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Objectives and Rationale for the Capital Increase and Allotment of the Additional Trust Units Issued and Offered for Sale

The objectives of establishing WHA Premium Growth Freehold and Leasehold Real Estate Investment Trust (“WHART”) is to mobilize fund from investors to purchase and/or lease (including sub-lease) immovable properties as well as to improve, change and develop the potentiality of immovable properties and to procure benefits from such immovable properties and/or dispose assets invested in or acquired by WHART, whether by granting of the lease, sub-lease, and/or sale or by other means relevant and necessary for the utilizing of the immovable properties in return for the income and yields of WHART and trust unitholders.

Objectives of Investment in the Additional Investment Assets

In order to proceed in accordance with the aforementioned objectives, WHA Real Estate Management Co., Ltd. (the “Company”), in its capacity as the REIT Manager of WHART, therefore, proposes the ninth capital increase of WHART through the issuance and offering for sale of additional trust units, in order to use the fund raised therefrom and/or the loan and the security deposits under the lease and service agreements of the Additional Investment Assets to invest in the Additional Investment Assets through the investment in freehold or sub-leasehold rights of lands, freehold and leasehold rights over warehouse, factory and office buildings located on such lands, as well as to invest in other assets which are component parts of the said lands and buildings and tools, equipment, internal system of the buildings and other assets which are relevant, relating to and necessary for the use of such lands, warehouse, factory and office buildings from the asset owners, namely WHA Venture Holdings Company Limited (“WHA VH”) and GC Logistics Solutions Co., Ltd.¹ (“GCL”) (collectively referred to as the “Asset Owners”). The details of the characteristics of the Additional Investment Assets by WHART are as described below:

1. WHA Mega Logistics Center Theparak Km. 21 (Building A,C,D) Project, located at Bang Sao Thong Sub-district, Bang Sao Thong District, Samut Prakan Province

WHART will invest in:

- 1.1. First sub-leasehold right over certain parts of the land represented by 2 title deeds (title deed No. 36107 and 36108) with the partial land sub-lease area of approximately 82 rai 3 ngan 90.50 square wah² and with a lease term expiring on 24 May 2051 or approximately 26 years

¹ GC Logistics Solutions Company Limited is under the process of changing its name to WHA GC Logistics Company Limited

² The land area is the area in which WHART will invest in, which is a part of the total land area. At present, this plot of land is under the process of cadastral surveying.

5 months from the tentative date on which WHART will make the additional investment³ from WHAVH.

- 1.2. Leasehold right over the warehouse and office buildings in WHA Mega Logistics Center Theparak Km. 21 (Building A, C, D) Project of 3 buildings (i.e. building A, C⁴ and D), with a total approximate building leasable area of 73,666.00 square meters and other structures and assets which are component parts of the land and buildings, having the lease term expiring on 24 May 2051 or approximately 26 years 5 months from the tentative date on which WHART will make the additional investment⁵ from WHAVH.
- 1.3. Ownership over the tools, equipment, internal utility systems of the buildings and other assets which are relevant to, in connection with and necessary for the utilization of the land and warehouse and office buildings in WHA Mega Logistics Center Theparak Km. 21 (Building A,C,D) Project from WHAVH.

Remarks:

- (1) WHART will invest in the WHA Mega Logistics Center Theparak Km. 21 (Building A, C, D) Project under the condition that in the event that WHAVH fails to comply with the master lease agreement, Suwan Poom Paisarn Co., Ltd. (as the owner of the land to be additionally invested by WHART at this time) agrees to not express its intention to terminate the master lease agreement to WHAVH, but will notify WHAVH and WHART for the acknowledgment of the event of default, in order to allow WHART to cure such default or to notify the transfer of rights and obligations under the master lease agreement (between Suwan Poom Paisarn Co., Ltd. and WHAVH) to WHART, only to the extent of the land portion to be additionally invested by WHART this time, for the remaining lease period (partial step-in) and cure the default under the master lease agreement in place of WHAVH.
- (2) Suwan Poom Paisarn Co., Ltd. (as the owner of the land to be additionally invested by WHART this time) agrees to register a charge for the benefit of WHART over the certain part of land owned by Suwan Poom Paisarn Co., Ltd. which is the access way to the public road of the land which WHART will invest in of the WHA Mega Logistics Center Theparak Km. 21 (Building A, C, D) Project, for WHART and/or the tenants and dependents of the aforementioned persons to utilize as the walkway, road,

³ WHART expects to invest in the additional assets by 1 January 2025.

