



Bhiraj Office Real Estate Investment Trust (BOFFICE)

CONTINUE TO BUILD SUSTAINABLE GROWTH



Annual Report 2023

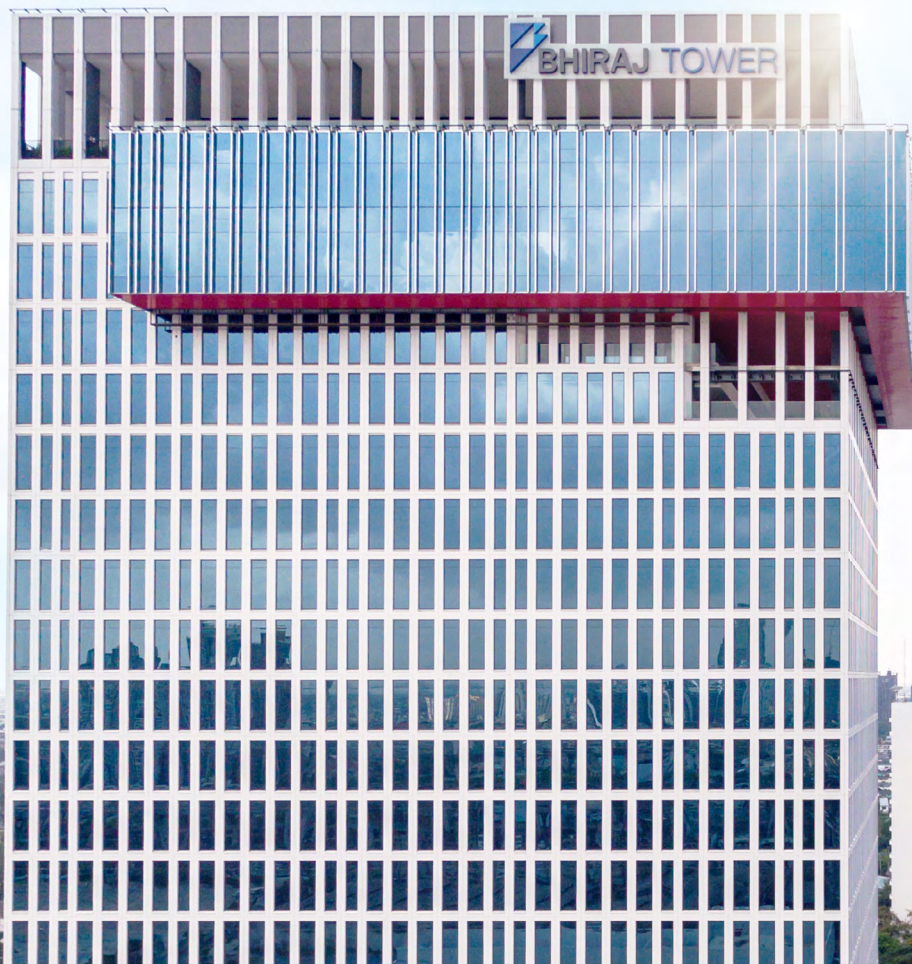


WE **CONSTRUCT**
NOT JUST A **BUILDING**

WE ARE
CONSTRUCTING QUALITY
OF **WORKING-LIFE**



www.bofficereit.com





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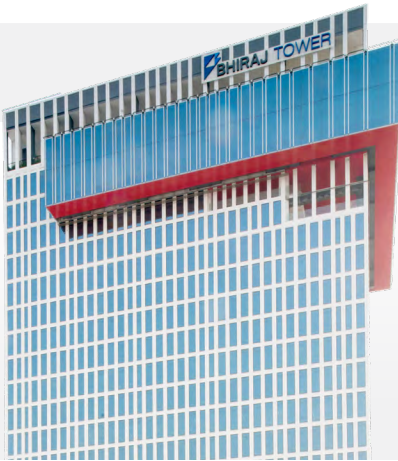
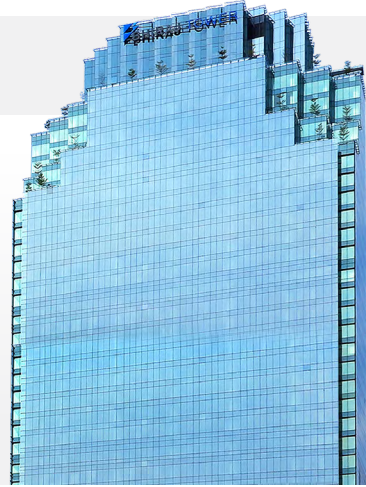
Summary of BOFFICE

BHIRAJ TOWER at EmQuartier



Average
Occupancy Rate **93%**

- Office Building Grade A
- Connect to BTS Phrom Phong Station
- As part of the Mixed-Use Commercial Complex Project (Emquartier Department store)



BHIRAJ TOWER at BITEC



Average
Occupancy Rate **81%**

- Office Building Grade A
- Connect to BTS Bangna Station
- As part of the BITEC Mixed-Use Complex Project

Total Asset Value

9,730.33 MB

As of 31 December 2023

Net Asset Value

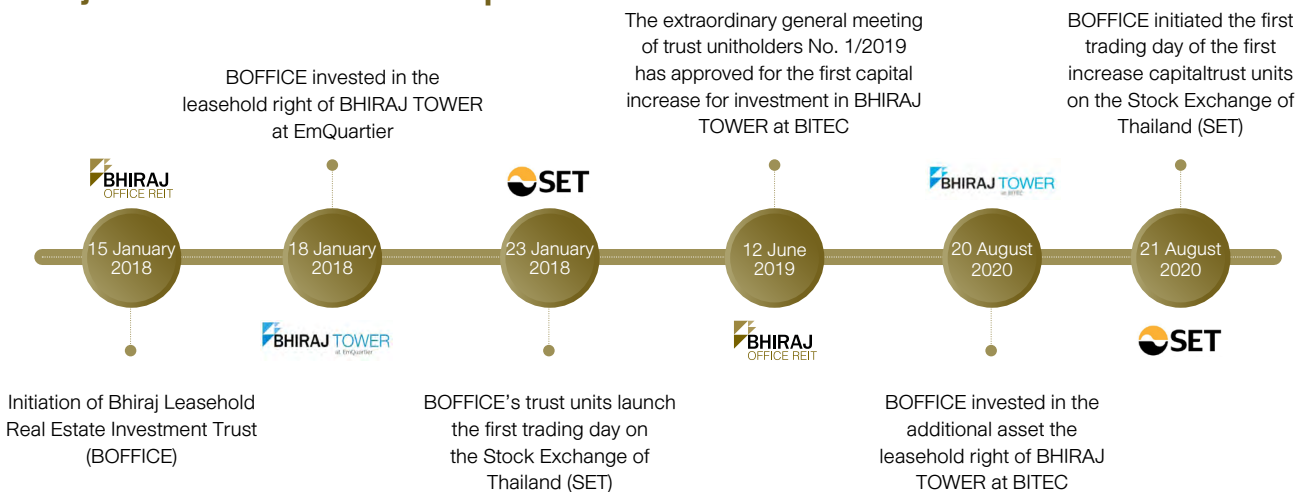
7,182.98 MB

As of 31 December 2023

Total Distribution Payment For The Year 2023

0.6640 Baht/Unit

Major events in BOFFICE's Operation





Summary of BOFFICE

The information as of 31 December 2023

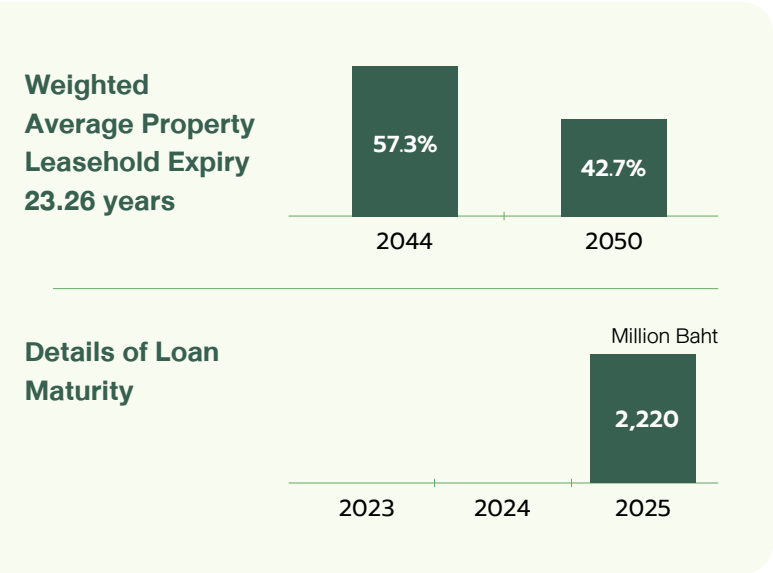
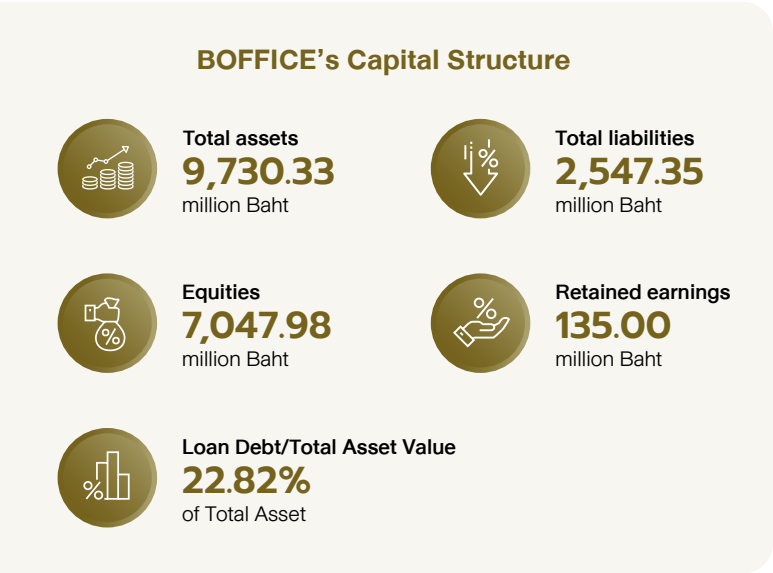
REIT Name	Bhiraj Office Leasehold Real Estate Investment Trust
Abbreviation	BOFFICE
REIT Manager	BHIRAJ REIT Management Company Limited
Property Manager	BHIRAJ Management Company Limited
Trustee	Kasikorn Asset Management Company Limited
Auditor	EY Office Company Limited
Inception Date	15 January 2018
Term of BOFFICE	Infinite
Type of BOFFICE	Unit trust is not redeemable

Market Cap	3,689.36 million Baht
Closing price on the last day of year	5.00 Baht/Unit
Number of Units	737,872,074 Units
Net Asset Value (NAV)	7,182.98 million Baht
NAV (per unit)	9.7347 Baht/Unit
Paid-up Capital	6,473.79 million Baht
Par (per unit)	8.7736 Baht/Unit
Inception Date	15 January 2018
Price/NAV	0.51 Times
Weighted average property leasehold term	23.26 Yrs.

(Caution of leasehold REIT:

BOFFICE will be depreciated to zero at the end of leasehold period, 19 August 2050, if BOFFICE doesn't have any further disposal or acquisition of core assets.)







Major Trust Unitholders

Name	Number of units	Percent (%)
1. BHIRAJ BURI Company Limited	148,083,700	20.07%
2. Social Security Office	64,350,900	8.72%
3. Thai Life Insurance Public Company Limited	37,994,893	5.15%
4. Muang Thai Life Assurance Public Company Limited	35,203,200	4.77%
5. Mrs. Prapee Buri	31,052,056	4.21%
Foreign Limit	49.00%	of the total trust units sold of BOFFICE
Current Foreign Holding	00.50%	of the total trust units sold of BOFFICE

Notice : as of 28 December 2023

Distribution Payment Policy

The REIT Manager shall make a distribution payment to its unitholders at a rate of no less than 90% of its adjusted net profit for each fiscal year no more than 4 payments of beneficial interest to unitholders during each fiscal year unless BOFFICE increases its capital, the benefits may be paid more than 4 times per fiscal year.

