

Minute of the 2019 Annual General Meeting of  
Trust Unitholders of Bhiraj Office Leasehold Real Estate Investment Trust

On 24 April 2019 at 10:00 hours

At 222-223 Meeting Room, 2nd Floor, Bangkok International Trade & Exhibition Centre (BITEC),  
located at 88 Debaratana (km.1) Road, Bangna Tai, Bangna, Bangkok

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**Pre-Meeting Introductions**

The meeting moderator welcomed trust unitholders and introduced the Board of Directors and executives of Bhiraj REIT Management Company Limited as the REIT Manager of Bhiraj Office Leasehold Real Estate Investment Trust (BOFFICE). The following trustees and auditors attended the meeting:

The Board of Directors and executives of Bhiraj REIT Management Company

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|-------------------------------|---|
| 1. Mrs. Prapee Buri           | Chairwoman  |
|                               | The Chairwoman in the 2019 Annual General Meeting |
| 2. Mrs. Thippaporn Gertphol   | Independent Director                              |
| 3. Mrs. Sarocha Buri          | Executive Director                                |
| 4. Mr. Attakorn Netneramitdee | Managing Director                                 |

Trustee

- |                                 |   |
|---------------------------------|---|
| 1. Mr. Vittawat Ajchariyavanich | Executive Vice President – Property Business Management,<br>Kasikorn Asset Management Company Limited |
|---------------------------------|---|

Property Management of BHIRAJ Management Company Limited

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| 1. Mr. Pitiphatr Buri | Managing Director |
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Auditors

- |                              |                            |
|------------------------------|----------------------------|
| 1. Mr. Kittiphun Kiatsomphob | Partner, EY Office Limited |
| 2. Ms. Kulanit Kongsawadkul  | Manager, EY Office Limited |

**The meeting convened at 10:00 hours**

The meeting moderator reported 47 trust unitholders and proxies in attendance while holding a total of 403,409,800 trust units, or 78.28 percent of all issued and paid-up capital of trust unitholders. The aforementioned number of trust unitholders is a meeting quorum in compliance with the Trust Deed. The contract requires no less than 25 trust unitholders to be in attendance at the meeting or no less than half of all trust unitholders and a total count of no less than one-third of all paid-up capital of trust unitholders is required to form a quorum.

The meeting moderator invited Mrs. Prapee Buri to act as the Chairwoman in the meeting (the Chairwoman) and announce the beginning of the meeting.

The Chairwoman welcomed and thanked every trust unitholder and proxy who had sacrificed their valuable time to attend the 2019 Annual General Meeting of Trust Unitholders. The aforementioned number of trust unitholders is considered a meeting quorum. Therefore, the Chairwoman declared the 2019 Annual General Meeting of Trust Unitholders convened with five agenda items of business in the specified order by assigning the meeting moderator to explain meeting regulations to trust unitholders before entering the meeting.

The meeting moderator informed every trust unitholder that the REIT Manager had prepared invitations and notified trust unitholders of meeting information on the same day by the three following means:

1. The REIT Manager sent meeting invitations to every trust unitholder by mail.
2. The REIT Manager announce in newspapers.
3. The REIT Manager placed meeting information on the REIT's website.

Concerning meeting agendas, the Chairwoman will conduct the meeting based on the following order of the agenda items notified in the meeting invitations:

Agenda 1 To acknowledge the operating result of BOFFICE for the year 2018

Agenda 2 To acknowledge the Financial Statement of BOFFICE for the fiscal year ending 31 December 2018

Agenda 3 To acknowledge the distribution payment to the unitholders for the fiscal year ending 31 December 2018

Agenda 4 To acknowledge the appointment of auditors and the determination of the remuneration of auditors

Agenda 5 To consider other matters

Agenda 1 to Agenda 5 are agendas for acknowledgement. Therefore, no votes were cast.

The meeting moderator allowed the meeting attendees to ask questions related to the agenda items by raising hand for the staff to bring the microphone. Please state your first name and last name along with explaining if trust unitholders are at the meeting in person or by proxy along with asking questions related to the meeting's current agenda item. In cases where trust unitholders or proxies have questions or opinions apart from the agenda item under consideration, please ask questions or express opinions at the end of the meeting concisely and avoid repetitive questions and opinions to allow other trust unitholders to exercise their rights.