⁴ Building C is under construction, whereby the construction is expected to be completed before the tentative date which WHART will make the additional investment No. 10 (WHART expects to make the additional investment No. 10 by 1 January 2025).

⁵ WHART expects to invest in the additional assets by 1 January 2025.

drainage, electricity, water, telephone, other utilities, including the installation of the structures, name sign and advertising sign, free of charge, for the period which WHART will invest in the WHA Mega Logistics Center Theparak Km. 21 (Building A, C, D) Project. In this regard, the terms shall be in accordance with the memorandum which WHART will later enter into with Suwan Poom Paisarn Co., Ltd. (as the owner of the land) and WHAVH.

- (3) At present, the area of the warehouse and office buildings of WHA Mega Logistics Center Theparak Km. 21 (Building A, C, D) Project is fully occupied by the tenants. However, should the area of the warehouse and office buildings not be fully occupied by the tenants on the date that WHART makes the additional investment in the assets, WHART will request for WHA or WHAVH (who is the owner of the assets) to pay for the rental to WHART for the unoccupied area of the warehouse and office buildings for a period of 3 years from the date WHART makes the additional investment or until there is a tenant during such period. In this regard, the terms shall be in accordance with the undertaking agreement which WHART will later enter into with WHA and WHAVH.
- (4) For the additional investment in WHA Mega Logistics Center Theparak Km. 21 (Building A, C, D) Project, WHART will make the investment through the execution of the following agreements, including any other relevant agreements:
- 1) A land sub-lease agreement with WHAVH (who is the holder of the leasehold right of land represented by the title deeds No. 36107 and 36108 from Suwan Poom Paisarn Co., Ltd.);
 - 2) A building lease agreement with WHAVH (who is the owner of the warehouse and office buildings and other structures in the said project);
 - 3) A utility system, tools and equipment sale and purchase agreement with WHAVH (who is the owner of the other assets in the said project);
 - 4) An undertaking agreement with WHA and WHAVH (who is the holder of the leasehold right of land and the owner of the buildings and other assets in the said project); and
 - 5) A memorandum of agreement regarding the sub-lease of land between Suwan Poom Paisarn Co., Ltd. (who is the landowner) and WHAVH (who is the holder of the leasehold right of land in the said project).

2. WGCL International Distribution Center Project (WGCL IDC) Project, located at Map Ta phut Sub-district, Mueang Rayong District, Rayong Province

WHART will invest in:

- 2.1 Freehold right over the land represented by 2 title deeds (title deed No. 17654 and 22916) with the land area of approximately 87 rai 1 ngan 61.70 square wah⁶ from GCL.
- 2.2 Freehold right over the warehouse, factory and office buildings in WGCL International Distribution Center Project (WGCL IDC) Project of 1 building, with a total approximate building leasable area of 99,390.00 square meters⁷ from GCL.
- 2.3 Ownership over the other structures and assets which are component parts of the land and buildings in WGCL International Distribution Center Project (WGCL IDC) Project from GCL.

Remarks:

- (1) After WHART has made the investment in WGCL International Distribution Center Project (WGCL IDC) Project, WHART would procure benefits through the lease of the land and warehouse, factory and office buildings back to GCL pursuant to the leaseback agreement for a lease term of approximately 30 years from the tentative date on which WHART will make the additional investment⁸, for the total value of approximately not exceeding Baht 6,200,815,999. In this regard, the terms shall be in accordance with the leaseback agreement which WHART will later into with GCL.
- (2) For the additional investment in WGCL International Distribution Center Project (WGCL IDC) Project, WHART will make the investment through the execution of the following agreements, including any other relevant agreements:
 - 1) A land and buildings sale and purchase agreement with GCL (who is the owner of the land and buildings); and

⁶ The land area is the total land area as appears in the land title deed. At present, this plot of land is under the process of cadastral surveying.