(Baht/Unit)

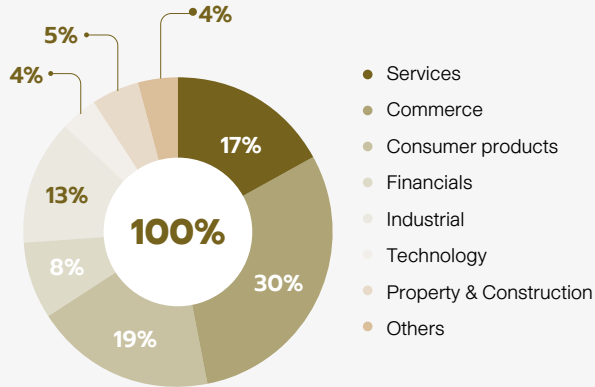
Items	2018	2019	2020	2021	2022	2023	Total
Dividend	0.1315	0.6810	0.6817	0.1466	0.6939	0.4784	2.8131
Capital Reduction	0.5134	0.0293	-	0.4981	-	0.1856	1.2264



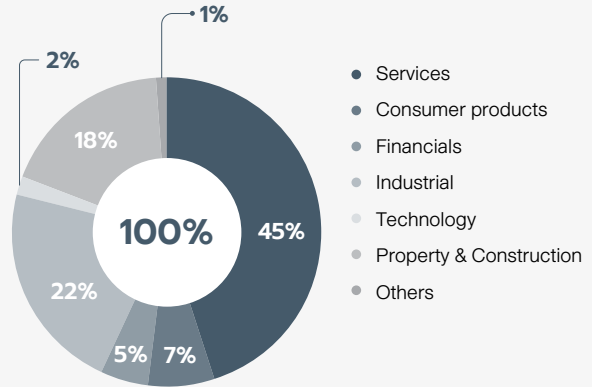
Details of the Tenants

Tenants Proportion by Business Type

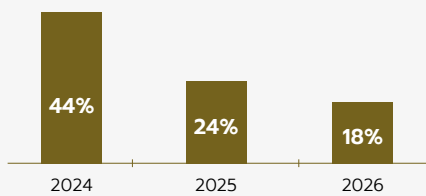
BHIRAJ TOWER at EmQuartier (BTE)



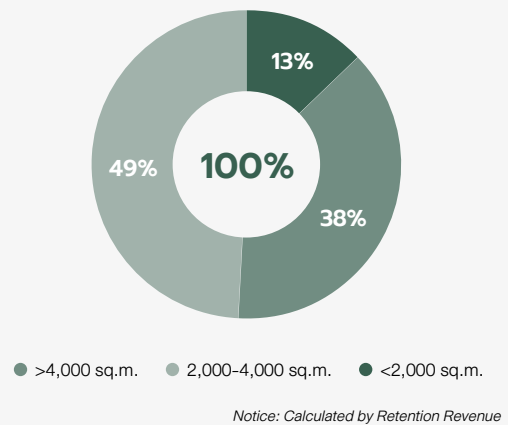
BHIRAJ TOWER at BITEC (BTB)



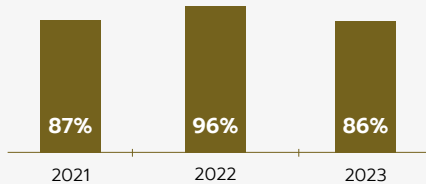
Lease Expiry Proportion



10 Majority Tenants

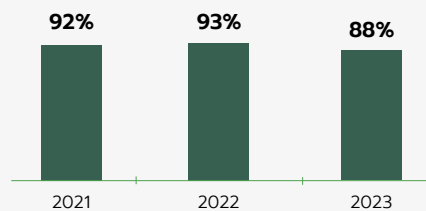


Lease Retention Rate



Performance

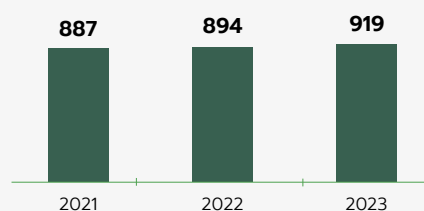
Average Occupancy Rate



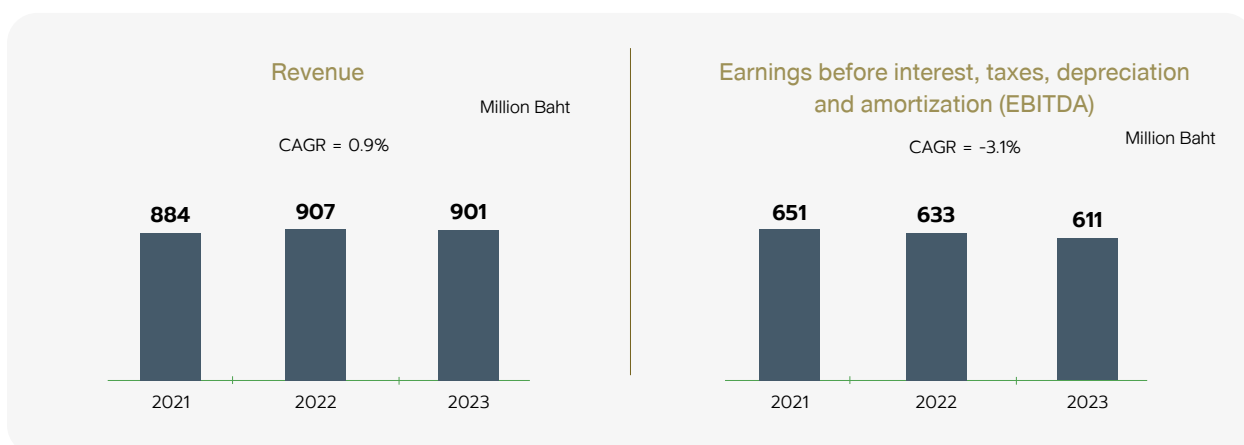
Average Rental Rate

CAGR = 18%

Baht/Sq.m./Month



Notice: CAGR stand for the Compound Annual Growth Rate



Notice: CAGR stand for the Compound Annual Growth Rate

BOFFICE's key financial figures	Unit	2023	2022	2021
Rental and Service Income	Million Baht	900.59	907.45	883.83
Other Income	Million Baht	0.82	0.35	0.29
Net gain on investments	Million Baht	8.96	2.95	1.57
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Million Baht	610.92	633.23	650.80
Net Increase in Net Assets from Operations	Million Baht	361.09	414.82	105.67
Earning per Units (EPU)	Baht/Unit	0.4894	0.5622	0.1432
Dividend per Unit (DPU)	Baht/Unit	0.4784	0.6939	0.1466
Capital reduction	Baht/Unit	0.1856	-	0.4981
Loan Debt / Total Asset Value	Time	0.23	0.24	0.24
Paid Interest	%	Not more than MLR -1.65%	Not more than MLR -1.65%	Not more than MLR -1.65%
Net cash flows from (used in) operating activities	Million Baht	785.48	551.46	579.22
Net cash flows from (used in) financing activities	Million Baht	(802.77)	(555.48)	(547.80)
Net increase (decrease) in cash and cash equivalents	Million Baht	(17.29)	(4.03)	31.42
Net Asset Value at the end of Year/Period	Million Baht	7,182.98	7,320.91	7,398.62
Price / Net Asset Value	Time	0.51	0.80	0.90
Total Trust units sold at the end of Year/Period	Million units	737.87	737.87	737.87
Dividend Yield (%) (Market price at the end of fiscal year)	%	9.57%	8.73%	1.63%
Market Capitalization	Million Baht	3,689.36	5,866.08	6,640.85
Market price as of 31 December	Baht	5.00	7.95	9.00



Analysis and explanation of the REIT Manager regarding the operation and financial status of BOFFICE

Revenues decreased in the amount of 6.38 million Baht or 0.70%, compared with the same period of the year 2023, mainly resulted from the decline in rental and service income. Due to some tenants canceling the contract prematurely.

Expenses increased by 26.56 million Baht or 7.29%, compared with the same period of the year 2023 mainly resulted from the increase in financial cost in the amount of 27.15 million Baht or 37.37% due to an increasing in interest rates.

Subject to the above-mentioned changes, BOFFICE had net investment income before deduct net loss on investments decreased in 32.94 million Baht or 6.06% compared with the same period of the previous year. Additionally, the net assets from operations decreased by 53.72 million Baht or 12.95% compared with the same period of the year 2023.

Type of the latest auditor's report: no condition





Summary of key information about loans

Currently, a part of BOFFICE's investment money is loaned from a financial institute. Kasikorn Asset Management Co., Ltd., as the Trustee of BOFFICE, entered into a Loans Agreement with KASIKORNBANK Public Company Limited, a related party with the Trustee. The terms and conditions of the Loan Agreements shall be consistent with the provisions in the Loan Agreements, the Business Collateral Agreements, and relevant financial documents between the Trust of BOFFICE and the Lender or between relevant parties to the Agreements. The primary conditions are described below.

Lender	KASIKORNBANK Public Company Limited
Loan Amount (million Baht)	1st Loan Amount: Long-Term Loan type, 1,720 million Baht for debt repayment of the initial investment in core assets. 2nd Loan Amount: Long-Term Loan type, 700 million Baht for investment in core assets invested in the 1st capital Increase. 3rd Credit Amount: Letter of Guarantee type, 4 million Baht for yearly Revolving Credit to guarantee the use of electricity to the core assets.
Interest rate	Minimum Loan Rate (MLR) minus by rate determined in the loan agreement (%)
Amortization period	Repayment within 5 years after the first date of withdrawal
Principal payment	The repayment shall be made in installments and/or only at once for the entire amount as specified in the Loan Agreement, collateral agreement as agreed upon between the Parties, however, the remaining loan amount shall be repaid entirely upon the due date of the Loan Agreement. Upon the due date of the Loan Agreement in the 5th anniversary, the Company as the REIT Manager shall consider the alternative means of funding by taking into consideration the economic circumstance at the time for the best interest of BOFFICE e.g. issuance of debentures, obtaining a loan from commercial banks and/or financial institutions for refinancing etc.
Outstanding principal	2,220,000,000 Baht (More information: Note to Financial Statement no.10 Long-term loans from financial institution)
Loan debt to total asset value	22.82 %
Compliance with the Financial Covenants	BOFFICE has complied with the Financial Covenants specified in the loan Agreement.



Table of fees charged from BOFFICE

All fees and expenses	Amount (Baht)	Percentage of net investment income in 2023	Percentage of average net asset value ^{/1}
REIT Management fee (constant fee)	27,254,136	5.34	0.38
REIT Management fee (variable fee)	Not charged	-	-
Trustee fee	11,195,163	2.19	0.15
Registrar fee	4,263,910	0.84	0.06
Financial advisor fee	Not charged	-	-
Underwriter Fee	Not charged	-	-
Property Management fee	62,936,474	12.33	0.87
Amortization of deferred expenses	707,597	0.14	0.01
Financial cost	99,799,262	19.55	1.38
Property maintenance expenses	36,442,134	7.14	0.50
Property management expenses	133,653,773	26.19	1.85
Insurance premium	2,409,356	0.47	0.03
Taxes	10,280,084	2.01	0.14
Advertising, public relations, and sales promotion expenses	185,807	0.04	0.00
Other expenses higher than 0.01% of NAV	1,262,221	0.25	0.02
Other expenses	616,563	0.12	0.01
total fees and expenses	391,006,479	76.61	5.40

^{/1} Average net asset value over the year 2023 was 7,241,420,687 Baht



Risk Factors

1. Risks about business competitors of BOFFICE's assets
2. The risks of tenants in default on rental fees and/or service charges and/or prematurely terminating the lease agreements and service agreements and/or the expiry of the existing agreements within an immediate period of time and/or renewal or execution of new lease agreements and service agreement under which BOFFICE receives lower benefits.
3. The risk from the BOFFICE's performance and operating results depend on the REIT Manager's and / or Property Manager's ability to procure benefits and management from the BOFFICE's core assets.
4. Potential risk in bank loan
5. Risks from natural disaster, flood, acts of terrorism, thefts, and other force majeure events
6. The risk relating to an insurance compensation rate, in the case of damaged assets, the insurance compensation may not worth the economic benefits that BOFFICE may lose
7. The risk that BOFFICE's properties are invested under legal requirements about environment because the compliance with such legal requirements may force BOFFICE to bear several expenses and responsibilities
8. The risk about accounting standard, financial report standard in Thailand and/or amendment of related laws, rules or regulations, where it is unable to guarantee that such changes will not cause significant impact on financial statement of BOFFICE or financial status and operation result of BOFFICE
9. The risk of land expropriation by the government
10. The risk in property leasehold value which may lower due to the remaining leasehold term
11. The risk about renewal of agreements in the future regarding the right to use the BTS Station sky walk
12. The risk about the price of BOFFICE's units that may be reduced from the fluctuation of the price according to the volatile market conditions.
13. The risk from less diversified investment of BOFFICE
14. The risk about pandemic, panic of pandemic which may negatively affect the procurement of benefits, financial status of BOFFICE
15. The risk from conflict of interests
16. The risk from some parts of the building systems of BHIRAJ TOWER at BITEC not being in the area that BOFFICE invests and the area being under mortgage
17. The risk of BOFFICE's taxes and fees

Information

REIT Manager	Bhiraj REIT Management Company Limited
Address	591, United Business Center II Building, P7 Floor, Sukhumvit Road, Watthana District, Bangkok 10110
Tel	02-261-0170
URL	www.bofficereit.com

Trustee	Kasikorn Asset Management Company Limited
Address	400/22, KASIKORNBANK Building, 6th & 12th Floor, PhahonYothin Road, Samsen Nai, Phaya Thai, Bangkok 10400
Tel	02-673-3999
URL	www.kasikornasset.com



Financial Highlights

Independent Auditor's Report

Type	Auditor's Office	Opinions of the Auditor
Financial statements year 2023	EY Office Limited	The accompanying financial statements present fairly, in all material re-spects, that in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts
Financial statements year 2022	EY Office Limited	The accompanying financial statements present fairly, in all material respects, that in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts
Financial statements year 2021	EY Office Limited	The accompanying financial statements present fairly, in all material respects, that in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts

Statements of financial position of Bhiraj Office Leasehold Real Estate Investment Trust

(Unit: Baht)

Details	As of 31 December		
	2023	2022	2021
Assets			
Investment in leasehold right over properties at fair value	9,103,412,764	9,261,167,001	9,389,644,975
Investment at fair value through profit or loss	520,059,731	695,196,275	598,242,020
Other assets	106,861,812	125,111,949	143,163,812
Total assets	9,730,334,307	10,081,475,225	10,131,050,807
Liabilities			
Long-term loan from financial institution	2,218,042,988	2,416,782,964	2,415,558,240
Deposits from rental and services	234,671,448	223,196,634	230,835,579
Other liabilities	94,640,080	120,585,185	86,034,023
Total liabilities	2,547,354,516	2,760,564,783	2,732,427,842
Net assets	7,182,979,791	7,320,910,442	7,398,622,965
Net assets			
Trust registered and capital from unitholders	6,473,794,428	6,610,743,485	6,610,743,485
Premium on capital from unitholders	574,180,632	574,180,632	574,180,632
Retained earnings	135,004,731	135,986,325	213,698,848
Net assets	7,182,979,791	7,320,910,442	7,398,622,965
Net asset value per unit	9.7347	9.9216	10.0269
Number of units issued at the end of year (unit)	737,872,074	737,872,074	737,872,074



