The total expected return that BBL will receive (including interest and fees) calculated from the MLR of BBL as of March 15, 2021. The future MLR may be subject to change resulting in possible changes in total interest value.

Conditions of loan agreement, including interest rate, repayment of interest and delivery of collateral required therefore, are reasonable and will not cause any disadvantage to the REIT and the conditions under the relevant agreements are made on an arm's length basis. The transaction costs and expenses charged to the REIT are fair and reasonable, considering the REIT's ability to pay interest and repay loan, loan terms, collaterals, creditor seniority, past interest rate charged to the REIT, and interest rate charged to other borrowers. The proposed transaction will be proceeded, by taking into account the benefits of the REIT and the trust unitholders as priority.

## 2.8. Summary of the draft loan agreement between B-WORK and BBL

Draft loan agreement between B-WORK and BBL whereby IFA would like to summarize the important details of the draft agreement as follows:

Topic	Conditions <sup>1/</sup>
Borrower	Bualuang Office Leasehold Real Estate Investment Trust
Lender	Bangkok Bank Public Company Limited
Credit Amount	Not exceeding THB 1,000 million
Term	Not exceeding 10 years
Grace Period	Not more than 2 year 6 months from the date of the first drawdown
Interest Rate	MLR – constant per annum (the constant rate is reduced over time) Interest payment term is to pay every 6 months on the last day of the month. “MLR” means an interest rate charged to prime customers for a fixed-term loan of the lending bank (Minimum Loan Rate, “MLR”).
Front-end Fee	Not exceeding 0.25 percent of the credit amount <sup>2/</sup>
Repayment of principal	Every 6 months after the grace period
Financial Covenant	Interest Bearing Debt / EBITDA not exceeding 4.0 times

Topic	Conditions <sup>1/</sup>
Collateral	<ol style="list-style-type: none"> <li>1. Mortgage of land and building of Bangkok Business Center project</li> <li>2. All risks insurance and business interruption insurance for the building of Bangkok Business Center, specifying the lender and the borrower as the co-beneficiaries</li> <li>3. Registration of business security over the rights to receive rental fees of the Bangkok Business Center project<sup>2/</sup></li> <li>4. Registration of business security over the leasehold of True Tower 1 project, including procurement of the lender to be the beneficiary under the property insurance for the assets in True Tower 1 project</li> <li>5. Registration of business security over the rights to receive rental fees of True Tower 1 project and True Tower 2 project</li> </ol>
Condition Precedent before Drawdown	<ol style="list-style-type: none"> <li>1. The REIT must deliver the evidence showing that the entering into the loan agreement, the issuance and allotment of additional trust units, and the acquisition of the Additional Assets (No. 1) have duly been approved by the trust unitholders' meeting of the REIT and the SEC Office.</li> <li>2. The REIT must deliver a copy of the sale and purchase agreement in relation to the Additional Assets (No. 1) to the lender.</li> <li>3. The REIT must deliver the evidence showing that the proposed loan amount combined with the capital raised from the issuance and allotment of additional trust units in the First Capital Increase is sufficient to fund the acquisition of the Additional Assets (No. 1).</li> </ol>

Remarks: 1/ The conditions in the table above are currently under the negotiation between the REIT Manager and the lender. The final conditions may be altered.

2 / Under negotiation which may change in the future.

## 2.9. Potential benefits from the loan

Obtaining loan to fund the acquisition of the Additional Assets (No. 1) will benefit the trust unitholders, as it improves efficiency in the REIT's financial management structure, given the loan incurs fewer financial costs to the REIT (Cost of Debt), compared to the cost of equity, which will help maintain the rate of return of the REIT at an appropriate level. Moreover, the proposed loan transaction between the REIT and the related person of the REIT Manager neither creates any conflict of interest nor causes any disadvantages to the REIT, as the transaction is done on an arm's length basis.

In this regard, the REIT Manager is still seeking financial support from other financial institutions, other than the related person of the REIT Manager.

## 2.10. Approval of the Transaction

As the proposed transaction is a connected transaction with the related person of the REIT Manager, with a size of the transaction over 3.00 percent of the net assets value of the REIT, the transaction requires an approval of the trust unitholders' meeting with an affirmative vote of not less than three-fourths of the total votes of all trust unitholders attending the meeting and having the right to vote, according to the trust deed of the REIT. In counting votes, the votes of the trust unitholders who have special interest in the matter will not be counted. In forming a quorum of the meeting, at least 25 trust

unitholders or half of the total number of the trust unitholders, representing, in aggregate, not less than one-third of the total trust units sold, must be present.

**2.11. Opinion of the Board of Directors of the REIT Manager regarding the proposed transaction in comparison with the third-party transaction**

The Real Estate Investment Committee of the REIT Manager is in the opinion that obtaining loan for the acquisition of the Additional Assets (No. 1) will benefit trust unitholders, as it incurs fewer financial costs to the REIT, compared to the fundraising by issuance and offering of additional trust units to cover the entire amount required. This will help maintain the rate of return of the REIT at an appropriate level. In addition, the Real Estate Investment Committee of the REIT Manager has also considered the key conditions of the loan agreement between the REIT and the related person of the REIT Manager. The Real Estate Investment Committee of the REIT Manager opined that the proposed transaction that the REIT will obtain loan from the related person of the REIT Manager will not constitute a conflict of interest or cause any disadvantages to the REIT, as the proposed transaction is done on the arm's length basis and benefit the trust unitholders.