⁷ The Additional Investment Assets in WGCL International Distribution Center Project (WGCL IDC) Project shall not include certain areas, such as the silo, conveyors, rainwater reservoir, racks, and solar panels on the building's roof area, which will remain the ownership of GCL. In this regard, the additional details shall be as appeared in the registration statement for the offering of trust units and the prospectus for the offering of trust units for the ninth capital increase for the investment in the Additional Investment Assets No. 10 by WHART.

⁸ WHART expects to invest in the additional assets by 1 January 2025.

- 2) A memorandum of agreement regarding WGCL International Distribution Center Project (WGCL IDC) Project with GCL (who is the owner of land and buildings in the said project and the owner or potential owner of the buildings in the adjacent lands).

The assets in which WHART will additionally invest pursuant to 1. to 2. are collectively referred to as **"Additional Investment Assets"**. The details of the Additional Investment Assets shall be in accordance with **Enclosure 1** and the details as stated in the registration statement for the offering of trust units and the prospectus for the offering of trust units for the ninth capital increase for the investment in the Additional Investment Assets No. 10 by WHART.

■ **Benefits from Additional Investment**

In this regard, the Company expects that the investment in the Additional Investment Assets will generate benefits for WHART and its trust unitholders as follows:

1. **Additional Investment in the Additional Investment Assets is in accordance with the Objectives and the Investment Policies of WHART**

The capital increase for the Additional Investment Assets in the freehold and sub-leasehold rights of lands and freehold and leasehold rights of warehouse, factory and office buildings by WHART is in accordance with the objectives for the establishment of WHART, in respect of seeking opportunities for additional investment in the immovable properties which can enhance the asset value of WHART and generating income and enhance the stability of the returns to WHART and its trust unitholders.

2. **WHART Investment in the Potential Income-Generating Assets to Increase Benefits to WHART**

The Company believes that there are advantages in the additional investment in the leasehold freehold or sub-leasehold rights of lands and freehold or leasehold rights over distribution center, warehouse, factory and office buildings in the Additional Investment Assets by WHART, which will increase the following benefits to WHART:

■ **Strategic Location**

Situating in the right and appropriate location is one of the factors of successful logistics business operation, resulting in the project's capability to maintain the occupancy rate of the warehouses in order to generate stable and continuous income and yields to WHART in the future.

The Additional Investment Assets consist of (1) WHA Mega Logistics Center Theparak Km. 21 (Building A, C, D), located at Bang Sao Thong Sub-District, Bang Sao Thong District, Samut Prakan Province (2) WGCL International Distribution Center (WGCL IDC) Project, located at

Map Ta Phut Sub-District, Mueang Rayong District, Rayong Province, are all situated on potential locations, with one located near Bangna-Trad road, Samut Prakarn Province, which is an important central hub for logistics in Thailand. It is located in strategic location which connects with material transportation system, including the port and airport which can conveniently access goods distribution points within Bangkok and the nearby regions and is in demand from tenants who are logistics and e-commerce service providers. For the location in Rayong province, it is considered one of the most important central hubs for logistics in Thailand which is the connecting point between the production base and transportation hubs, both by land, air, and water. There are warehouse and factory businesses concentrated in a large number and is also promoted as a special economic zone, as well as having received support for various projects such as the Map Ta Phut Port and U-Tapao International Airport which also attract investors from abroad.

Therefore, the Additional Investment Assets in which WHART will invest at this time are all situated in locations suitable for domestic and international transport and are located on the main routes for distribution and transportation of freight over the regions and are not far from Bangkok. As a result, it provides convenience in the transportation and freight transportation to various transportation centers, resulted in a significant reduction of transportation costs for the tenants.