Statement of comprehensive income of Bhiraj Office Leasehold Real Estate Investment Trust

(Unit: Baht)

Details	For the year ended 31 December		
	2023	2022	2021
Investment income			
Rental and service income	900,593,078	907,449,793	883,829,483
Other income	824,507	354,627	291,480
Total income	901,417,585	907,804,420	884,120,963
Expenses			
Cost of rental and service	178,495,270	161,358,192	119,336,375
Fee	105,649,683	106,504,993	105,121,336
Other expenses	106,861,526	96,584,217	97,197,175
Total expenses	391,006,479	364,447,402	321,654,886
Net investment income	510,411,106	543,357,018	562,466,077
Net gain on investments	8,963,457	2,954,255	1,569,630
Net gain (loss) on change in fair value of investment in leasehold right over properties	(158,282,330)	(131,494,187)	(458,365,344)
Increase in net assets from operations	361,092,233	414,817,086	105,670,363

Statement of cash flows of Bhiraj Office Leasehold Real Estate Investment Trust

(Unit: Baht)

Details	For the year ended 31 December		
	2023	2022	2021
Net cash flows from (used in) operating activities	785,482,687	551,459,653	579,218,882
Net cash flows from (used in) financing activities	(802,773,194)	(555,484,965)	(547,799,796)
Net increase (decrease) in cash and cash equivalents	(17,290,507)	(4,025,312)	31,419,086
Cash and cash equivalents at the beginning of year	80,325,609	84,350,921	52,931,835
Cash and cash equivalents at the end of year	63,035,102	80,325,609	84,350,921



Analysis and Explanation by the REIT Manager

Performance and financial status of BOFFICE

This section explains BOFFICE's performance and financial status of Bhiraj Office Leasehold Real Estate Investment Trust for the year ended on 31 December 2023.

The overall performance of BOFFICE

The performance of BOFFICE for investing in the Bhiraj Office Leasehold Real Estate Investment Trust is discussed below.

Details	Unit	For the year ended 31 December		Changes
		2023	2022	
Occupancy rate of BHIRAJ TOWER at EmQuartier	%	93.40	93.39	0.01
Occupancy rate of BHIRAJ TOWER at BITEC	%	80.64	91.86	(11.22)
Net leasable area	Sq.m.	81,182	81,526	(344)
Rental and service incomes	Baht	900,593,078	907,449,793	(6,856,715)
Total incomes	Baht	901,417,585	907,804,420	(6,386,835)
Total expenses	Baht	391,006,479	364,447,402	26,559,077
Net profit (Increase in net assets from operation)	Baht	361,092,233	414,817,086	(53,724,853)
Gross profit margin	%	80.18	82.22	(2.04)
Net profit margin	%	40.06	45.69	(5.63)
Current ratio	Times	6.62	6.80	(0.18)

Overall occupancy rate of both buildings at the end of year 2023 had decreased from the previous year. Although during the year 2023, some tenants didn't renew lease agreements or early terminate lease agreements, mainly reason was from the effect of coronavirus disease 2019 (covid-19) pandemic. However, BOFFICE managed to attract new tenants to enter both buildings including some tenants which were large companies to expand the rental area.



1) Investment Income

In 2023, BOFFICE's total income decreased by 6.39 million Baht or 0.70% from the previous year. Most of the income decreased was due to the rent and service income. As during the year 2023, there are some tenants didn't renew lease agreements or early terminate lease agreements.

(Unit: Baht)

Details	For the year ended 31 December		Changes (%)
	2023	2022	
Investment incomes			
Rental and service incomes	900,593,078	907,449,793	(0.76)
Interest income	824,507	354,627	132.50
Total income before net gain on investments	901,417,585	907,804,420	(0.70)
Net gain on investments	8,963,457	2,954,255	203.41
Total income	910,381,042	910,758,675	(0.04)

2) Expenses

In 2023, BOFFICE's total expenses increased by 26.56 million Baht or 7.29% from the previous year, mainly from the increasing in cost of rental and services and Land and Property tax expenses. And the increasing in electricity bills during the year 2023, because of the variable electricity cost (Ft) was higher than the previous year, together with the tenants reducing the Work From Home policy, resulting in an increasing in electricity costs, which is associated with increased utility service income as well. Finance Cost increased by 27.15 million baht or 37.37% due to an increase in interest rates. At the same time, BOFFICE's expense dropped. For instance, the land and property tax payment decreased by 5.92 million baht or 36.93% as the government offered a 15% discount on the amount due. Another item was a decrease of 16.51 million baht or 95.89% in the amortization of deferred expenses. This was achieved after the five-year amortization process had been completed since the launch of BOFFICE.

(Unit: Baht)

Details	For the year ended 31 December		Changes (%)
	2023	2022	
Expenses			
Costs of rental and service	178,495,270	161,358,192	10.62
REIT management fee	27,254,136	27,423,989	(0.62)
Trustee and custodian fees	11,195,163	11,450,063	(2.23)
Registrar fee	4,263,910	3,899,342	9.35
Property management fees	62,936,474	63,731,599	(1.25)
Amortisation of deferred expenses	707,597	17,217,767	(95.89)
Other expenses	6,354,667	6,714,440	(5.36)
Finance costs	99,799,262	72,652,010	37.37
Total expenses	391,006,479	364,447,402	7.29



3) Net Investment Income

In 2023, BOFFICE's net investment income was decreased by 32.95 million Baht or 6.06% from the previous year. BOFFICE had investment income decreased by 6.39 million baht or 0.70%, and expenses increased by 26.56 million baht or 7.29%, resulting in a decrease in net investment profits.

In 2023, BOFFICE's net unrealized loss on investments was increased by 26.79 million Baht or 20.37% from the previous year, which resulted from the decreasing in properties value of BOFFICE that had valued by an independent appraiser in 2023.

Subject to the above-mentioned changes, the net asset from operations of BOFFICE decreased from the previous year in the amount of 53.72 Million Baht or 12.95% compared to the same period in 2022

(Unit: Baht)

Details	For the year ended 31 December		Changes (%)
	2023	2022	
Investment incomes	901,417,585	907,804,420	(0.70)
Expenses	(391,006,479)	(364,447,402)	7.29
Net investment incomes	510,411,106	543,357,018	(6.06)
Net gain on investments	8,963,457	2,954,255	203.41
Net gain (loss) on change in fair value of investment in leasehold right over properties	(158,282,330)	(131,494,187)	20.37
Increase in net assets from operations	361,092,233	414,817,086	(12.95)



The financial position of BOFFICE

1) Assets

As of 31 December 2023, the total assets of BOFFICE decreased by 351.14 million Baht or 3.48% from total asset as of 31 December 2022. Major changes in the assets included:

- 1.1) The investment in leasehold right over properties decreased by 157.75 million Baht or 1.70%, because during the year 2023, BOFFICE has loss on change in fair value of investment in leasehold right over properties due to the decreasing in appraised value by an independent appraiser.
- 1.2) The investment at fair value through profit or loss decreased by 175.14 million Baht or 25.19%, cash and cash equivalents decreased by 17.29 million Baht or 21.53%. This was due to the loan repayment totalling 200 million baht made throughout the year.

(Unit: Baht)

Details	For the year ended 31 December		Changes (%)
	2023	2022	
Assets			
Investment in leasehold right over properties at fair value	9,103,412,764	9,261,167,001	(1.70)
Investment at fair value through profit or loss	520,059,731	695,196,275	(25.19)
Cash and cash equivalents	63,035,102	80,325,609	(21.53)
Rental and service and other receivables	20,065,109	20,316,998	(1.24)
Other assets	23,761,601	24,469,342	(2.89)
Total assets	9,730,334,307	10,081,475,225	(3.48)

2) Liabilities

As of 31 December 2023, the total liabilities of BOFFICE decreased by 213.21 million Baht or 7.72% from total liabilities as of 31 December 2022. Major changes in the liabilities included:

- 2.1) Trade and other payables decreased by 13.24 million Baht or 13.95% because trade payables decreasing by 7.10 million baht or 25.53% and loans interest from financial institutions decreasing by 5.21 million baht or 15.29% based on the recognition of accounting transactions using the method of calculating by Effective Interest Rate.
- 2.2) Advance receipt for rental and services fees decreased by 12.71 million Baht or 49.91% because the tenant pays according to the rental and service payment cycles, the rent and service fees received in advance are reduced.

(Unit: Baht)

Details	For the year ended 31 December		Changes (%)
	2023	2022	
Liabilities			
Trade and other payables	81,630,072	94,868,787	(13.95)
Advance receipt for rental and services	13,010,008	25,716,398	(49.41)
Deposits from rental and services	234,671,448	223,196,634	5.14
Long-term loan from financial institution	2,218,042,988	2,416,782,964	(8.22)
Total liabilities	2,547,354,516	2,760,564,783	(7.72)



3) Net assets

As of 31 December 2023, the net assets of BOFFICE decreased by 137.93 million Baht or 1.88% from net assets as of 31 December 2022, because during the year 2023, BOFFICE has loss on change in fair value of investment in leasehold right over properties due to the decreasing in appraised value by an independent appraiser and the repayment of loan at the amount of 200 million Baht.

(Unit: Baht)

Details	For the year ended 31 December		Changes (%)
	2023	2022	
Net asset			
Capital from unitholders	6,473,794,428	6,610,743,485	(2.07)
Premium on capital from unitholders	574,180,632	574,180,632	-
Retained earnings	135,004,731	135,986,325	(0.72)
Net assets	7,182,979,791	7,320,910,442	(1.88)
Net asset value per unit	9.7347	9.9216	
Number of units issued at the end of year (unit)	737,872,074	737,872,074	

4) Cash Flow Statement

As of 31 December 2023, BOFFICE's Cash and cash equivalents decreased by 17.29 million Baht compare to previous year. Significant changes in the cash flow statement are discussed below.

4.1) In 2023, BOFFICE had a net cash flows from operating activities amount of 785.48 million Baht, mainly from the recognition of net loss from investment in leasehold right over properties 158.28 million Baht and investment on securities amount of 184.10 million Baht.

In 2023, BOFFICE has Net cash flows used in financing activities 802.77 million Baht. Which spent for the dividend distribution, capital reduction to unitholders in the amount of 362.07 million Baht, 136.95 million Baht respectively and the repayment of loan at the amount of 200 million Baht.

4.2) In 2022, BOFFICE had a net cash flows from operating activities amount of 551.46 million Baht, mainly from the realizing of a net loss from investment in leasehold right over properties of 131.49 million baht.

In 2022, BOFFICE had Net cash flows used in financing activities 555.48 million Baht which spent for the dividend distribution to unitholders in the amount of 492.53 million Baht.

(Unit: Baht)

Details	For the year ended 31 December		Changes (%)
	2023	2022	
Net cash flows from (used in) operating activities	785,482,687	551,459,653	42.44
Net cash flows from (used in) financing activities	(802,773,194)	(555,484,965)	44.52
Net decrease in cash and cash equivalents	(17,290,507)	(4,025,312)	329.54
Cash and cash equivalents at the beginning of year	80,325,609	84,350,921	(4.77)
Cash and cash equivalents at the end of year	63,035,102	80,325,609	(21.53)



Factors or situations that might significantly affect the financial position or performance in the future

Factors that might affect the financial position or performance in the future are discussed below.

- 1) Economic conditions: In the Economic Intelligence Center (EIC) report, Siam Commercial Bank foresees a slowdown in economic growth on a global scale. Some of the most significant factors that put a downward pressure are a slowdown in the Chinese economy, geopolitical strains, and the ongoing strict loan approval measures worldwide. As for the Thai economy, the EIC predicts a continuous growth for 2024 due to exports and private-sector investment. Overall, in the long run, there is a possibility that the economy will recover more slowly as a result of structural problems, including decreased investment and reduced production capacity, high household and business debts. The situation could also be exacerbated by factors from outside of the country.
- 2) Changes in the office building space supply: According to CBRE (Thailand) Company Limited's overview report of the real estate market in Bangkok for Q3 2023, more organizations tend to move towards hybrid working and remote working. Based on the information on rental transactions, there is a growing amount of relocation to flexible workspaces. Given this trend, office building service providers may need to adjust their strategies to meet tenants' requirements.
- 3) Competition in the office rental market tends to grow more intense. As many new office projects were released last year and many are now under construction, there will be an increased supply of office buildings. Potential tenants, therefore, have more bargaining power and rental rates may be affected by this rising supply.
- 4) Fluctuations in interest rates: As part of BOFFICE's capital comes from a long-term loan issued by a bank, changes in interest rates will directly affect the costs borne by BOFFICE.

In this regard, the REIT manager is aware of the factors specified in the details above. Therefore, strategic plans and policies have been prepared to accommodate various factors that may affect business operations by focusing on improving and increasing the efficiency of the BOFFICE's assets. For example, raising the level of building management to international standards; Green Building Certification. Supporting activities related to environmental sustainability to be consistent with environmental, social and governance issues or ESG. Including the redesignation of common areas for maximum user's benefit in order to increase the asset capability to compete in office building market.

However, the above statements are the REIT manager's current opinion regarding future events. It is not a guarantee of the future performance of the REIT in any way. Therefore, in making investment decisions, investors should use caution and their own judgment before using the information in this report.