The meeting moderator invited the Chairwoman to conduct the meeting.

The Chairwoman assigned Mr. Attakorn Netneramitdee, the Managing Director, Bhiraj REIT Management Company Limited to present information to every person according to the specified agenda item.

Mr. Attakorn Netneramitdee conducted the meeting according to the following specified agenda items of business:

**Agenda 1 To acknowledge the operating result of BOFFICE for the year 2018**

To be in accordance with Trust Deed, BOFFICE must report its 2018 annual operating results for the year ended December 31, 2018. Details of BOFFICE's operating results in the previous year are shown in the 2018 Annual Report. Significant substances regarding operating results can be summarized as follows

1. On 15 January 2018, BOFFICE was established comply with The Trust for Transactions in Capital Market Act, B.E. 2550 (2007).
2. On 18 January 2018, BOFFICE make the initial investment in long-term leasehold right of BHIRAJ TOWER at EmQuartier Office Building totaled amounting to 6,605 million Baht (not included related tax). The capital was from issuance of trust units of 5,153 million Baht and cash received from long-term loan from financial institution of 1,720 million Baht.
3. On 23 January 2018, BOFFICE was a first trading day in Stock Exchange of Thailand.

**Statements of Financial Position as of 31 December 2018**

Total assets of BOFFICE were 6,893.44 million Baht. Total liabilities were 1,919.64 million Baht. Net assets were 4,973.80 million Baht or 9.6520 Baht per Trust Unit.

**Statement of Income for the Period as from 15 January 2018 to 31 December 2018**

Total incomes of BOFFICE were 570.82 million Baht and total expenses were 252.10 million Baht. As a result, net investment income of BOFFICE was 318.72 million Baht. After deducting net unrealised loss on investment in leasehold right over properties in an amount of 251.19 million Baht, BOFFICE have an increase in net assets from operations in an amount of 67.53 million Baht.

Currently, BOFFICE investment asset is BHIRAJ TOWER at EmQuartier, occupancy rate in quarter 1 was at 99.44%, quarter 2 and 3 was slightly decrease approximately at 96%. The end of year 2018, the occupancy rate increase to 97.29%. The expiry lease agreement in year 2019 will be 40.27%, 8.81% in year 2020 and 47.94% in 2021.

#### Opinion of REIT Manager

Report of 2018 annual operating results as shown in the 2018 Annual Report was prepared correctly. As a result, it deems appropriate to present this matter to the 2019 Annual General Meeting of Trust Unitholders for acknowledgement.

#### Resolution

The meeting acknowledged the operating result of BOFFICE for the year 2018, for the period as from 15 January 2018 to 31 December 2018

The meeting moderator allowed trust unitholders to ask questions about Agenda Item No. 1. When no trust unitholders asked questions, the meeting moderator summarized the number of trust unitholders who attended the meeting on Agenda Item No. 1. Eight more trust unitholders attended the meeting. A total of 55 trust unitholders and proxies were in attendance at the meeting in person, while holding a total of 417,724,606 trust units or 81.06 percent of all issued and paid-up capital of trust units.

#### Agenda 2 To acknowledge the Financial Statement of BOFFICE for the fiscal year ending 31 December 2018

Statements of Financial Position ending 31 December 2018 and Statement of Income for the period as from 15 January 2018 to 31 December 2018 were audited and certified by Ms. Waraporn Prapasirikul, certified public accountant No. 4579 and the auditor under supervision of EY Office Limited The Board of Directors considered and deemed that they were correct and sufficient according to the generally accepted accounting principle. As a result, such Statements of Financial Position and Statement of Income were approved on 20 February 2019 and it deemed appropriate to inform the 2019 Annual General Meeting of Trust Unitholders for acknowledgement. Details of Statements of Financial Position and Statement of Income are shown in the 2018 Annual Report, which was sent to Trust Unitholders together with the invitation letter in CD-ROM.

#### Opinion of REIT Manager

BOFFICE's Statements of Financial Position ending 31 December 2018 and Statement of Income for the period as from 15 January 2018 to 31 December 2018 were prepared correctly and completely audited and certified by the certified public accountants. As a result, it deems appropriate to present this matter to the 2019 Annual General Meeting of Trust Unitholders for acknowledgement.