**2.12. Opinion of the Trustee on agenda to consider and approve the REIT's long-term/short-term loan of not exceeding THB 1,000 million for acquisition of the Additional Assets (No. 1), payment of the relevant costs and expenses, and/or to be used as the REIT's working capital, which may constitute connected transaction between the REIT and the related person of the REIT Manager, and the REIT's delivery of collateral required for the loan**

The Trustee informs that this agenda may constitute connected transaction between the REIT and the related person of the REIT Manager where the REIT may obtain loan from financial institution, which is a related person of the REIT Manager, for the acquisition of the Additional Assets (No. 1), payment of relevant costs and expenses, and/or to be used as working capital for the REIT's management and operation. In addition, the REIT may place collateral in favor of the related person of the REIT Manager. For this regard, the Trustee is in the opinion that the connected transaction between the REIT and the related person of the REIT Manager in this agenda will not constitute a conflict of interest as the proposed transaction is done on the arm's length basis and the Transaction is conducted on the normal processes conforming to the trust deed of B-WORK and relevant laws.

In addition, the borrowing and providing collateral required for the aforementioned loan may be considered as a connected transaction with the related person of the REIT Manager, with a size of the transaction over 3.00 percent of the net assets value of the REIT. Therefore, the transaction requires an approval of the trust unitholders' meeting with an affirmative vote of not less than three-fourths of the total votes of all trust unitholders attending the meeting and having the right to vote, according to the trust deed of the REIT. In counting votes, the votes of the trust unitholders who have special interest in the matter will not be counted.

The Trustee is in the opinion that obtaining loan for the acquisition of the Additional Assets (No. 1), payment of relevant costs and expenses, and/or to be used as working capital for the REIT's management and operation, including placing collateral in favor of the related person of the REIT Manager can be done conforming to the trust deed of B-WORK and relevant laws because, after the Transaction, B-WORK's long term loan will be up to not exceeding THB 1,920.00 million (such borrowings will result in a debt ratio at around 29.35% of the total asset value of the REIT at THB 6,540.67

million after the acquisition of the Additional Assets (No. 1)), as the rules specifying that the REIT can not have loan more than 35% of the total asset value of the REIT or 60% of the total asset value of the REIT in the case that the REIT is with credit ratings of investment grades rated by certified rating agencies approved by the SEC not exceeding 1 year before date of borrowing.

Moreover, for the decision to vote for approval in this Transaction, the REIT has arranged and appointed IFA to provide opinion on the Transaction attached to the invitation to the Annual General Meeting of Trust Unitholders of the year 2021. These aforementioned acts are conforming to the trust deed of B-WORK and relevant laws.

### **3. Advantages, disadvantages and risks of the connected transaction between the REIT and the related person with the REIT Manager**

#### **3.1. Advantages of the Transaction**

##### **3.1.1. There is sufficient funding source for the acquisition of the Additional Assets (No. 1)**

Since B-WORK desires to obtain loan not exceeding THB 1,000.00 million (such borrowings will result in a debt ratio of not exceeding 30% of the total asset value of the REIT after the acquisition of the Additional Assets (No. 1)). The objective is to acquire the Additional Assets (No. 1). Therefore, borrowing from financial institutions that is related person of the REIT manager will provide the REIT with sufficient funding sources to meet such objectives. For such objective, schedule of operations is clearly stated, when compared with borrowing from other third-party financial institutions, there is still uncertainty about the loan amount that the REIT will receive and other important conditions. This may pose a risk that the REIT is unable to acquire in the Additional Assets (No. 1) on time. As of March 16, 2021, the REIT manager has not received any preliminary term sheet from any other financial institution.

##### **3.1.2. Negotiation between the REIT and the related person helps making a smooth transaction**

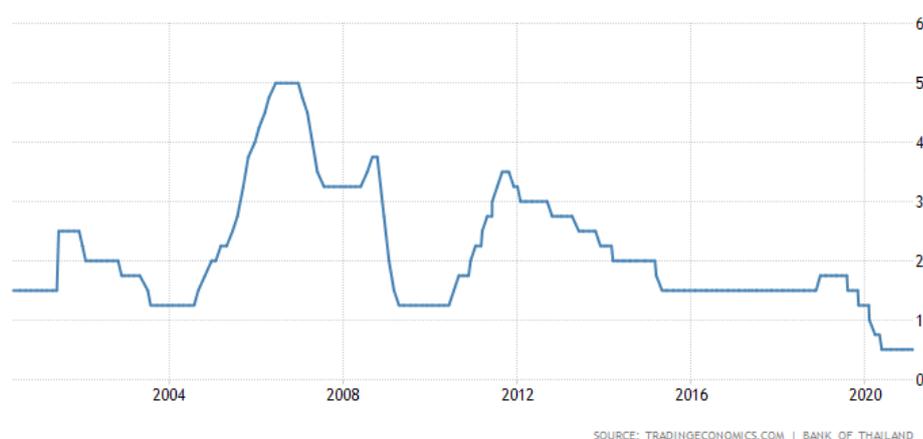
Since the Trustee will act as the REIT's representative, the negotiations of the Transaction will occur between non-connected persons (KTAM and BBL). As a result, the direct conflict of interest could hardly happen. Nonetheless, the fact that the REIT Manager and BBL are related may result in a smoother negotiation. This result might benefit both parties. Moreover, BBL is also a listed company in the SET, whose responsibility is to comply with various criteria according to the SET and the SEC in disclosing information on connected transaction in order to ensure transparency in entering into various transaction.