BOFFICE Information



BOFFICE's Total Assets

9,730.33
million Baht



Net Leasable Area

81,182
sq.m.



Chairwoman's Message

Dear Trust Unit Holders

“ Over the past several years, the COVID-19 pandemic has changed the way people live in multiple ways. Even though the situation had improved, there were still other factors affecting the overall economic conditions in 2023. “



In general, Thailand's economy grew by 2.7 percent in 2023, representing a 1.4% growth within the 4th Quarter of 2023. One of the main contributors was an increase in tourist arrivals, encouraging economic activity in the service sector and the tourism industry. However, risks remained due to certain setbacks to Thailand's economic recovery, including political instability, a delay in the forming of a new government, and climate variability caused by the El Nino phenomenon. Other risks were those threatening the global economy such as the interest rates raised by the Federal Reserve, and the ongoing war between Israel and Hamas, which limited the growth rates of the global economy and Thailand's economy.

As regards the overall market situation for Bangkok-based office buildings according to Colliers Thailand research. In the 4th Quarter of 2023, the office supply totaled 9.89 million square meters, representing a 2.95% increase from the previous year. Additional space totaling more than 1.3 million square meters is anticipated within the next three years. In 2023, there was a total increase of 0.30 million square meters in new office space, with Grade A office buildings accounting for the majority of the growth. By contrast, demand for office space is not likely to rise as much as it should, reflecting tougher competition in the office space market. Tenants' demand for Grade A office space and their choice are primarily based on the standard and location of a particular office building, in response to their changing work policies.

The two assets which BOFFICE has invested in are outstanding in terms of their easy access to public transport and proximity to metro trains. Their location in Sukhumvit and Bangna is another advantage as the areas see continuous improvement of facilities. Given their superb location, BOFFICE has the average occupancy rate of 88% for both buildings in 2023, higher than the average Bangkok-based Grade A office occupancy rate which stood at 76.2% (Refer to Office Building Market Research in Bangkok Area as 4th Quarter of 2023 from Colliers Thailand). The total income was 901.42 million baht. Dividends based on the performance in 2023 were paid out four times, with the price of 0.6640 Baht per trust unit.

In 2023, the REIT manager and the Property Manager witnessed changes in office space user behavior under a wider range of circumstances. For instance, there was a movement towards hybrid working and remote working. Considering the significance of such behavioral change, the REIT manager and The Property Manager joined to implement a strategy to retain the existing tenants, secure more high-potential tenants, and attract various tenant groups in line with these changes. To this end, rental spaces were managed in accordance with usage requirements and tenant demand. A plan was also created to develop an area near the BHIRAJ TOWER at BITEC to foster a sense of community in the Bangna area, giving building space users the feel of a greater variety of lifestyles. Another plan, intended for the BHIRAJ TOWER at EmQuartier, was to enhance the property to meet international standards in promoting users' well-being and to achieve the WELL Building Standard Certification. Coupled with this plan, a goal was set to incorporate sustainable development ideas in the future operational plans of both buildings, considering Environmental, Social and Governance (ESG).

Lastly, on behalf of the REIT Manager, I would like to take this profound opportunity to thank you all trust unit holders for your confidence in our company and for investing in BOFFICE REIT. The REIT Manager is prompt to adapt and being resilience, consistent to the current situation. Please be confident and assured that the REIT Manager is committed and dedicated to managing the Company's sustainable growth and the best benefits for the trust unit holders.

Mrs. Prapee Buri
Chairwoman



BOFFICE Overview

General Information

REIT Name	Bhiraj Office Leasehold Real Estate Investment Trust
Abbreviation	BOFFICE
REIT Manager	BHIRAJ REIT Management Company Limited
Property Manager	BHIRAJ Management Company Limited
Trustee	Kasikorn Asset Management Company Limited
Term of BOFFICE	Infinite
Type of BOFFICE	Unit trust is not redeemable

BOFFICE Information

Summary of trust unit as of 31 December 2023

Authorized and paid-up capital	6,473.79 Million Baht
Par	8.7736 Baht per unit
Number of units	737,872,074 unit
Closing price as of 28 December 2023	5.00 Baht per unit
Net asset value (NAV) as of 31 December 2023	7,182.98 million Baht
Net asset value (NAV) per Unit as of 31 December 2023	9.7347 Baht per unit
Net asset value (NAV) per Unit as of 31 December 2022	9.9216 Baht per unit
Market capitalization as of 28 December 2023	3,689.36 million Baht
Trade volume of year 2023	2.44 million Baht per day
Highest price during Accounting period of 2023	8.40 Baht per unit

Structure of Trust Unitholders

Top 10 of Trust Unitholders (including related parties)

As of 28 December 2023, BOFFICE had major Trust Unitholders as follow;

No.	Trust Unitholder Name	Number of Units (Unit)	Portion (%)
1	BHIRAJ BURI Company Limited and BHIRAJ BURI HOLDING Company Limited	164,343,900	22.27
2	Social Security Office	64,350,900	8.72
3	Mrs. Prapee Buri and Mr. Prasarn Bhiraj Buri*	58,187,942	7.89
4	Thai Life Insurance Public Company Limited	37,994,893	5.15
5	Muang Thai Life Assurance Public Company Limited	35,203,200	4.77
6	Krunghthai-AXA Life Insurance Public Company Limited	27,940,200	3.79
7	K Property Infrastructure Flexible Fund	27,550,989	3.73
8	TMB EASTSPRING Property and Infrastructure Income Plus Flexible Fund	27,440,600	3.72
9	Government Saving Bank	27,197,100	3.69
10	Allianz Ayudhya Assurance Public Company Limited	21,499,700	2.91
Total Top 10 Trust Unit Holders		475,449,224	64.44
Other Trust Unitholders		262,422,850	35.56
Total		737,872,074	100.00

Remarks: *they are spouse.

Major Trust Unitholders (held more than 10% including related parties)

No.	Trust Unitholders Name	Number of Units (Unit)	Portion (%)
1	BHIRAJ BURI Company Limited and BHIRAJ BURI HOLDING Company Limited	164,343,900	22.27
Total		164,343,900	22.27

Group of Major Trust Unitholders that have a Crucial Influence through Management

1. BHIRAJ BURI HOLDING Company Limited (“BHIRAJ BURI HOLDING”)

BHIRAJ BURI HOLDING is an indirect major shareholder of BOFFICE, holding 82.69% of the issued and paid-up capital in BHIRAJ BURI Company Limited. By holding shares in BHIRAJ REIT Management Company Limited, BHIRAJ BURI HOLDING is also the company’s controlling person of the REIT Manager. BHIRAJ BURI HOLDING, which a juristic person under a company registered in Thailand, currently holds 70% of the share capital issued and paid.



Benefit Distribution of BOFFICE

Policy on Benefit Distribution

- 1) The REIT Manager will distribute benefits to Trust Unitholders in an amount of not less than 90% of the adjusted net profit for that fiscal year. Such benefits distributed to Trust Unitholders consist of year-end distribution and distribution for each accounting period (if any). However, benefit distribution made by the REIT Manager to Trust Unitholders are limited to a maximum of 4 times per fiscal year, except in a given accounting year where a capital increase is made, BOFFICE may distribute benefits more than 4 times per a fiscal year for the benefits of the existing Trust Unitholder.

The adjusted net profit refers to the adjustment with the following items;

- (1) Deduction of reserves for repair, maintenance or improvement of BOFFICE's properties in accordance with the plan specified in the registration statement and prospectus, Annual registration statement, annual report or that the REIT manager has notified the unitholders in advance.
- (2) Deduction of reserves for repayment of loan debts or obligations from BOFFICE borrowing in accordance with the amount specified in the registration statement and prospectus, Annual registration statement, annual report or that the REIT manager has notified the unitholders in advance.
- (3) Deduction of reserves for distribution of Trust Unitholders who has the first right to received benefit distribution or capital reduction (if any). As well as adjust other items in accordance with the guidelines of the SEC to be in line with BOFFICE cash flow status.

- 2) Payment of benefits to unitholders shall be carried out in accordance with the principles as follows:

- (1) To determine the payment of benefits to unitholders, the REIT Manager shall consider the necessity to properly maintain the REIT's cash, which is in accordance with the guidelines set by the SEC.
- (2) The REIT Manager shall not borrow loans to pay benefits to unitholders.
- (3) In case BOFFICE sustains retained deficits, the REIT Manager shall not distribute benefits to Trust Unitholders.

However, in the event that the REIT is unable to pay benefits to unitholders, the REIT Manager and the trustee shall clarify the reasons and necessity to the SEC in accordance with guidelines set by the SEC and also disclose them to unitholders through the Two-way Communication.

- 3) In case benefits are distributed to Trust Unitholders in each accounting period, the REIT Manager shall make an announcement of the benefit distribution to Trust Unitholders, arrange for the closure of the register to compile a list of Trust Unitholders entitled to the benefit distribution, and proceed with the benefit distribution to Trust Unitholders within the specified period as follows;

- (1) In case of year-end distribution, the REIT Manager shall make the year-end distribution within 90 days from the end of an accounting year. The distribution shall be made within 30 days from book closing date in order to determine the right of Trust Unitholders entitled to the benefit distribution.
- (2) In case of distribution for each interim accounting period (if any), the REIT Manager shall make the benefit distribution for each interim accounting period within 90 days from the end of such accounting period for the latest quarter prior to the benefit distribution. The distribution shall be made within 30 days from book closing date in order to determine the right of Trust Unitholders entitled to the benefit distribution.



However, if the REIT Manager is unable to distribute benefits within such specified period, the REIT Manager shall notify the SEC in written and notify Trust Unitholders through Two-way communication. In case the REIT Manager fails to make benefit distribution to Trust Unitholders within the specified period due to the mistake of the REIT Manager, the REIT Manager shall pay the interest at the rate of 7.5 percent per year from the due date until the date that the REIT Manager distributes benefits to Trust Unitholders.

Additional Conditions:

To consider the interim distribution, the distribution rate shall be at the discretion of the REIT Manager. If the distribution to be paid for a given quarter is lower than or equivalent to 0.10 Baht per unit, the REIT Manager reserves the right to withhold such benefit distribution and carry it forward to a subsequent benefit distribution.

Regarding the policy on benefit distribution, the REIT Manager shall comply with those specified in Trust Deed, unless in case that the SEC and/or other competent entities otherwise change, amend, append, announce, determine, command, approve and/or waive, the REIT Manager shall perform operations according to such change, amendment, appendix, announcement, determination, command, approval, and/or waiver.

- 4) Trust Unitholders entitled to benefit distribution shall be the Trust Unitholders listed on the Trust Unitholders register of BOFFICE on the book closing date of Trust Unitholders for benefit distribution according to the proportion of trust unit holding of each Trust Unitholders. If it is appeared that there is any same individual or a group of person holding the Trust unit of BOFFICE which exceeds the rate announced and stipulated by the SEC, such same individual or a group of person shall not be entitled to receive benefits only BOFFICE unit that exceeds the rate specified in the Notification of the SEC.
- 5) Trust Unitholders or the related party of Trust Unitholders who hold trust units in excess of the rate or do not comply with the criteria set out in Notification no. Tor Chor. 49/2555, Kor Ror. 14/2555 and Sor Chor. 29/2555 (any the case may be) shall receive benefits only in accordance with the proportion of trust units held at the rate or the rule specified by Notification no. Tor Chor. 49/2555, Kor Ror. 14/2555 and Sor Chor. 29/2555 (any the case may be). The REIT Manager will arrange calculations to find the number of trust units that are entitled to receive benefits for each Trust Unitholders belonging to such group. Averaging the unitholding of each Trust Unitholders (Pro Rata Basis) will be used as the basis for calculating the compensation payment unless the SEC announces, determines, commands, or waives in other options. The compensation which cannot be paid to the Trust Unitholders shall belong to other Trust Unitholders in proportion to their trust units. The REIT Manager will consider allocating such benefits to the Trust Unitholders who are entitled to receive it at that time.