#### Resolution:

The meeting acknowledged the Statements of Financial Position as at 31 December 2018 and Statement of Income for the period as from 15 January 2018 to 31 December 2018.

The meeting moderator allowed trust unitholders to ask questions about Agenda Item No. 2. When no trust unitholders asked questions, the meeting moderator summarized the number of trust

unitholders who attended the meeting on Agenda 2. A total of 55 trust unitholders and proxies were in attendance at the meeting in person while holding a total of 417,724,606 trust units or 81.06 percent of all issued and paid-up capital of trust units.

**Agenda3 To acknowledge the distribution payment to the unitholders for the fiscal year ending 31 December 2018**

As of 31 December 2018, BOFFICE had Trust Unit in the amount of 515,310,000 Trust Units, and paid-up capital in the amount of 4,974,029,775 Baht. According to the Trust Deed, the REIT has the policy on benefit distribution to Trust Unitholders at the rate of not less than 90% of the adjusted net profit of each fiscal year. Benefit distribution will be distributed to Trust Unitholders not more than 4 times per a fiscal year.

As a result, in 2018, BOFFICE distributed the payment to Trust Unitholders in a total amount of 332.32 million Baht or 0.6449 Baht per Trust Unit. The payment distribution was classified into 2 types as follows:

1. The benefit distribution from the operating results of BOFFICE as from 15 January 2018 to 31 December 2018 had of the adjusted net profits of 73.50 million Baht. REIT Manager announced the benefit distribution to Trust Unitholders in an amount of 67.76 million Baht or 0.1315 Baht per Trust Unit with dividend payout ratio of 92.20%.
2. BOFFICE announced the capital reduction in an amount of 264.56 million Baht or 0.5134 Baht per Trust Unit. The distribution of the capital reduction proceeds is for the event that the trust has the unrealized loss investments in leasehold rights over properties, amortisation of deferred expenses and accumulated amortisation of front end fee.

**Opinion of REIT Manager**

Payment distribution to Trust Unitholders for the fiscal year ended 31 December 2018, was in accordance with the Trust Deed. As a result, it deems appropriate to present this matter to the 2019 Annual General Meeting of Trust Unitholders for acknowledgement.

**Resolution**

The meeting acknowledged the distribution payment to the unitholders for the fiscal year ending 31 December 2018.

The meeting moderator allowed trust unitholders to ask questions about Agenda 3.

**Mr. Sahatong Teerachotmongkol (Trust Unitholder)**

In 2018, there was capital reduction from losses on investments. In the future, if losses are cut and there is profit, will the BOFFICE include payments with capital reduction and profits? Will the amount to be paid be higher when compared to 0.16 – 0.18 Baht per quarter in 2018?

Mr. Attakorn Netneramitdee

If performance is profitable, BOFFICE will pay trust unitholders, primarily in the form of benefits distribution. If there are losses from appraisal values, capital reductions might be paid. The amount and type of payment will depend on future performance.

When no trust unitholder asked questions, the meeting moderator summarized the number of trust unitholders who attended the meeting on Agenda 3. A total of 55 trust unitholders and proxies were in attendance at the meeting in person while holding a total of 417,724,606 trust units or 81.06 percent of all issued and paid-up capital of trust units.

Agenda 4 To acknowledge the appointment of auditors and the determination of the remuneration of auditors

The REIT Manager considered and approved the appointment of auditors from EY Office Limited to be the auditor of BOFFICE for the year 2019. The list of auditor is as follows;

1. Mr. Supachai Phanyawattano Certified Public Accountant No. 3930 (Never affix his signature in REIT's Financial Statements) and/or
2. Ms. Waraporn Prapasirikul Certified Public Accountant No. 4579 (Affix her signature in REIT's Financial Statements in the previous year) and/or
3. Ms. Pinpaka Akaranuphong Certified Public Accountant No. 5767 (Never affix her signature in REIT's Financial Statements)