##### **3.1.3. There is a credit line to support the acquisition of the Additional Assets (No. 1), resulting in lower financing costs and reducing the impact on the trust unitholders**

The REIT will use the loan obtained from BBL in the amount not exceeding THB 1,000.00 million (referring to the information received from the REIT Manager) as one of the funding sources to acquire the Additional Assets (No. 1) and to pay other related expenses and/or used as working capital for the management and operation of the REIT. The loan will benefit the trust unitholders, as improves efficiency in the REIT's financial management structure, given the loan incurs less financial costs to the REIT (Cost of Debt), compared to the cost of equity, which will help maintain the rate of return of the REIT at an appropriate level. Moreover, funding by loans instead of issuing capital would also reduce the impact of control dilution and return dilution of the trust unitholders.

### 3.1.4. The downtrend of interest

“The Bank of Thailand kept the prime policy rate at a record low of 0.5 percent for its sixth meeting on February 3, 2021 as widely anticipated. Last year, the central bank cut interest rates three times to support economies hit by the coronavirus. In December, policymakers cut their GDP outlook for the year to 3.2 percent. The central bank estimates that while a new wave of COVID-19 outbreak and quarantine measures will have a short-term impact on the Thai economy, but the recovery of the economy is still in line with government measures and a rebound in exports. However, the uncertainty surrounding the economic outlook remains high and there are significant downside risks. Therefore, the economy needs support from consistently low policy interest rates.”- Source: Bank of Thailand



Based on policy interest rate trend and information from BOT, IFA is in the opinion that the short and medium-term interest rate is likely to decline or remain stable, which is affected by COVID-19 and Thailand's economy as a whole, therefore, using loans to finance the purchase of assets is likely to assist the REIT to have lower financial costs in the short and medium term, which may directly affect the return of the trust unitholders.

## 3.2. Disadvantages of the Transaction

### 3.2.1. Increased interest burden

As of December 31, 2020, the REIT has long-term liabilities of THB 920.00 million and finance costs in 2018, 2019 and 2020 were THB 35.03 million, THB 47.02 million and THB 41.28 million, respectively. The loan amount of THB 1,000.00 million will increase the amount of long-term loans from the REIT up to not exceeding THB 1,920.00 million, resulting in increased interest burden as well.

### 3.2.2. Uncertainty on the independence of the REIT Manager's decision

Since the REIT Manager is responsible for managing the REIT to operate its business, borrowing, creating any binding obligation to the REIT and operating various businesses for the REIT in accordance with the Trust Deed and related laws, therefore, by borrowing from financial institutions that are related person of the REIT Manager (BBL is the major shareholder of the REIT Manager with a direct shareholding of 75 percent), it may create uncertainty on the independence

of the REIT Manager, who operates and is involved in the selection of the REIT's loan offer and/or is influenced, more or less, to use the credit line offered from a financial institution that is related to the REIT Manager. This includes the possibility of event that may have a conflict of interest between the REIT and the creditors who are financial institutions that are related person of the REIT Manager in the future. However, the REIT Manager must act in good faith and act cautiously as a professional, for the best interest of trust unitholders as a whole, to comply with the Trust Deed and related laws. Moreover, the connected transaction has to go through the process of entering into a connected transaction that has been specified in the trust deed and related laws. For example, it must be studied and audited by the Board of Directors of the REIT Manager and the Trustee. Such action is one way to protect the interests of the REIT in the Transaction with related person.

### **3.3. Risks of the Transaction**

#### **3.3.1. Interest rate risk**

Since the interest rate from this loan is a floating rate, if the market interest rate increases, the REIT will incur more interest expenses, which may affect the performance of the REIT. This will have a direct impact on the returns of the trust unitholders. However, the REIT manager is well aware of this risk. The REIT Manager has a policy to closely monitor the trend of changes in interest rates, as well as managing financial costs as efficiently as possible, such as changing creditors of financial institutions in the future, by choosing a financial institution with lower interest rates or issuing debentures (Refinance) as preparation to support sources of funding at lower average costs. In addition, the REIT may enter into a derivatives contract or trade derivatives product to hedge the risk of the REIT from interest rates arising from borrowing, either in whole or in part, such as interest rate swap contracts, etc.