Historical Benefit Distribution

As BOFFICE has made an investment in assets, enabling BOFFICE to proceed with the payment of benefits 3 times for the year of 2023. The details of payment are summarized as follows:

Operating Period	Payment Date	Distribution Payment (Baht per unit)
1 January – 31 March 2023	8 June 2023	0.1719
1 July – 30 September 2023	15 December 2023	0.1458
1 October – 31 December 2023	28 March 2024	0.1607
Total Distribution Payment per Unit in 2023		0.4784

Historical Record of the Distribution Payments

Details	2023	2022	2021	2020	2019	2018
Distribution Payment per Unit (Baht)	0.4784	0.6939	0.1466	0.6817	0.6810	0.1315
Distribution on Reduction of Capital per Unit (Baht)	0.1856	-	0.4981	-	0.0293	0.5134
Total Distribution Payment per Unit (Baht)	0.6640	0.6939	0.6447	0.6817	0.7103	0.6449

Information of the Trustee

Company Name	Kasikorn Asset Management Company Limited
Address (Head Office)	400/22, KASIKORNBANK Building, 6th & 12th Floor, PhahonYothin Road, Samsen Nai, Phaya Thai, Bangkok 10400
Company Contact	Telephone: 0-2673-3999 Website: www.kasikornasset.com
Type of Business	Asset management company and trustee
Major Shareholders (Portion of Shareholders)	KASIKORNBANK Public Company Limited (holding of 27,154,272 shares or 99.99%) Mr.Pratan Atcharawan (holding of 1 share) Ms.Saranya Sirivanasandha (holding of 1 share)

Duty and Responsibility of the Trustee

The Trustee is responsible for managing BOFFICE with duty of loyalty, duty of care, reasonable diligence and expertise. The Trustee must treat beneficiaries fairly for the best benefits of the beneficiary independently and efficiently and based on the Trust Deed, including related laws and obligations additionally provided to investors (if any). Major duties of the Trustee as specified in the Trust Deed are as follows;

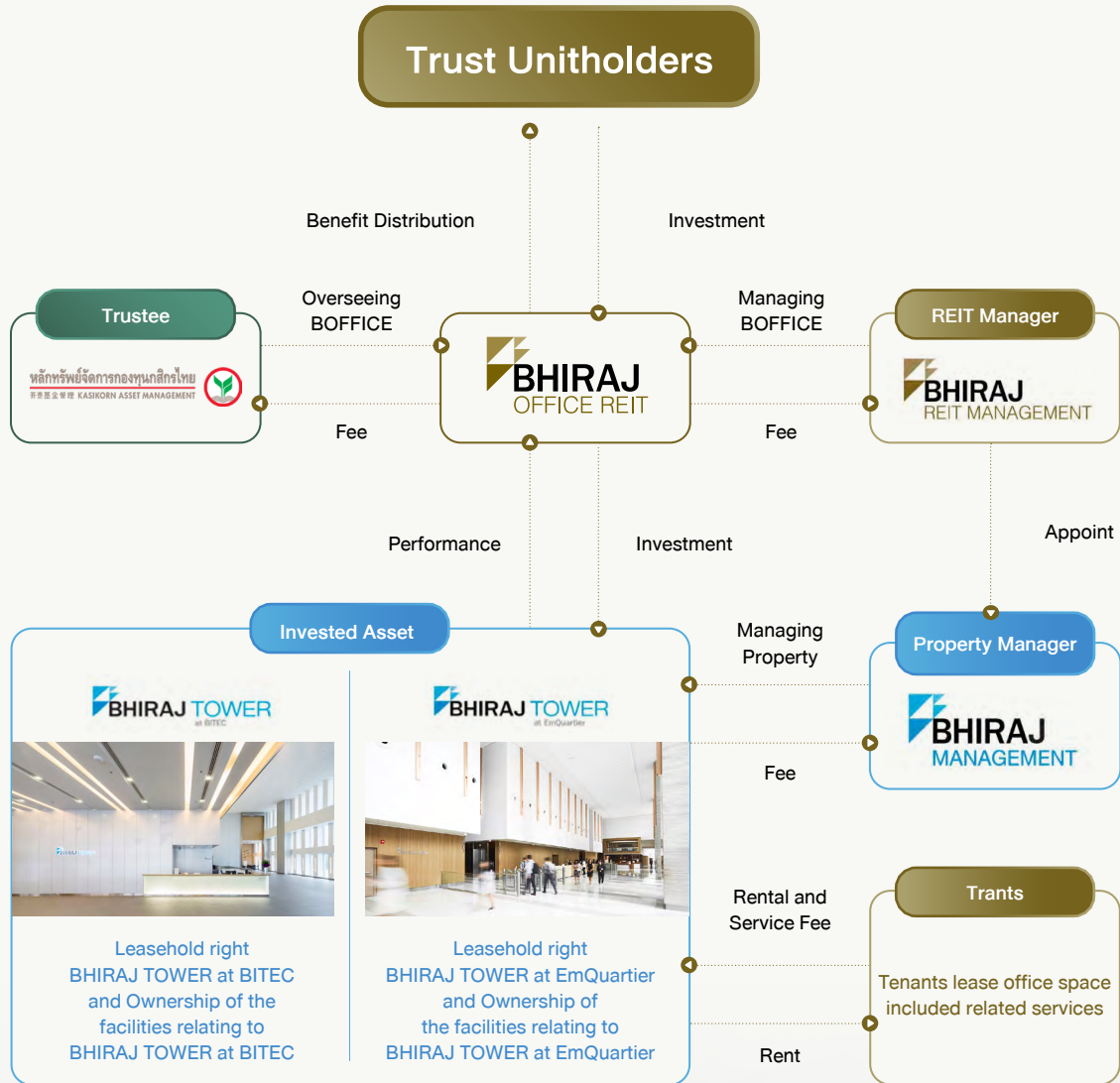
- 1) Ensure the Trust Deed is in accordance with the relevant laws and proceed in accordance with the specified criteria in the event of amendments to the Trust Deed.
- 2) Monitoring and inspecting the REIT Manager to manage BOFFICE in accordance with the Trust Deed and related laws.
- 3) Report to the SEC Office and amend, hinder or remedy damages incurred to BOFFICE as deemed appropriate in case the REIT Manager performs or omits from performing operations which cause damages to BOFFICE or fails to perform duties under the contract and related laws.
- 4) Attend the meeting of Trust Unitholders every time. In case there is a request for the resolution of the Trust Unitholders' Meeting, the Trustee must answer all inquiries and express opinions on operations whether they are in accordance with the Trust Deed or related laws, including object and inform the Trust Unitholders that such operation cannot be carried out if it is not in accordance with the Trust Deed or related laws.
- 5) Manage BOFFICE as necessary in order to prevent, hinder, or restrict severe damages to the benefits of BOFFICE or the Trust Unitholders or in case the REIT Manager fails to perform duties, and have an authority to recruit new the REIT Manager.
- 6) Prepare the report and present it to the Trust Unitholders together with the annual report of BOFFICE by identifying how the Trustee opinion on operations of the REIT Manager in the REIT management is and whether it corresponds to the provisions of the Trust Deed, including other related laws, notifications and requirements.
- 7) Maintain capital funds and comply with the rules of relevant announcements.

The Trust Unitholders can find further details about the scope, authority, duties and responsibilities of the Trustee in the Trust Deed.



Management Structure

BOFFICE Structure





The REIT Manager

Information of the REIT Manager

Bhiraj REIT Management Company Limited, the REIT Manager, is a company registered in Thailand on 28 June 2017 with an authorized capital of 10,000,000 Baht, divided into 10,000 common shares at 1,000 Baht per share. The objective of the Company is to manage the real estate investment trust specifically. BHIRAJ BURI Company Limited will be the major shareholder, representing 70% of the total shares issued. Summary on the information of REIT Manager can be found below:

Company Name	Bhiraj REIT Management Company Limited
Date of Incorporation	28 June 2017
Company Address	591 Sukhumvit Road, Watthana District, Bangkok
Contact	Telephone: 02-261-0170 Website: www.bofficereit.com Email: boffice.brrm@bhirajburi.co.th
Authorized Capital	10,000,000 Baht
Description and Scope of Business Operation	REIT Manager
Board of Directors	Mrs. Prapee Buri (Chairwoman) Mrs. Sarocha Buri (Director and Managing Director) Mrs. Thippaporn Gertphol (Independent Director) Mr. Thaevan Uthavath (Independent Director)
Accounting Period	1 January - 31 December

Shareholding Structure of BHIRAJ REIT Management Company Limited

Notice: as of 31 December 2023

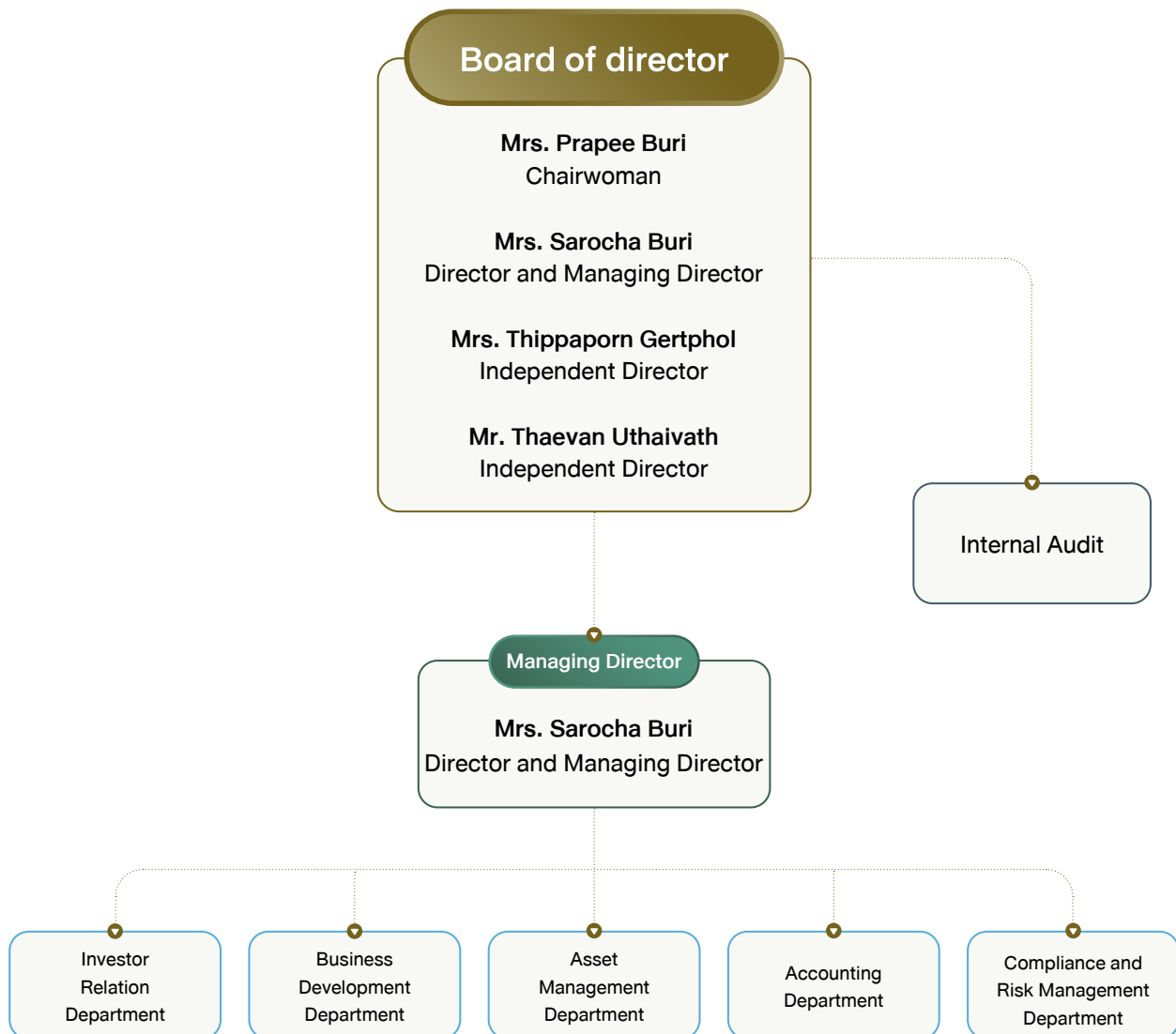
Rank	Shareholder	Number of Shares Held	Percentage of
1	BHIRAJ BURI Holding Company Limited	7,000	70.00
2	Ms. Panittha Buri	1,498	14.98
3	Mr. Pitiphatr Buri	1,498	14.98
4	Mr. Prasarn Bhiraj Buri	2	0.02
5	Mrs. Prapee Buri	2	0.02
	Total	10,000	100.00

The fourth and fifth shareholders belong to the related person of shareholders as they are defined as legally married couples. The fifth shareholder, Mrs. Prapee Buri, is the Chairwoman and the authorized person of BHIRAJ REIT Management Company Limited.



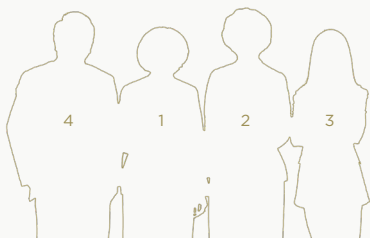
Management Structure of the REIT Manager

The management structure of the REIT Manager consists of Board of Directors and executives according to the management structure as follows;





Board of Director and Managing Director of Bhiraj REIT Management Company Limited



- 1. Mrs. Prapee Buri**
Chairwoman
- 2. Mrs. Thippaporn Gertphol**
Independent Director
- 3. Mrs. Sarocha Buri**
Director and Managing Director
- 4. Mr. Thaevan Uthavath**
Independent Director



Board of Director and Managing Director of Bhiraj REIT Management Company Limited



Mrs. Prapee Buri
Chairwoman

Education

- Master of Economics, Chulalongkorn University

Training from Thai Institute of Directors (IOD)

- Board Nomination and Compensation Program (BNCP 6/2019)
- Boardroom Success through Financing & Investment (BFI 5/2018)
- Role of the Chairman Program Class 34/2014
- Director Certification Program (DCP 174/2013)

Work Experience during the past 5 years

- 2022 – Present Chairwoman, BHIRAJ BURI GROUP
- 2017 – Present Chairwoman, Bhiraj REIT Management Company Limited
- 1984 – 2022 Chief Financial Officer, BHIRAJ BURI GROUP
- 2017 – 2018 Vice President of the Association, Thai Exhibition Association
- 2016 – 2017 TCEB President Evaluation Subcommittee, Thailand Convention and Exhibition Bureau
- 2016 – 2017 Administrative Systems Subcommittee, Thailand Convention and Exhibition Bureau
- 2015 – 2017 Board member, Thailand Convention and Exhibition Bureau
- 2015 – 2017 Strategic Planning and Risk Management Subcommittee, Thailand Convention and Exhibition Bureau
- 2015 – 2017 Association President, Thai Exhibition Association



Mrs. Sarocha Buri
Director and Managing Director

Education

- Bachelor of Finance and Management, University of Virginia

Training from Thai Institute of Directors (IOD)

- Corporate Governance for Executive (CGE 10/2018)
- Director Certification Program (DCP 266/2018)
- Diploma Examination (Exam 67/2018)