One of any auditors mentioned above shall be determined to perform the audit and express opinions on financial statements of BOFFICE. In case any of such auditors is unable to perform operations, EY Office Company shall provide other certified public accounts of the company to perform the audit and express opinions on financial statements of BOFFICE instead of the previous one. However, details of profile, experience and work of auditor are shown in Attachment 2. All 3 auditors are not the unitholders of BOFFICE, have no relationship and interest with BOFFICE, and do not provide consultant service to BOFFICE. As a result, they are independent in performing the audit and expressing opinions on financial statements of BOFFICE. Auditors of EY Office Limited have been the auditor for BOFFICE since 2018 for a period of 1 year. The auditor affixing her signatures in the financial statements of BOFFICE is Ms. Waraporn Prapasirikul. The remuneration of auditor for the year 2019 is 1,000,000 Baht. Information on remuneration of auditor is shown in the table below.

Unit: Baht

Trust	Year 2018	Year 2019 (Proposed Year)
Bhiraj Office Leasehold Real Estate Investment Trust	1,000,000	1,000,000

#### Opinion of REIT Manager

Auditors from EY Office Limited performed their duties appropriately with knowledge and expertise in auditing BOFFICE. They have no relationship or interest with BOFFICE and perform duties independently. As a result, it deems appropriate to appoint EY Office Limited to be an auditor of BOFFICE for the year 2019. The remuneration is 1,000,000 Baht, which is the same as the previous year. This matter is presented to the 2019 Annual General Meeting of Trust Unit Holders for acknowledgement.

#### Resolution:

The meeting acknowledged the appointment of auditors from EY Office Limited to be the auditor of BOFFICE for the year 2019 with the remuneration of 1,000,000 Baht

The meeting moderator allowed trust unitholders to ask questions about Agenda Item No. 4. When no trust unitholder made inquiries, the meeting moderator summarized the number of trust unitholders who attended the meeting on Agenda Item No. 4. A total of 55 trust unitholders and proxies were in attendance at the meeting in person while holding a total of 417,724,606 trust units or 81.06 percent of all issued and paid-up capital of trust units.

#### Agenda 5 To consider other matters

- None -

The meeting moderator allowed trust unitholders and proxies to ask questions and express opinions or recommendations.

#### Mr. Wutisak Udompornpadung (Proxy)

What was the average rental rate for the previous year and what is the growth rate when compared to 2017?

#### Attakorn Netneramitdee

The average rental rate of BHIRAJ TOWER at EmQuartier is divided into three sizes consisting of small tenants with a rental area of no more than 300 square meters, medium tenants with a rental area of 300 – 1,000 square meters and large tenants who rented more than 1,000 square meters. The average rental rate for tenants of all three sizes ranges from 900 to 1,000 Baht/sq.m./month. Regarding growth rates, rental contracts were renewed at 12 – 20 percent during the previous year.

#### Mr. Wutisak Udompornpadung (Proxy)

What was the occupancy rate in March 2019?

#### Mr. Attakorn Netneramitdee

Information of occupancy rate in March is being summarized and expected to be higher than the end of last year.

Mr. Wutisak Udompornpadung (Proxy)

I would like to recommend more information such as occupancy rate and rental rate to be on BOFFICE's website every quarter.

Mr. Attakorn Netneramitdee

Thank you for your recommendation. We will take it under consideration.

Mr. Sahatong Teerachotmongkol (Trust Unitholder)

What is the percentage of the largest tenant out of the total rental area?

Mr. Attakorn Netneramitdee

The largest tenant makes up approximately ten percent and no more than 15 percent of the entire rental area. The tenant rented two floors at most.

Mr. Sahatong Teerachotmongkol (Trust Unitholder)

What is the REIT Manager's policy for diversification tenant risks, if there were tenants leave?

Mr. Attakorn Netneramitdee

The REIT Manager has a policy of tenants mix without allowing any single tenant to have an excessive area of rented space.

Mr. Sahatong Teerachotmongkol (Trust Unitholder)

As we have known that there will be a lot of office space for rent in Bangkok over the next 2 – 3 years. What is the REIT Manager's policy or strategy for maintaining rental rates at good levels and raising rent rate in the midst of heightened competition in the future?