#### **3.3.2. Default Risk**

Based on the financial statements as of December 31, 2020, the REIT has long-term liabilities of THB 920.00 million and finance costs in 2018, 2019 and 2020 were THB 35.03 million, THB 47.02 million and THB 41.28 million, respectively. The loan amount of THB 1,000.00 million, used as one of the funding sources to acquire the Additional Assets (No. 1) and to pay other related expenses and/or used as working capital for the management and operation of the REIT which will increase the amount of long-term loans of the REIT up to not exceeding THB 1,920.00 million (on the assumption that the REIT obtains new loan in the amount not exceeding THB 1,000.00 million) resulting in the REIT having additional financial costs. In the event that the REIT does not have sufficient income gained from the investment to be able to repay the principal and interest to the lenders (Default Risk) and is forced to collateralize, this will affect the returns of the trust unitholders, however, an important objective for this loan is to acquire the Additional Assets (No. 1), which will increase the REIT's income. In addition, considering the pro forma of the statement of comprehensive income and the distribution payment of returns based on assumptions for the projection period from October 1, 2021 to September 30, 2022, prepared by KPMG, it can be seen that the REIT will have increased rental and service income which is sufficient to pay the additional financial costs of the REIT. In this regard, the preliminary information from the forecast is summarized as follows:

Summary of the pro forma of the statement of comprehensive income and the distribution payment of returns based on assumptions for the projection period from October 1, 2021 to September 30, 2022

List (Unit: THB million)	Case: Before the acquisition of the Additional Assets (No. 1)	Case: After the acquisition of the Additional Assets (No. 1) <sup>1/</sup>
Rental and service income	593,108	730,369
Interest income	469	487
Other income	11,244	13,223
<b>Total revenue</b>	<b>604,821</b>	<b>744,079</b>
Other expenses	248,429	296,052
Finance cost	38,383	72,445
<b>Total expenses</b>	<b>286,812</b>	<b>368,497</b>
<b>Net profit from investments</b>	<b>318,009</b>	<b>375,582</b>

Source: Prepared by KPMG

Remarks: 1/ Assumptions used to determine the financial cost of Existing Loan Agreement are based on the same assumptions as in the case of existing assets. As for the New Loan Agreement for the acquisition of the Additional Assets (No. 1), it is used as a base case assumption of approximately THB 835 million which has a ten-year loan term, with a front-end fee not exceeding 0.25% of the loan amount, the interest rate does not exceed MLR minus 1.0% per annum and no principal repayments are made during the projection period. However, terms and conditions of the loan may change subject to the final loan agreement that the REIT will sign with the local financial institution.

### 3.3.3. Risk of Conflict of Interest

BBLAM, as a REIT manager of B-WORK, is responsible for managing the REIT to operate its business, borrowing, creating any binding obligation to the REIT and operating various businesses for the REIT in accordance with the Trust Deed and related laws. If there is a conflict between BBLAM and the REIT, BBLAM will be in a position of conflict of interest with BBL, which is a direct shareholder of 75.00% of the total shares of the REIT Manager. However, BBL is a listed company on the SET, causing BBL to comply with various regulations of the SET and the SEC. Thus, this Transaction have a low risk from conflict of interest. In addition, when compared with other mutual funds/trusts investing in the same type of real estate, loans with the related person of REIT Managers is commonly found.

## 4. Appropriateness of the price and conditions for the Transaction

As of the date of submission of the IFA report, the REIT Manager receives a term sheet from a single financial institution, BBL, which is a related person of the REIT Manager. The REIT Manager has contacted other financial institutions, but there is no response. Therefore, when comparing the price and terms of entering into the New Loan Agreement, IFA compares BBL's preliminary conditions of loan agreement with the Existing Loan Agreement of the REIT with BBL and the publicly available conditions of loan agreement of other property funds and real estate investment trusts.

In this regard, the REIT Manager is still seeking financial support from other financial institutions, other than the related person of the REIT Manager.

### 4.1. Appropriateness of the price

For determining the appropriateness of the price, IFA has considered the appropriateness of the price by comparing the price of the New Loan Agreement with 1) the Existing Loan Agreement (loan agreement between the REIT and BBL) and 2) the loans in the market, where IFA has considered the information that is publicly available. IFA considers

information on a total of 75 property funds and real estate investment trusts. However, not all 75 securities have long-term loans and the loans are not in a significant proportion when compared with the total asset size of the real estate investment trusts. IFA therefore chooses to consider 24 loans out of 16 property funds or real estate investment trusts in comparing the appropriateness of the price.

#### 4.1.1. Interest rate comparison between the New Loan Agreement and the Existing Loan Agreement

In regard to the long-term borrowing from financial institutions in the amount not exceeding THB 1,000.00 million, currently, preliminary loan terms have been received from BBL with the floating rate, i.e., the MLR minus constant per annum. In this regard, IFA has calculated the said interest rate based on the MLR of BBL as of March 15, 2021, whereby the New Loan Agreement interest rate is between 3.25% and 4.25%, which is similar to the interest rate of the REIT's Existing Loan Agreement.