Work Experience during the past 5 years

- 2023 – Present Managing Director, Bhiraj REIT Management Company Limited
- 2022 – Present Chief Financial Officer, BHIRAJ BURI GROUP
- 2017 – Present Executive Director, Bhiraj REIT Management Company Limited
- 2016 – 2022 Deputy Chief Financial Officer, Bhiraj Buri Holding Company Limited
- 2009 – 2016 Director of Investment Banking and Mergers and Acquisitions, The Quant Group



Independent Director



Mrs. Thippaporn Gertphol
Independent Director

Education

- Bachelor of Accounting, Thammasat University

Training from Thai Institute of Directors (IOD)

- IT Governance and Cyber Resilience Program Class (ITG 12/2019)
- Director Certification Program Update (DCPU 5/2015)
- Monitoring Fraud Risk Management (MFM 6/2011)
- Monitoring the System of Internal Control and Risk Management (MIR 5/2009)
- Monitoring of the Quality of Financial Reporting (MFR 6/2008)
- Audit Committee Program (ACP 3/2004)
- Director Certification Program (DCP 14/2002)

Work Experience during the past 5 years

- 2017 – Present Independent Director, Bhiraj REIT Management Company Limited
- 2004 – Present Advisor, Banpu Public Company Limited
- 2000 – Present Director and Treasurer, Wor Por Ror Or – 4313, Thailand National Defense College
- 2014 – Present Member of Tax Accounting Committee, Federation of Accounting Professions



Mr. Thaevan Uthavath
Independent Director

Education

- Master of Arts in Social Development Administration (Honor), National Institute of Development Administration
- Master of Arts in Public and Private Management, National Institute of Development Administration
- Master Degree of Public Affairs, University of Texas at Dallas , U.S.A
- Master Degree of Public Administration, Midwestern State University, U.S.A
- Bachelor of Laws, Thammasat University

Training from Thai Institute of Directors (IOD)

- Corporate Governance for Executives (CGE 6/2016)
- Chartered Director Certification (CDC 9/2015)
- Director Certification Program (DCP 181/2013)
- Audit Certification Program (ACP 43/2013)

Work Experience during the past 5 years

- 2023 – Present Independent Director, Bhiraj REIT Management Company Limited
- 2022 – Present Independent Director Member of the Audit and Risk Review Committee, Chairman of the Corporate Social Responsibility and Sustainability Committee, TATA STEEL (Thailand) PLC
- 2019 – Present Director, LIVANOVA (THAILAND) COMPANY LIMITED.
- 2014 – Present Director, Saint-Honore (Bangkok) Company Limited.
- 1994 – Present Director, Surint Omya Chemicals (Thailand) Co.,Ltd.
- 2010 – 2019 Director and Audit Committee, Moong Pattana International Pcl.



Scope of Duties and Responsibilities of the Board of Directors of the REIT Manager

Board of Directors of the REIT Manager is the key player in approving the REIT Manager's vision, mission, strategy, direction and policy regarding short-term and long-term business operations and plans; providing financial policies, risk management and corporate overview; regulating and evaluating the performance of the REIT Manager and employees to maintain operation efficiency in accordance with the established policies and business plans, the scope of the REIT Manager appointment agreement, the Trust Deed, Registration Statement, prospectus, objectives and article of association of the REIT Manager, resolution of the Board of Directors meeting, resolution of the Trust Unitholders meeting and related laws, for the best benefits of BOFFICE and the Trust Unitholders.

In addition, the Board of Directors of the REIT Manager also plays an important role in the regulation of compliance with the implementation and disclosure of information that may present a conflict of interest, in accordance with the regulations of the Office of Securities and Exchange Commission, Stock Exchange, and related regulators. The scope of authority and responsibility for the Board of Directors of the REIT Manager is as follows:

- 1) Perform duties in accordance with the laws, objectives and regulations of the REIT Manager, as well as the resolution of the Board of Directors meeting of the REIT Manager, and the resolution of the Trust Unitholders meeting, with duty of loyalty, duty of care, accountability, and ethic.
- 2) Manage BOFFICE under the supervision of the Trustee, and establish long-term business strategies and plans, organize an appropriate organizational structure, and regulate business policies, such as the investment of BOFFICE, BOFFICE's performance, annual budget draft and business plan for BOFFICE, explore risk factors that may affect the interest of BOFFICE, operational performance of various parties, and things that may create conflicts of interest, etc.
- 3) Establish a capital structure management policy for BOFFICE, taking into account the suitability, reasonableness, and the best benefits of BOFFICE and the Trust Unitholders, as well as other factors, especially when applying for a loan, issuing debentures, or incurring of other debts.
- 4) Regulate and provide necessary advice that enables the performance of executives and employees to support the operation of the REIT Manager to be in accordance with the contracts and regulations regarding the responsibilities of the REIT Manager.
- 5) Regularly regulate and monitor the performance of the REIT Manager, as well as provide necessary advice to ensure that the operation of the REIT Manager will achieve the goals, overcoming challenges and solving problems that may arise in a timely and appropriate manner.
- 6) Review, regulate, and provide necessary advice for the REIT Manager to have an internal control system, including efficient and productive work system as the REIT Manager.
- 7) Review, regulate, and take necessary actions to review and update important policies and plans related to the REIT Manager's role to be up-to-date and suitable for the business.



- 8) Review, regulate, evaluate the performance of the REIT Manager executives, including the appointment of executives of director level, and provide necessary advice to ensure that the executives will perform assigned tasks with full capacity and in accordance with rules and regulations of relevant contracts for the benefits of BOFFICE.
- 9) Review and regulate the performance evaluation of the Property Manager, providing necessary advice to ensure that the Property Manager will perform assigned tasks in accordance with rules and terms of relevant contracts for the benefits of BOFFICE.
- 10) The Board may assign one or more directors or any other person to perform any action on behalf of the Board. However, such action may not include the authorization or sub-authorization that grants directors or the authorized person the authority to approve actions that involve the interest of the directors or related persons, or any benefits that would conflict with the interest of BOFFICE.

From the scope of authority mentioned above, the REIT Manager shall conduct a meeting for the Board of Directors to acknowledge and approve procedures necessary for the operation of BOFFICE and the REIT Manager as follows:

Agenda to be Acknowledged and Approved by the Board of Directors

Agenda to be acknowledged by the Board of Directors

- 1) Performance of the REIT Manager and BOFFICE.
- 2) Progress in the implementation of the business plan and marketing plan established by the REIT Manager for the benefits of BOFFICE, issues and challenges as well as solutions with the support from the Property Manager.
- 3) Guidelines for mitigating risks or any incidents that may affect the operation of BOFFICE.
- 4) Internal control system and operation system of the REIT Manager, as well as guidelines and progress on solving issues.

Agenda to be approved by the Board of Directors

- 1) Establish short term and long-term business strategies and plans, organize a suitable organizational structure, and regulate business policies, risk factors that may affect the benefits of BOFFICE
- 2) Financial statements and distribution of benefits for the Trust Unitholders
- 3) BOFFICE's budget, BOFFICE's annual business plan strategy prepared by the REIT Manager with support from the Property Manager
- 4) Special expense or special investment that is not included in the annual budget plan, requested by related department of the REIT Manager



- 5) Transactions made between BOFFICE and related persons of the REIT Manager or the related persons of the Trustee. In the event that the transaction made between BOFFICE and such related persons must be approved in the Trust Unitholders meeting. If the value of a transaction exceeds one million Baht, or more than 0.03% of the net asset value of BOFFICE, whichever is higher
- 6) Guidelines for handling significant disputes and complaints regarding the operation of BOFFICE, which must be reviewed by the Board of Director
- 7) Intercompany and any matters that may cause a conflict of interest with the operation of BOFFICE
- 8) Selection of the Property Manager
- 9) Selection of an auditor, financial consultant, independent financial consultant, or other consultants, etc., in accordance with the scope of authority
- 10) Approval of an investment, disposition of the major assets of BOFFICE, management of BOFFICE by the Asset Management Department and related departments, for the compliance with the Trust Deed, Registration Statement, prospectus and related laws and notifications.
- 11) Other matters required the approval from the Trust Unitholders
- 12) Other important matters and matters related to the operation of the REIT Manager and BOFFICE
All directors are given the opportunity to express their opinions during the meeting before voting. A summary on the resolution of each agenda will be provided, as well as the written record of the meeting.

Director, managing director, and head of the department of the REIT Manager shall not have any prohibited characteristics according to the Notification of the Capital Market Supervisory Board regarding the prohibited characteristics of personnel in the capital market business. Directors of the REIT Manager must not also be the person listed as unsuitable by the Stock Exchange, and shall not be a person deemed as untrustworthy according to the notification of the Office of Securities and Exchange Commission regarding untrustworthy characteristics of company directors and executives, and shall never be convicted of an offense under the securities law, capital business law, securities business law, credit foncier business law, commercial banking law, non-life insurance law, anti-money laundering law, or similar laws related to financial business, both Thai and foreign laws, or offenses relating to unfair trading practices in securities or fraudulent, deceitful, and corrupted management.



Independent Director

The REIT Manager has two independent director, which is not less than one-third of the number of all directors of the REIT Manager. Selection of an independent director of the REIT Manager involves at least the following qualifications:

- 1) Holds no more than 1% of the total number of shares with voting rights in the REIT Manager, parent company, subsidiary company, associated company, major shareholder, company authority, or a related person. This shall include shares held by related parties according to Section 258 of the Securities Act of such independent director as well.
- 2) Must not be or never been involved in the management. Also, shall not be an employee, staff, consultant who receives a regular salary, or an authority of the REIT Manager, parent company, subsidiary company, associated company, sister company, or a related person. Such involvement and interest shall not be presented for at least two years.
- 3) Must not have or never had a business relationship with the REIT Manager, parent company, subsidiary company, associated company or a related legal entity that may hinder the ability to make an independent judgment. The independent director shall not be or never been a major shareholder, non-independent director, or an executive of a party having a business relationship with the REIT Manager, its parent company, subsidiary company, associated company or a legal entity that it may share a connection, unless has not been involved in such position for at least two years.
- 4) No relation in bloodline or any registration as father, mother, spouse, family member and child, also spouse of the child, director, major shareholder, authority or person to be nominated as the director, authority of BOFFICE or its subsidiary.
- 5) Must not be or never been the auditor of the REIT Manager, parent company, subsidiary company, associated company, or a related legal entity. The auditor must not be the major shareholder, non-independent director, executive or the managing partner of the audit firm, by which the auditor of the company, parent company, subsidiary company, associated company or a related legal entity works for, unless such involvement has not be presented for at least two years.
- 6) Must not be or never been a service provider of any professional, including legal and financial consultant who receives a service fee of more than 2 million Baht per year from the REIT Manager, parent company, subsidiary company, associated company or a related legal entity. The state of being a legal entity of the service provider also includes being the major shareholder, non-independent director, executive or managing partner of such service provider, unless such involvement has not be presented for at least 2 years.
- 7) Must not be a director appointed to represent the director of the REIT Manager, the major shareholder, or a shareholder, which is related to the major shareholder of the REIT Manager.



- 8) Must not be a person deemed as unsuitable for being a director as per the regulation set forth by the Stock Exchange, and shall not be a person deemed as untrustworthy according to the notification of the Office of Securities and Exchange Commission regarding untrustworthy characteristics of company directors and executives.
- 9) Must never been convicted, by lawfully authorized entity, of an offense under the securities law, capital business law, securities business law, credit foncier business law, commercial banking law, non-life insurance law, anti-money laundering law, or similar laws related to financial business, both Thai and foreign laws, or offenses relating to unfair trading practices in securities or fraudulent, deceitful, and corrupted management.
- 10) Must have no characteristics that hinder the ability to make an independent opinion of the operation of the REIT Manager

Scope of Authority and Responsibility of the Independent Director of the REIT Manager

- 1) Supervise and provide necessary advice to the REIT Manager for the implementation of the preparation and disclosure of information in financial reports of the REIT Manager and BOFFICE in an accurate, complete, adequate, reliable and timely manner.
- 2) Supervise and provide necessary advice to the REIT Manager for the implementation of the internal control system and suitable work system as the REIT Manager.
- 3) Review and provide comments on related matters or matters that may lead to a conflict of interest with BOFFICE so that they are in accordance with the related laws and regulations. This is to ensure that such matters are reasonable and in the best benefit of BOFFICE.
- 4) Other operations as assigned by the Board of Directors of the REIT Manager that are deemed beneficial to BOFFICE.
- 5) Require relevant parties of the REIT Manager to regularly report to the independent director for approval and acknowledgment in order to provide necessary advice on the following matters:
 - (1) Matters related to or may lead to the conflict of interest with BOFFICE
 - (2) Weaknesses and improvement needed in the internal control system and the work system in acting as the REIT Manager, as well as the progress in the improvement

Scope of Authority and Responsibility of the Managing Director of the REIT Manager

The Board of Directors and the Independent Director play an important role in supervising and providing necessary advice to the REIT Manager to operate in the name of REIT Manager, and ensure that the operation is in accordance with related rules and contracts. The managing Director is responsible for controlling, following up, supervising and overseeing the work of the REIT Manager to ensure the operational efficiency. The scope of authority and responsibility of the Managing Director is as follows:



- 1) Responsible for, oversee and manage the operation and/or day-to-day management, including the regulation of overall operation of the REIT Manager to ensure that it is in accordance with related regulations and contracts, as well as the resolution of the Board of Directors meeting.
- 2) Define the organizational structure, management method, as well as responsible for the selection, training, hiring and dismissal of the REIT Manager, setting of wages, salaries, compensation, bonuses and various benefits for the employees.
- 3) Oversee and regulate the operation of the REIT Manager.
- 4) Represent the REIT Manager, as well as being authorized to contact government agencies and related regulators.
- 5) Have an authority to issue, amend, update rules, orders and regulations related to the operation of the REIT Manager.
- 6) Have an authority and responsibility as assigned by the Board of Directors of the REIT Manager.
- 7) Have an authority to sub-authorize and/or assign another person to perform a specific task on its behalf through sub-authorization and/or such sub-authorization must be within the scope of the power of attorney provided, and/or shall be in accordance with the regulations, requirements or orders set by the REIT Manager's Board of Directors. Such authorization and power of attorney granted by the Board of Directors must not be an authorization or sub-authorization that allows the Board of Directors or the authorized party to approve matters that involve the interest of oneself or the related party, or that may conflict with the interest of BOFFICE.