■ **Quality and Characteristics of the Additional Investment Assets**

The warehouse and factory buildings to be invested by WHART are built-to-suit projects specifically constructed to meet the tenants' standards and demands, whereas most of the lease agreements of built-to-suit projects are long-term lease agreements. In this regard, the said investment in the Additional Investment Assets No.10 by WHART enhances the potential and the stability of WHART's income.

■ **The Potential of Tenants**

The Additional Investment Assets have the potential to generate good income, where the tenants are considered as target customers with stable business and are in a growing business as well as having diversity in the aspect of the expansion into new industrial sectors. Therefore, the Company firmly believes that the assets in which WHART will additionally invest will be able to generate income on a stable and continual basis in the future. In this regard, the details of the tenants, including the details of the lease proportion of the areas in which WHART will additionally invest in the Additional Investment Assets shall be in accordance with Enclosure 1.

3. Increasing of Diversity of the Source of Income and Opportunity for Income Growth from the Additional Investment in the Assets

This Additional Investment Assets in the immovable properties will increase the diversity of the sources of income of WHART, whereby the Company expects that it will stabilize the income of WHART due to the income receivable from the Additional Investment Assets in the immovable properties this time and will increase the opportunity to generate yields at a higher level of dividends compared to the dividends prior to the investment. This shall be reflected in a form of the projection of distribution through dividends and capital reduction return per unit based on the projection of the expected revenue of WHART for the first fiscal year composing the actual rental and service revenues paid in cash. The details of the revenue projection for the fiscal year from 1 January 2024 – 31 December 2024 are as follows:

	Existing Properties (Million Baht)	Properties after the additional investment no. 10 (Million Baht)
Rental and service income	3,700.98	4,046.89
Other income	0.93	1.00
Total revenue	3,701.91	4,047.89
Property management fee	(114.52)	(119.10)
Net property income	3,587.39	3,928.79
Management fee and trust management expenses	(178.02)	(186.06)
Issuance costs for the additional investment no. 10	-	(20.61)
Interest expenses	(508.88)	(575.60)
Net profit available for benefits distribution	2,900.49	3,146.52
<u>Add back (Deduct)</u> Non-cash rental and service income	6.34	(49.14)
<u>Add back</u> Interest payable and prepaid bank fees	14.62	18.14
Net cash available for benefits distribution	2,921.45	3,115.52

	Existing Properties (Million Baht)	Properties after the additional investment no. 10 (Million Baht)
<u>Add back</u> Excess liquidity from issuance costs for the additional investment no. 10	-	20.61
<u>Add back</u> Value added tax receivable	-	1.70
<u>(Deduct)</u> Lease liabilities payment	(49.04)	(62.77)
Net cash available for benefits distribution and capital reduction	2,872.41	3,075.06
Projected benefits distribution and capital reduction rate (percent)	92.50	92.50
Projected net cash for benefits distribution and capital reduction	2,656.98	2,844.43
Projected benefits distribution and capital reduction		
- Benefits distribution	2,656.98	2,844.43
- Capital reduction	-	-
Benefits distribution and capital reduction	2,656.98	2,844.43
Number of trust units (million units) ¹	3,468.83	3,711.11
Projected benefits distribution and capital reduction per unit (Baht)		
- Benefits distribution per unit	0.7660	0.7665
- Capital reduction per unit	-	-
Benefits distribution and capital reduction per unit	0.7660	0.7665

Remark

¹ The number of trust units is for reference in the calculation only. The final issuing and offering number of trust unit may be more, less or equal to the projection.

The projection of distribution through dividends and capital decrease to the trust unitholders after the investment in the Additional Investment Assets No. 10, reflected by the profit and loss statements according to the hypothetical events for the period of 12 months, from 1 January 2025 to 31 December 2025 is equal to approximately 0.7665 Baht per unit. The projected rate of distribution through dividends and capital decrease to the trust unitholders, when calculated from the weighted average closing price of WHART's trust units from

22 April 2024 to 14 May 2024 (15 business days) will be at 9.23 Baht per unit or equivalent to approximately 8.31 percent.