Financial Institution	Contractual Interest Rate <sup>1/</sup>	Interest Rate <sup>2/</sup>
Existing Loan Agreement: BBL	MLR – constant per annum (the constant rate is reduced over time)	3.25 – 4.25
New Loan Agreement: BBL	MLR – constant per annum (the constant rate is reduced over time)	3.25 – 4.25

Source: 1/ REIT Manager

2/ Calculated by the IFA based on the MLR as of March 15, 2021 of each financial institution according to [www.bot.or.th](http://www.bot.or.th)

#### 4.1.2. Interest rate comparison between the New Loan Agreement and the loan agreements in the market

From the market interest rate (interest rates of publicly available property funds or real estate investment trusts), IFA has considered the information disclosed in the SET, using information on property funds and real estate investment trusts in a total of 75 securities. However, not all 75 securities have long-term loans and the loans are not in a significant proportion when compared with the total asset size of the real estate investment trusts. IFA therefore chooses to consider 24 loans out of 16 property funds or real estate investment trusts in comparing the appropriateness of the price, with details as follow:

No.	Property Fund or Real Estate Investment Trust	Contractual Interest Rate <sup>1/</sup>	Interest Rate <sup>2/ 3/</sup>
1	AIMIRT	MLR – constant per annum	3.36 – 4.86
2	ALLY	MLR – constant per annum	3.75 – 3.85
3	AMATAR	6-month deposit interest rate + 2%	2.48
4	BOFFICE	MLR – constant per annum	3.36 – 4.97
5	CPNCG	MLR – 2%	3.25
6	DREIT	Interest rate not exceeding 4.2%	4.20
7	IMPACT	MLR – 1.50%	3.86
8	LHHOTEL	MLR – constant per annum	3.94 – 5.44
9	LHPF	MLR – 1.50%	5.13 – 5.25
10	MIT	5.00%	5.00
11	PROSPECT	MLR – 1.25%	3.36 – 4.86
12	SHREIT	EURIBOR + constant per annum	3.25 – 4.25

No.	Property Fund or Real Estate Investment Trust	Contractual Interest Rate <sup>1/</sup>	Interest Rate <sup>2/ 3/</sup>
13	SPRIME	MLR – constant per annum	3.36 – 4.86
14	SRIPANWA	MLR – constant per annum	3.51 – 3.76
15	SSTRM	MLR – constant per annum	3.36 – 4.86
16	TLGF	BIBOR + 1.075%	1.73

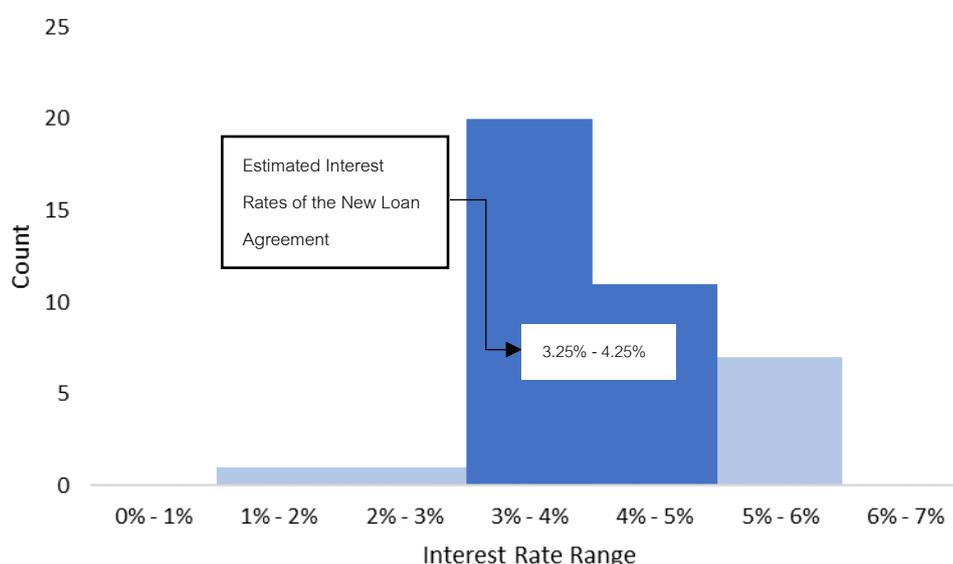
Source: 1/ www.setsmart.com

2/ Calculated by IFA based on the MLR of the respective banks or, if there is insufficient information, IFA uses average interest rates from 5 major banks: 1. Bangkok Bank Public Company Limited 2. Krungthai Bank Public Company Limited (“KTB”) 3.

Kasikornbank Public Company Limited. (“KBANK”) 4. Siam Commercial Bank Public Company Limited (“SCB”) and 5. Bank of Ayudhya Public Company Limited (“BAY”) referring to the MLR as of March 15, 2021 ([www.bot.or.th](http://www.bot.or.th))

3/ For a constant discount rate per annum, IFA stipulated to be between 0.5% - 2.0%

### Interest Rate of Loans in the REIT Market



Remarks: 1/ Data from 24 contracts which is a total of 40 data points

From the table of interest rates for long-term loans in the market of property fund or real estate investment trust that IFA deems is comparable with the Transaction of the REIT is presented as a chart. It is shown that the interest rate of the New Loan Agreement is close to the interest rate of other long-term loan agreement in the market (interest rate is between 5.00 - 82.50 percentile).