Scope of Authority and Responsibility of the REIT Manager

Main duties and responsibilities of the REIT Manager include the management of BOFFICE, which covers the investment in the BOFFICE's assets and the operational inspection of the Property manager. The REIT Manager shall perform duties under the supervision of the Trustee, with duties and responsibilities as follows:

1) General responsibilities

- 1.1) The REIT Manager will act as a professional fiduciary, operate with duty of care and duty of loyalty for the best benefit of the Trust Unitholders as a whole, and in accordance with the Trust Deed, REIT Manager appointment Agreement, related laws as well as the additional commitments provided in the disclosed documents for the benefits of offering trust units to the investors. However, The REIT manager may act differently from the additional commitments provided in documents disclosed to Trust Unitholders. When the resolution of the Trust Unitholders' Meeting is received by a vote of not less than three-quarters (3/4) of the total number of Trust Unitholders attending the meeting and having the right to vote. And There must be no Trust Unitholders holding units in total of more than ten (10) percent of the total number of voters with the right to vote oppose such resolution. In addition, the REIT Manager must not take any action that conflicts with the interest of the Trust Unitholders and



investors as a whole, and is liable without limitation of liability in the event that the REIT Manager fails to perform the duties and/or performing the duties incompletely and incorrectly.

1.2) The REIT Manager must perform in accordance with the following business practices of a REIT Manager as follows:

- (a) Provide sufficient funds to continuously operate the business and take responsibilities that may arise from the operation as the REIT Manager.
- (b) Disclose and provide sufficient opinions or information that are crucial and related to the investment decision of the investors. Such opinions or information must be clearly communicated, authentic and do not cause confusion.
- (c) Do not misuse the information received from the operation of the REIT Manager for personal benefits, or cause damage or impact to the overall interest of BOFFICE.
- (d) Operate with duty of care to avoid causing conflict of interest. In case there is a conflict of interest, necessary measures must be taken to ensure that the investors are treated fairly and appropriately. The REIT Manager will take the following actions to prevent a conflict of interest:
 - (1) The REIT Manager shall not seek for other interest that may conflict with the best interest of BOFFICE. If there is a possibility that the conflict may occur, the REIT Manager must be able to demonstrate a mechanism that such management of BOFFICE will be in the best interest of BOFFICE and the Trust Unitholders as a whole.
 - (2) In the event that the REIT Manager also manages other REITs, the core assets of BOFFICE applied for the offering of trust units must not be of the same type as the core assets of such other REITs.

In addition, before entering into the transaction that may conflict with the interest of BOFFICE. The REIT Manager shall disclose sufficient information to the Trust Unitholders or the investors according to the terms in the Trust Deed as follows:

- (1) A disclosure through the Stock Exchange, in accordance with the regulations of the Stock Exchange regarding such matters, or any other channels that the Trust Unitholders can thoroughly access the transaction information.
- (2) Provide a reasonable period of time for the disclosure, which must not be less than fourteen days.
- (3) Provide a clear channel, method and timing of the objection, which must not be less than fourteen days, except in the event that the Trust Unitholders' resolution is requested upon making the transactions, the objection must be made during the request for the resolution from the Trust Unitholders.

In the event that the Trust Unitholders express a clear objection using disclosed method under Clause (3) of more than one-fourth of the total unit of trust sold, the Trustee may not conduct or allow the transaction that is in conflict with the interest of BOFFICE.

- (e) Comply with the Securities Act, the Trust Act and other laws related to the operation of



BOFFICE, as well as the ethics and professional standards set by associations related to securities business, or organizations related to securities business as approved by the Office of the Securities and Exchange Commission, mutatis mutandis, and must not support, order, or cooperate with any person in the practice that violates such laws or regulations.

- (f) The REIT Manager is responsible for cooperating with the Trustee or the Office of Securities and Exchange Commission, including the disclosure of information that may significantly affect the management of BOFFICE, or other information that should be disclosed. The REIT Manager shall be especially responsible for:
 - (1) Prepare and compile information and documents related to the management, internal control, and disclosure of information related to BOFFICE. Upon requested by the Trustee, the REIT Manager must cooperate in delivering the information and evidence, as well as allow the inspection of the property at the location as requested by the Trustee, to ensure that the REIT Manager does not violate the law or the terms of specified in the Trust Deed, and maintains the interest of the Trust Unitholders.
 - (2) During the period before the establishment of BOFFICE, the REIT Manager is responsible for submitting information and documents related to structure of BOFFICE, methods of leasing, procurement and collection of income, expenses that could be collected from BOFFICE, agreement between BOFFICE and other companies or individuals, etc., allowing the Trustee to effectively plan, monitor, and review the management, internal control, and the disclosure of such information.

The REIT Manager is responsible for coordinating and delivering the information and documents to the Trustee with the materials, consistency and schedule as specified within the REIT Manager agreement. This includes the submission of any other documents requested by the Trustee as necessary and relevant to the management of BOFFICE within a reasonable period of time.

- 1.3) The REIT manager is responsible for maintaining capital fund and complying with the rules and regulations related to capital fund maintenance.
- 1.4) In order to make a transaction related real estate for BOFFICE, the REIT Manager must comply with the following rules:
 - (a) Take action to ensure the disposition of the property, and the entering into a contract relating to the property for BOFFICE is correctly done and is lawfully enforceable.
 - (b) Take action to ensure a proper investment in a property of BOFFICE, with at least proceed as follows:
 - (1) Evaluate the readiness to manage such property investment before becoming the REIT Manager, or before investing in such property for BOFFICE, as the case may be.
 - (2) Analyze and study the feasibility, as well as audit and review (by preparing a Due Diligence) the property to comply with the criteria and guidelines for managing funds and trusts that invest in real estate, as announced by the Office of Securities and Exchange Commission. Also, assess the risks that may arise from investing in that such property, as well as



establish a risk management guideline. Such risks shall include risks associated with the development or construction of the property (if any), for example, risks of co 1.5)

- 1.5) The REIT Manager must arrange for a meeting of the Trust Unitholders as specified in the Trust Deed.
- 1.6) In the event of changing the REIT Manager, the REIT Manager shall undertake and provide necessary cooperation in order to successfully transfer the work to the person who will be in charge of the position.
- 1.7) In the event that a consultant is appointed to provide advice or suggestion on a property investment and management, the REIT Manager shall proceed as follows:
 - (a) Ensure that the consultant notifies about the interest in the matter considered.
 - (b) Consultants with interest, both directly or indirectly, shall not participate in the decision-making process of that particular matter. Instruction delay and the inability to benefit from the property.
- 1.8) The REIT Manager must prepare a financial statement in accordance with the accounting standards as described under the law on accounting profession, and submit the statement to the Office of Securities and Exchange Commission within 2 months from the end of the fiscal year. The financial statement must be audited and commented by an auditor approved by the Office of Securities and Exchange Commission.
- 1.9) Prepare and disclose information of BOFFICE, including information under Section 56 and Section 57 of the Securities Act, as well as other information as specified in the Trust Deed and the REIT Manager appointment Agreement.
- 1.10) Prepare and disclose information of BOFFICE to the Trustee, the Office of Securities and Exchange Commission, and Trust Unitholders, not later than the date sent to unitholders. but not more than four (4) months from the end of the accounting period. This includes sending the BOFFICE's annual report together with the invitation letter of the Trust Unitholder meeting or Two-way communication or other documents required by the Office of Securities and Exchange Commission to the Trust Unitholders. The REIT Manager shall also submit relevant documents or evidence, operate or refrain from operations as ordered or requested by the Office of Securities and Exchange Commission.
- 1.11) Avoid situations that may caused doubt on the independence of the REIT Manager, especially the selection, purchase, sale, rent, sub-lease, or lease of a property, as well as securities and other services for BOFFICE. The REIT Manager, directors, executives, and employees of the REIT Manager are prohibited from receiving soft commissions or benefits from the services provided, or any other benefits from the original owner of the property, or sponsors, securities sellers, service providers or brokerage firms as their personal income or benefits.
- 1.12) The REIT Manager is responsible for disclosing the interest or benefits of the REIT Manager and the related persons of the REIT Manager, from the company that or person who is a trading partner of BOFFICE as stated in the prospectus, Registration Statement for trust offering, invitation letter to the meeting for approval of various matters, and the annual report of BOFFICE, so that the investors



and the Trustee can use them to determine the independence of the REIT Manager when making a transaction for BOFFICE and the reasonableness of such transaction.

Interest or benefits to be disclosed includes being a creditor, debtor, surety or being guaranteed, mutual holding, or having the same major shareholder or executive, providing and receiving of services, mutual trading, expense paid on behalf of the other, etc.

- 1.13) In the event that the REIT Manager seeks to let another person to operate under its responsibility, details of the transition and responsibilities of the REIT Manager shall be clarified during the selection of the representative, as well as the responsibilities of such representative. Details regarding the transition shall not contradict with the Notification Sor Chor 29/2555

2) Management Duty of BOFFICE

- 2.1) To provide appropriate and efficient supervision and management for BOFFICE, as well as to be in accordance with the laws, rules and the Trust Deed, and to protect the interest of BOFFICE and the Trust Unitholders as a whole, the REIT Manager is responsible for providing a quality work system, with effective audit and balance of operation that can fully support its responsibilities, at least to cover the following topics:
 - (a) Establishment of the BOFFICE management policy and the management of BOFFICE's capital structure, real estate investment decision, establishment of policies and strategies for obtaining benefits the property, in order to cautiously manage the investments as assigned, in line with the investment policy stated in the Trust Deed, as well as related laws and regulations, and to protect the interest of BOFFICE and the Trust Unitholders as a whole.
 - (b) Management and risk management related to the management of BOFFICE as assigned to prevent and manage risks effectively.
 - (c) Management of the conflict of interest involved, particularly, between BOFFICE and the REIT Manager and the person related to the REIT Manager. This includes measures or procedures to protect the best interest of BOFFICE or the Trust Unitholders as a whole once the conflict occurs.
 - (d) Selection of personnel of the REIT Manager and representative for the task related to the operation of BOFFICE in order to find a competent and qualified candidate for the job.
 - (e) Operational regulation of the REIT Manager and its personnel, including the supervision of its representative for the task related to the operation of BOFFICE, ensuring that it would comply with the law, rules and regulations, the Trust Deed, the Securities Act, notifications, orders issued by virtue of such law, as well as other laws relating to the operation of BOFFICE.
 - (f) Complete and sufficient disclosure of information as per the requirement stated in the Trust Deed and in accordance with the rules issued under the Securities Act, the Trust Act, rules or orders issued by virtue of such laws, as well as other laws relating to the operation of BOFFICE.
 - (g) Back-office operation



- (h) Internal audit and control
- (i) Communication with investors and complaint management
- (j) Legal dispute management

2.2) The REIT Manager may assign other parties to undertake matters which are related to the REIT Manager's business operations as deemed necessary to increase the efficiency and agility of the business, whereby in such cases, the following rules shall be applied:

- (a) The assignments shall not be in a nature that may impact efficiency of the REIT Manager's performances.
- (b) There shall be measured to support the business continuity in the event that the assigned parties fail to carry on the operations.
- (c) In the event that the assignments are related to investments in other assets of BOFFICE, the assigned party must be legally authorized to perform such tasks.

The above assignments shall not include any assignment of the tasks and functions as prescribed under Clause (2.1) (a) (b) (c) (d) and (i).

In the event that the REIT Manager seeks to assign tasks for which it is responsible to other parties, other than its tasks of real estate management, such as the management of the other assets of BOFFICE, which are not the major assets, the REIT Manager shall make a careful selection of the relevant parties for such assignments, and shall supervise and monitor the assignees' performance. The assignment conditions shall not conflict or breach Notification of the Office of the Securities and Exchange Commission Sor Chor. 29/2555.

2.3) The REIT Manager shall manage BOFFICE according to the provisions prescribed in the Trust Deed and shall oversee and protect the interest of the Trust Unitholders

2.4) The REIT Manager shall carefully and cautiously conduct due diligence on any potential real estate investment of the REIT, and shall record and safeguard information, documents, and evidence related to the selection, inspection, and decisions on whether to invest or not invest therein for BOFFICE. As for such due diligence, the REIT Manager shall comply with the guidelines on the management of property funds and real estate investment trusts.

2.5) The REIT Manager shall act to assure its professional management of BOFFICE's financial aspects as well as the economic value of BOFFICE's assets, and such management is carried out for the benefits of the Trust Unitholders such as:

- (a) Formulating investment and risk management strategies and policies that are efficient and in compliance with the obligations prescribed in the Trust Deed.
- (b) Determining borrowing facilities and encumbrances on BOFFICE's properties, and strictly ensure that such borrowings and encumbrances are within the limit prescribed in the Trust Deed.