In addition, if WHART invest in the Additional Investment Assets No. 10 by raising fund only through issuing and offering of additional trust units in the seventh capital increase and security deposit under the lease and service agreements of the Additional Investment Assets without obtaining any loan (“**In Case of Issuing and Offering of Trust Units Only**”) or in the case where WHART invest in the Additional Investment Assets No. 10 by raising fund through obtaining loans in the amount of not exceeding Baht 4,429.00 million⁹ and security deposit under the lease and service agreements and cash on hand of WHART without raising fund through issuing and offering of additional investment trust units in the ninth capital increase (“**In Case of Obtaining Loan Only**”) by using the same assumptions in preparing the profit and loss statements according to the hypothetical events, the expected projection of distribution through dividends and capital decrease to the trust unitholders after the investment in the Additional Investment Assets No. 10 for both cases shall not be less than the projection rate of distribution through dividends and capital decrease to the trust unitholders prior to the investment in the Additional Investment Assets No. 10 in accordance with the profit and loss statements under the hypothetical events for the period of 12 months, from 1 January 2025 to 31 December 2025.

In this regard, the projected distribution through dividends and capital decrease and the projected rate of distribution through dividends and capital decrease are subject to the actual operational performance, the final offering price, the final number of trust units issued and offered for sale and the amount of loan procured. The REIT Manager will consider various factors during the offering of trust units which includes money market and capital markets conditions and book building, etc.

■ The Potential of Property Manager

WHA operates a real estate development business in respect of warehouse and factory businesses to become international-standardized distribution centers by specifically constructing and designing to serve the standards and demands of customers. The Board of Executives thereof also

⁹ The expected projection of Interest Bearing Debt to Total Asset Value of WHART after the investment in the Additional Investment Assets No. 10 In Case of Issuing and Offering of Trust Units Only will be approximately 33.06 percent (projected with reference to the audited financial statements of WHART as at 31 December 2023) Nevertheless, on 12 January 2024, WHART has its rating ranked by TRIS at the A level (investment grade). Therefore, the investment in the Additional Investment Assets No. 10 In Case of Obtaining Loan Only will still be in accordance with relevant regulations which specify that a REIT may procure a loan in the proportion of not exceeding 35 percent of the total asset value or not exceeding 60 percent of the total asset value of the REIT in case the REIT has the latest rating level in the investment grade ranked by a credit rating agency approved by the Office of the SEC not more than 1 year prior to obtaining the loan.

has experience of more than 20 years with trust from leading international companies in Europe, America and Asia.

On 31 December 2023, the total area of the projects invested and developed and/or under the management of WHA GROUP amounts to approximately more than 2.95 million square meters. This reflects the potential and expertise in managing warehouses and factories. Moreover, the target group of customers is still a group of customers with an international level business stability in the logistics service providers (3PLs), consumer goods (FMCG), and E-Commerce business industries, etc. For more details, please visit www.wha.co.th. Owing to the potential management of the Board of Executives of WHA and the internationally accepted high standard in construction and designing, including the growth of WHA GROUP, it could ensure that WHA will be able to effectively maintain the existing tenants as well as efficiently manage the assets of WHART and increase the opportunity for the expansion of potential asset investment which will generate yields to WHART in the future.

4. Increasing the Opportunity for Future Capital Increase

As the Additional Investment Assets are the assets under the management of WHA, this additional investment by WHART will increase the opportunity of WHART to additionally invest in other projects of WHA, offering the opportunity to stabilize the income of WHART, the trading liquidity of trust units and yields to the trust unitholders in the future.

5. Increase in the trading liquidity of trust units which may be increased

This issuance and offering for sale of additional trust units this time will increase the number of trust units of WHART which have been issued and offered for sale, from the number of 3,468,827,441 units to the number of not higher than 3,789,827,441 units (from the additional issuance and offering for sale of trust units in the number not higher than 321,000,000 units). The Company expects that such an increase in the number of trust units of WHART will help enhance the trading liquidity of trust units of WHART on the Stock Exchange of Thailand.