From the analysis of price appropriateness (interest rate) of the Transaction between the REIT and the related person of the REIT Manager, whether comparing the New Loan Agreement with the Existing Loan Agreement or comparing the New Loan Agreement with the interest rate of the loan agreement in the market. IFA is in the opinion that the price (interest rate) in borrowing between the REIT and the related person of the REIT Manager is appropriate.

#### 4.2. Appropriateness of the conditions for the Transaction

IFA has considered the appropriateness of the conditions of the Transaction by comparing the conditions of the New Loan Agreement with 1) Existing Loan Agreement (loan agreement between the REIT and BBL) and 2) long-term

conditions of loan agreement in the market. IFA considers information on a total of 75 property funds and real estate investment trusts. However, not all 75 securities have long-term loans and the loans are not in a significant proportion when compared with the total asset size of the real estate investment trusts. IFA therefore chooses to consider 24 loans out of 16 property funds or real estate investment trusts in comparing the appropriateness of the conditions for the Transaction.

#### 4.2.1. Conditions of loan agreement comparison between the New Loan Agreement and the Existing Loan Agreement

Key conditions of the proposed loan agreement from financial institutions which is a related person of the REIT Manager is similar to the Existing Loan Agreement of the REIT.

No.	Condition	Existing Loan Agreement	New Loan Agreement <sup>1/</sup>
1.	Parties Involved	- B-WORK (Borrower) - BBL (Lender)	- B-WORK (Borrower) - BBL (Lender)
2.	Credit Amount	THB 920.00 million	Not exceeding THB 1,000 million
3.	Main purpose	To invest in the leasehold of TRUE TOWER 1 and TRUE TOWER 2 Project.	To invest in BBC Project
4.	Term	10 years from the first drawdown	Not more than 10 years from the first drawdown
5.	Availability Period	-	3 months from the signing the loan agreement and the loan can only be drawdown once.
6.	Grace Period	4 year from the date of the first drawdown	Not more than 2 year 6 months from the date of the first drawdown
7.	Interest Rate	MLR – constant per annum (the constant rate is reduced over time)	MLR – constant per annum (the constant rate is reduced over time)
8.	Repayment of principal	Every 6 months, total of 13 installments	Every 6 months, total of 16 installments
9.	Front End Fee	No	Yes
10.	Commitment Fee	Yes	Yes <sup>2/</sup>
11.	Prepayment Fee	Yes	Yes
12.	Cancellation Fee	Yes	Yes <sup>2/</sup>
13.	Financial Covenant	Interest Bearing Debt / EBITDA not exceeding 4.0 times	Interest Bearing Debt / EBITDA not exceeding 4.0 times
14.	Collateral	1. Leasehold right of the TRUE TOWER 1 area 2. Right to receive all rental payments of TRUE TOWER 1 and TRUE TOWER 2 Project. 3. All risks insurance and business interruption insurance for the building TRUE TOWER 1 and TRUE TOWER 2 Project, specifying the lender and the borrower as the co-beneficiaries	1. Mortgage of land and building of Bangkok Business Center project 2. All risks insurance and business interruption insurance for the building of Bangkok Business Center, specifying the lender and the borrower as the co-beneficiaries 3. Registration of business security over the rights to receive rental fees of the Bangkok Business Center project <sup>2/</sup>

No.	Condition	Existing Loan Agreement	New Loan Agreement <sup>1/</sup>
			<p>4. Registration of business security over the leasehold of True Tower 1 project, including procurement of the lender to be the beneficiary under the property insurance for the assets in True Tower 1 project</p> <p>5. Registration of business security over the rights to receive rental fees of True Tower 1 project and True Tower 2 project</p>
15.	Governing law	This contract shall be subject to the laws of Thailand.	This contract shall be subject to the laws of Thailand.

Source: the REIT Manager

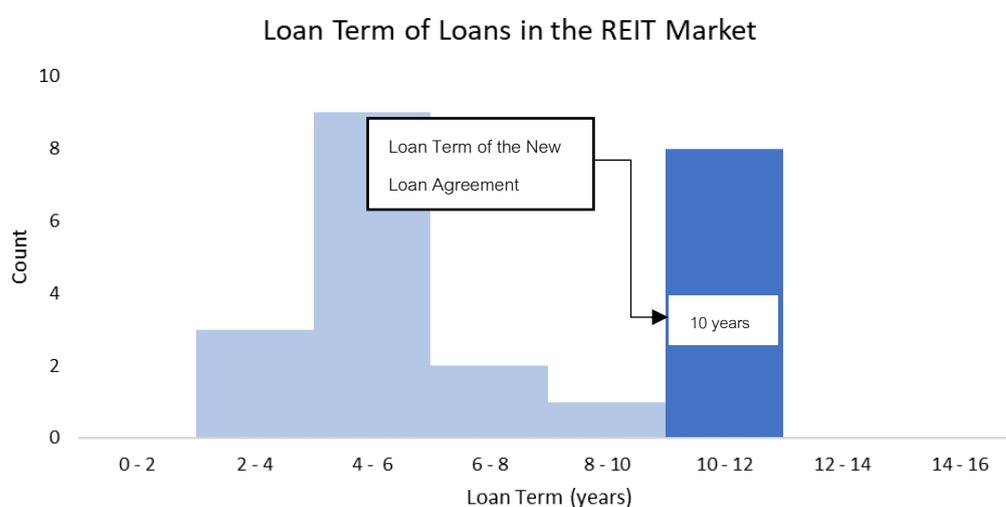
Remarks: 1/ The conditions in the table above are currently under the negotiation between the REIT Manager and the lender. The final conditions may be altered.