Mr. Attakorn Netneramitdee

A large amount of office space for rent is created in the future with effects on all rental office businesses in Bangkok. BOFFICE invested in BHIRAJ TOWER at EmQuartier where is a good location located at CBD in upper Sukhumvit with few competitors. The rental offices directly affected should be in the area of Rama IV Rd., Silom Rd. and Satorn Rd. Nevertheless, the REIT Manager is not foregoing action and strategies to focus on providing services to build tenant satisfaction.

Mr. Sahatong Teerachotmongkol (Trust Unitholder)

Are rental agreements normally valid for a term of three years? Can the REIT Manager extend contract terms to more than three years in order to keep tenants longer?

Mrs. Prapee Buri

A rental agreement normally has a term of three years with no need to register rental with the Land Office. However, if contract terms are extended, it has to register. If tenants wish to extend contract periods and rental fees according to goals, the REIT Manager will accept to consider. Our strategy to retain tenants involves focusing on providing services and other aspects.



Mr. Sahatong Teerachotmongkol (Trust Unitholder)

In 2020, there have to pay new property tax. Has the REIT Manager assessed and determined how much more will need to be paid? How different is it from current tax?

Mr. Attakorn Netneramitdee

The new property tax has a different calculation based compared with current tax. The new tax is calculated by appraisal value of buildings and lands. However, building valuation is unclear. The REIT Manager does not know how much will need to be paid in tax.

Mr. Sahatong Teerachotmongkol (Trust Unitholder)

The appraisal value that used to calculate new tax is briefly known and can be determined from a website. Does BOFFICE know the amount that will need to be paid for new tax? How much different is that amount from the previous one?

Mrs. Prapee Buri

We are aware the appraisal value by the Treasury Department. The buildings on the land are divided into two parts. The part in BOFFICE has invested is office buildings. Buildings appraisal by calculating based on the number of floors, construction materials and rental fees per square meter. Furthermore, the office building is an extension of the shopping mall. We are aware of the appraisal price but we need clarity before dividing ratios. The property tax that will be paid in 2019 are calculated based on rent and service income at 12.5 percent annually. Under the current circumstances, new property tax are expected to be no higher than in the previous year.

Mr. Supot Sriudomporn (Trust Unitholder)

According to Agenda Item No. 1, 40 percent of tenants' contracts will expire. Has BOFFICE renewed contracts? In cases where contracts have been renewed, is it correct that BOFFICE increased rental rate by 12 – 20 percent?

Mr. Attakorn Netneramitdee

The ratio of tenants whose contracts will expire this year is 40 percent. We have contacted tenants no less than six months in advance of contract expiration.

Mr. Pitipattara Buri

Rental rate in 2019 had similar adjustments to the previous year at 12 – 20 percent.

Mr. Supot Sriudomporn (Trust Unitholder)

Regarding property tax, some REIT has made rental contracts with tenants specifying for tenants to pay for part of tax. Does BOFFICE have such a contract?

Mrs. Prapee Buri

BOFFICE can collect property tax from tenants because lease agreements specify that BOFFICE can collect parts exceeding the contract, causing BOFFICE have stable expenses. The new tax is appraisal from the price of land and building which unrelated to rental and service income. According to the REIT Manager's assessment, the new law is expected to not much different from property tax.

Mr. Tana Chenakun (Proxy)

I have these two questions:

1. Are current tenant mix portion different from initial investment owing to 11<sup>st</sup> Street Company Limited did not continue the lease and new tenants were found to lease the full area or part of the area?
2. What strategies in investing in new assets of BHIRAJ BURI Group? How is the REIT Manager planned?

Mrs. Sarocha Buri

I ask to answer the first question.

Diversification tenant risks, we retain the same ratio of small, medium and large tenant sizes as we initial invested. This ratio is good diversify.

Mr. Attakorn Netneramitdee

For the second question;

Investments in the assets of BHIRAJ BURI Group are depended on suitability, conditions and market conditions. If investments are appropriate, the REIT Manager will inform trust unitholders. However, BOFFICE is entitled to give first priority to considerations involved investment in BHIRAJ BURI Group assets.

When no trust unitholder asked any questions or expressed opinions, the Chairwoman in the meeting declared the meeting adjourned.

The meeting adjourned at 10:45 hours

Signed Prapee Buri The Chairwoman  
( Mrs. Prapee Buri )