2 / Under negotiation which may change in the future.

#### 4.2.2. Conditions of loan agreement comparison between the New Loan Agreement and the loan agreements in the market

From the conditions of loans in the market (conditions for loans with publicly available information of property funds or real estate investment trusts), IFA considers information on a total of 75 property funds and real estate investment trusts. However, not all 75 securities have long-term loans and the loans are not in a significant proportion when compared with the total asset size of the real estate investment trusts. IFA therefore chooses to consider 24 loans out of 16 property funds or real estate investment trusts (however, as all 24 contracts may not have complete information on all dimensions, therefore, when comparing with the New Loan Agreement, IFA uses only those contracts that have suitable information to compare in each dimension) in comparing the appropriateness of the conditions for the Transaction with details as follow:

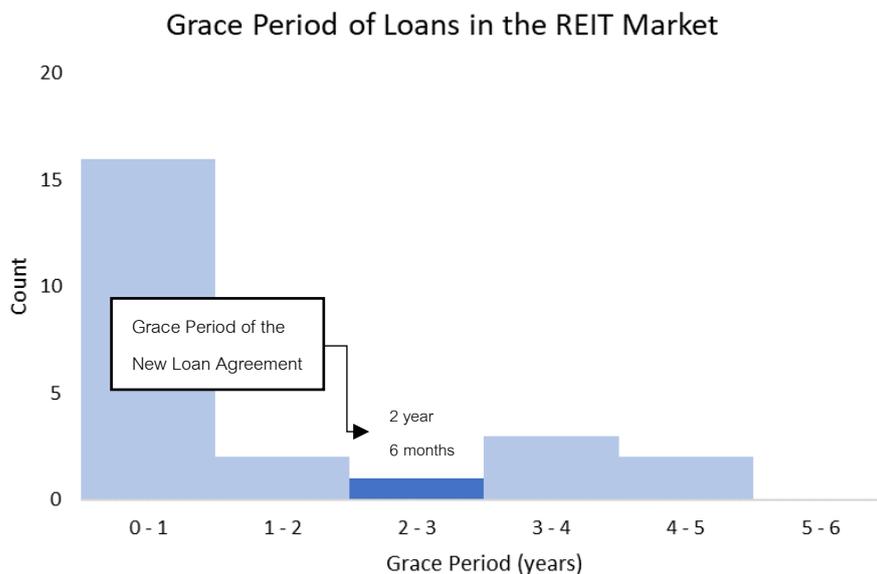
##### 4.2.2.1. Loan Term



Remarks: 1/ Data from 23 contracts

For long-term borrowing from financial institutions on the market of property funds or real estate investment trusts, when presented as a chart, it can be seen that the loan term of the New Loan Agreement is 10 years, which is in the 65.22 percentile range.

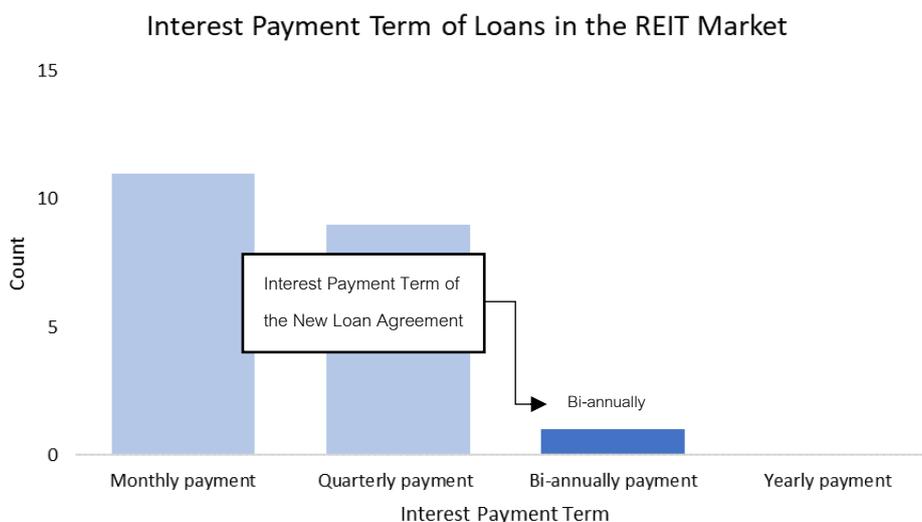
4.2.2.2. Grace Period



Remarks: 1/ Data from 24 contracts

From the grace period for long-term borrowing from financial institutions in the market of property funds or real estate investment trusts, when presented as a chart, it can be seen that the grace period of the New Loan Agreement is not exceeding 2 years and 6 months, which is in the 75.00 percentage range.

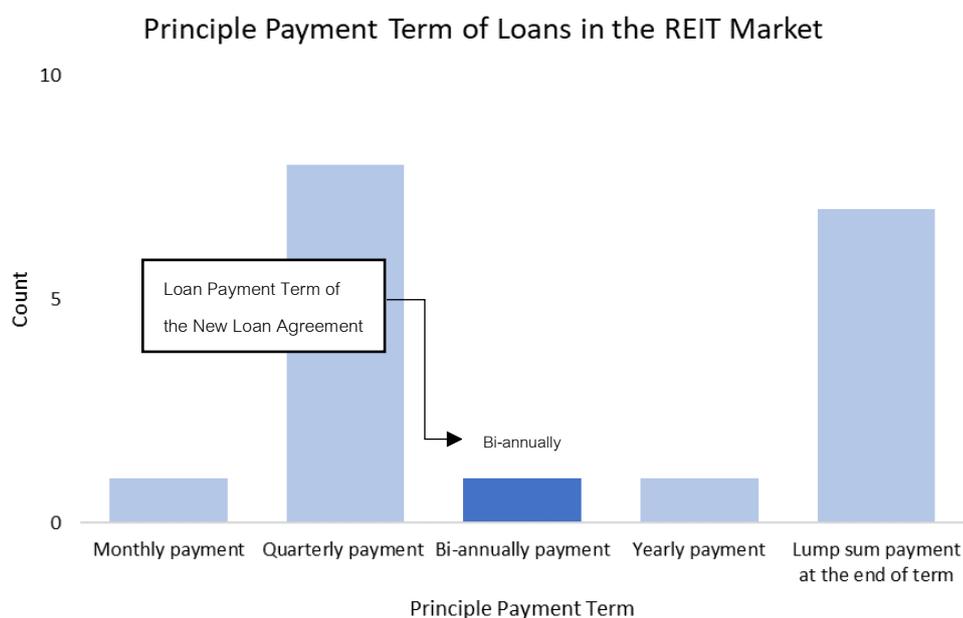
4.2.2.3. Interest Payment Term



Remarks: 1/ Data from 21 contracts

For payment methods for long-term borrowing from financial institutions on the market of property funds or real estate investment trusts, when presented as a chart, it can be seen that the interest payment period of the New Loan Agreement is every 6 months, which is in the 95.24 percentage range.

#### 4.2.2.4. Principal Payment Term



Remarks: 1/ Data from 18 contracts

For the payment methods for long-term loans from financial institutions on the market of property funds or real estate investment trusts, when presented as a chart, it can be seen that the principal repayment period of the New Loan Agreement is every 6 months, which is in the 50.00 percentile range.

No.	Condition	Detail conditions of loan agreement in the market	Detail conditions of loan agreement of the New Loan Agreement	Compared to the market
1.	Loan term	50th percentile (loan term 4-6 years)	10 years, which is 65.22 percentile	Better
2.	Grace period	50th percentile (grace period 0-1 years)	2 years and 6 months, which is 75.00 percentile	Better
3.	Interest payment term	50th percentile (monthly interest payment term)	Bi-annually, which is 95.24 percentile	Better
4.	Principal payment term	50th percentile (bi-annually payment term)	Bi-annually, which is 50.00 percentile	Equal

From the analysis of the appropriateness of the conditions for the Transaction (conditions of loan agreement) of the connected transaction between the REIT and the related person of the REIT Manager. IFA views that whether comparing the New Loan Agreement with the Existing Loan Agreement or comparing the New Loan Agreement with the conditions of the loan agreement in the market. IFA is in the opinion that the condition of the Transaction (conditions of loan agreement) between the REIT and the related person of the REIT Manager is appropriate

##### 5. Summary of Opinion of Independent Financial Advisor

From the analysis of IFA on the reasonableness of the transaction and the appropriateness of the Transaction between the REIT and the related person of the REIT Manager, both in terms of fairness of price (interest rate) and conditions of the Transaction (conditions of loan agreement), when comparing the Existing Loan Agreement, the New Loan Agreement and other loan agreements in the market (based on publicly available financial information of property funds and real estate investment trusts), IFA is in the opinion that the Transaction is appropriate in terms of price and the reasonableness of the Transaction.

However, for the Transaction, there is still risks that trust unitholders should consider carefully as such risks that may affect the future performance of the REIT. In this regard, the decision to vote for approval in this Transaction is at the discretion of the trust unitholders. The trust unitholders should study information in documents attached to the invitation to the Annual General Meeting of Trust Unitholders of year 2021 as well in consideration of making decisions and voting appropriately.

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Discover Management Company Limited as 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 trust unitholders' benefits.

Yours sincerely,  
Discover Management Company Limited

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(Mr. Vuthichai Tumasaroj)

Director

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(Miss Kanokporn Pongjetanapong)

Director

(Mr. Vuthichai Tumasaroj)

Supervisor

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