- (c) Investing in real estate that suit the investment objectives of BOFFICE.
 - (d) Managing BOFFICE's cash flow.
 - (e) Considering the distribution payments of BOFFICE.
 - (f) Arranging for appropriate insurances to cover any potential damage that may occur to BOFFICE's real estates and relevant third party liability insurance with suitable and sufficient coverage amounts to possibly renovate the damaged assets into their former stages, such that BOFFICE would receive similar benefits from such assets as previously done, and with returns of no less than previously received.
 - (g) Arranging for tenant mix planning.
 - (h) Overseeing that tenants comply with the conditions set forth in the lease agreement, service agreement, and other related agreements.
 - (i) Overseeing the compliance of the real estate regulations and/or the conditions prescribed in the leasehold rights of the property invested by BOFFICE, as well as monitoring and taking relevant actions to ensure that such property and/or leasehold rights shall not be used to operate immoral or illegal business
 - (j) Managing the rental spaces such as control and oversee rental operations, negotiate tenancy agreements, review rental rates or fees, terminate or renew rental contracts, etc. In the event that a rental agreement has a term of more than three years, the REIT Manager shall seek approval from the Trustee prior to any further action. Such request for approval shall not impede the rights of the Trustee to file for damage compensation in the event that the REIT Manager enters into a contract without approval from the Trustee.
 - (k) Assessing past rental operations to set appropriate rental and tenancy terms and conditions, preparing rental and tenancy agreements, as well as relevant service contracts, monitor and evaluate rental and service charge collections to determine suitable amounts of allowance for doubtful accounts and bad debt expenses, or bad debt write-offs (and appropriately reinstate account by reversing the write-off entry in the event that such bad debts are recovered).
 - (l) Arranging for appropriate security and safety systems for the properties invested by BOFFICE, such as the fire alarm system, emergency communications plan and disaster management.
 - (m) Formulating policies and action plans for the administration, maintenance and renovation of the properties invested by BOFFICE to assure that their conditions are comparable to those of its industry peers.
- 2.6) The REIT Manager shall review and inspect to make sure that BOFFICE shall have proper ownerships and/or rights in the property that it intends to invest; whether the right of ownership or leasehold right, and that any agreements and contracts that BOFFICE shall enter as the counterparty thereof are duly prepared according to the applicable laws, as well as binding and enforceable in accordance with the conditions therein prescribed.



2.7) The REIT Manager shall arrange that all documents and evidence related to the BOFFICE's operation are systematically kept and protected; for instance, the invitation letter for the Trust Unitholders meeting, Registration Statement for Offering Trust Units, prospectus, BOFFICE's Annual Report, and the compliance records of BOFFICE and its invested properties with applicable regulations. This information and documents shall be kept in a manner which is proper, complete, and accountable for at least 10 years from the date of preparing such information and documents, or as required by the law, that the REIT manager shall proceed accordingly.

2.8) The REIT Manager shall prepare and disseminate BOFFICE's financial statements, annual report, and other relevant information which are accurate and complete and promptly distribute them within the time frame as prescribed by the law, as well as in accordance with the Trust Deed, and the rules of the Stock Exchange.

The REIT Manager, as well as its directors and executives who are involved in the preparation and dissemination of BOFFICE's information, must be responsible for the contents of such information which shall be reported or notified to the Trust Unitholders and general investors. There shall be a review procedure which ensures that the disclosed information in the Registration Statement for Offering Trust Units, prospectus, invitation letter for the Trust Unitholders meeting, advertisement brochure, published notification, or any other disseminated documents are verified to be accurate, complete, and not lacking in material information. Such disclosure shall also provide sufficient information for investment decisions, and comply with applicable laws, notifications and regulations.

2.9) The REIT Manager shall oversee that the Trust Unitholders obtain accurate and adequate information prior to their respective exercise of the voting rights for any authorization, and that they duly receive such information in advance and within the prescribed time frame as set forth in the Trust Deed and the rules of the Stock Exchange.

2.10) The REIT Manager shall oversee that BOFFICE complies with laws or operational guidelines issued by relevant government agencies or other authorities, as well as regulations of the Stock Exchange

2.11) The REIT Manager shall make distribution payment to the Trust Unitholders of BOFFICE for an amount of no less than 90% of its adjusted net profit for the fiscal year, which includes net earnings of the cash position of BOFFICE. The payment shall be made within ninety days from the fiscal year ending or from the ending date of the relevant accounting period during which such distribution payment is made, whichever the case may be. Nevertheless, in the event that BOFFICE still carries any retained deficits, it shall make no distribution payment to its Trust Unitholders.

2.12) The REIT Manager shall define the annual scope of work or appraisal for property appraisers that include inspections of BOFFICE's properties and comparing them with other nearby properties of similar characteristics

2.13) The REIT Manager may hire any property agent to assist the Property Manager in finding tenants.



2.14) Regarding investment in other assets, other than the investment in the core assets, the Trustee shall assign the REIT Manager to manage such investment as per the regulations prescribed in the Notification of the Office of the Securities and Exchange Commission Sor Ror. 26/2555, and in the Trust Deed. Such assignment shall not impede the rights of the Trustee to assign its rights to any other person to manage such other investments which are not the major assets of BOFFICE.

3) Duties assigned to the Property Manager

Even though the REIT Manager may assign its property management tasks to the Property Manager who is a third-party, the REIT Manager is still required to oversee the performance of the Property Manager to assure the best interest of BOFFICE and its Trust Unitholders. Therefore, the REIT Manager shall perform at least the following

3.1) Selection of the Property Manager

For the selection of a third-party to be the Property Manager who shall oversee activities such as sales, marketing, and day-to-day operations of BOFFICE's properties, the REIT Manager must at least complete the following:

- (a) Assess and evaluate past experiences, reputations, and track records of the Property Manager in relation to its capabilities to find tenants, collect debts, carry out building interior and equipment maintenance, administer rental spaces, service tenants, monitor internal controls, and properly oversee expenses and disbursements etc.
- (b) Review a suitable remuneration rate for the Property Manager which is subject to its work competency and performance, and provide sufficient motivation to the Property Manager as part of the effort to improve the BOFFICE's earnings. For instance, the remuneration of the Property Manager may be tied to the actual collection of rental incomes and/or services fees or the net profit from real estate rental, etc.
- (c) Arrange a mechanism which allows BOFFICE to change the Property Manager in the event that such Property Manager does not comply with the prescribed conditions or that its work performance does not meet a satisfactory standard.
- (d) Arrange to have a process to regularly inspect, monitor, and evaluate the internal control system of the Property Manager to assure that its internal control system remains effective in providing protection against fraud or capable of easily detecting corruption and misconducts. The REIT Manager shall state in the Property Management Agreement that the Property Manager must be responsible for any benefit loss of BOFFICE caused by the negligence on the part of the Property Manager in its operational control process.



- (e) In the event that the REIT Manager finds out that the Property Manager's action or failure to act impairs the credibility of the Property Manager in carrying out its duties as set forth in the Property Manager appointment Agreement, the REIT Manager shall arrange to terminate the Property Manager appointment Agreement, so that the REIT Manager can either take over the Property Manager's position or select a new Property Manager to replace the former one. However, in the event that BOFFICE enters into any loan agreement of which its covenants may prohibit any change of the Property Manager, thus such change therefore requires an approval from the BOFFICE's lenders.

3.2) Regulation of the Property Manager's Performance

The REIT Manager has a duty to supervise the work and performance of the Property Manager to ensure that it is protecting the best interest of BOFFICE and its Trust Unitholders, and shall undertake at least the following:

- (a) The REIT Manager shall participate in the preparation or the review and approval of the annual budget plan of the Property Manager to assure that there are proper details of income and expenses, to avoid any misappropriation of expenses, to set performance target for monthly and annual earnings, and to inspect that the disbursements are in line with the budget plan. The annual budget plan must be approved by the Trustee.
- (b) The REIT Manager shall prescribe incentive criteria that motivate the Property Manager to put an effort into enhancing the value of and the returns for BOFFICE, while mitigating relevant risks to the Trust Unitholders.
- (c) The REIT Manager shall participate in the preparation or the review of the Property Manager's strategic plans to assure that it can increase earnings, mitigate the risks of the rental income volatility and/or the fluctuation in the service fees for BOFFICE, as well as to oversee that the Property Manager performs in accordance with the planned strategies.
- (d) The REIT Manager shall participate in the preparation or the review of the tenant selection guidelines for key tenants, or participate in the tenant mix planning with the Property Manager to limit and mitigate risks of the rental income volatility and/or the fluctuation in the service fees for each year.
- (e) The REIT Manager shall review or participate in the formulation of pricing policy for rental rates and/or service fees to assure that such pricings are appropriate and in line with prevailing market conditions.
- (f) The REIT Manager shall assess the cost control system for repair and maintenance expenses related to equipment and buildings to assure that the conditions of such assets are in a comparable stage to those of its industry peers.



- (g) The REIT Manager shall assess the suitability of the control procedure in the procurement system of the Property Manager to assure the justified economic values of the procured goods and services.
- (h) The REIT Manager shall monitor and control the Property Manager's revenue collection to assure that BOFFICE fully receives its rental income and service fees.
- (i) The REIT Manager shall instruct the Property Manager to monitor and oversee that tenants duly pay their applicable taxes.
- (j) The REIT Manager shall observe and examine the Property Manager's misconducts, as well as performing a random inspection of its operations.
- (k) The REIT Manager shall select and assess the internal control systems of the Property Manager, and shall set its own control procedures and systems to monitor and randomly inspect the Property Manager to ensure that the Property Manager complies with the following rules:
 - (1) Correctly and completely collect all incomes and transfer them to BOFFICE
 - (2) Do not overcharge BOFFICE with unreasonable expenses. Any charges for BOFFICE shall be within the authorized framework of the Property Management Agreement, and
 - (3) Provide adequate and appropriate inspection and maintenance for BOFFICE's assets so that such assets will continue generating long-term benefits.



Property Manager

Summary of the Property Manager

Company Name	BHIRAJ Management Company Limited
Date of Incorporation	18 December 2013
Company Address	591 Sukhumvit Road, Klong Tan Nuea Sub-district, Watthana District, Bangkok
Contact	Telephone: 02-261-0261
Authorized Capital	25,000,000 Baht
Description and Scope of Business Operation	Office building Management
Major Shareholder Structure (Shareholding Proportion)	BHIRAJ BURI HOLDING Company Limited (70.00%) Ms. Panittha Buri (14.98%) Mr. Pitiphatr Buri (14.98%)
Board of Directors	Mr. Prasan Bhiraj Buri Mrs. Prapee Buri Ms. Panittha Buri Mr. Pitiphatr Buri
Accounting Period	1 January - 31 December

Duties and Responsibilities of the Property Manager

1) Duties Related to Property Management

The Property Manager is in charge of providing a maintenance and repair of the properties invested by BOFFICE as deemed necessary, to maintain such properties in a good condition for the benefit of the service; managing and generating income from the properties invested by BOFFICE; facilitating the Trustee, the company appraising BOFFICE's properties, and the REIT Manager in matters related to real estate as deemed necessary and appropriate; jointly operate with the REIT Manager to enable BOFFICE to acquire a license and/ or any other relevant and necessary documents to generate benefits from the properties invested by BOFFICE; recruit tenants to lease the project area; coordinate and negotiate with tenants to enter a lease agreement or any other contracts related to the project; deliver income, expense and payment related to the operation of BOFFICE; manage the operation according to various contracts; provide assistance to the REIT Manager as reasonably requested in the event that the REIT Manager seeks to sell, transfer, lease, transfer of leasehold right, or dispose of (if any) by any means of the properties to other person; contact, coordinate, provide information, submit documents, fees and land and building taxes arising from the properties that BOFFICE is obliged to pay the withholding tax due to project management, and/or any other taxes related to the properties and/or the project management to officials from relevant government agencies; take action and/or coordinate with the REIT Manager and provide assistance to the REIT Manager in providing public utilities for the tenants of BOFFICE's properties; perform any other necessary actions in order to manage the properties in accordance with the BOFFICE management scheme and related laws, etc.



2) Duties related to the preparation of statements, reports, management documents, and internal auditing

Provide accounts and reports as assigned by BOFFICE, including but not limited to daily debt collection reports, daily parking fee summary, accounts receivable report on the last business day of the month, as well as any documents and evidence relating to the Gross Property Operating Revenue and the Operating Expenses of BOFFICE, in order to submit such accounts, reports and documents to the REIT Manager within the specified time. The Property Manager will prepare such accounts in accordance with generally accepted accounting principles, separating into the assets and/or any interest generated from BOFFICE's assets and/or any assets received by the Property Manager as the Property Manager, and/or to be accepted on behalf of BOFFICE instead of personal assets. The Property Manager will compile documents and evidence for accounting and accounting records for a minimum period of time as required by the relevant laws, to maintain the completion of the information and ready for the internal audit by the REIT Manager, the Trustee, and the person assigned by the REIT Manager or the Trustee as requested.

3) Marketing

Coordinate with the REIT Manager to develop and provide an advertising and promotion plan for the assets invested by BOFFICE. This shall be in accordance with the annual operation plan as approved by the REIT Manager.

The Property Manager is related to the REIT Manager (BHIRAJ REIT Management Company Limited) as both companies are the subsidiaries of BHIRAJ BURI HOLDING Company Limited, and that BHIRAJ BURI HOLDING Company Limited is also a Trust Unitholder of BOFFICE, holding a total of 2.20% of the total trust units sold. BHIRAJ BURI HOLDING Company Limited is the parent company of BHIRAJ BURI Company Limited, which is the major Trust Unitholder of BOFFICE, holding a total of 20.07% of the total trust units sold. However, BOFFICE has a mechanisms and measures for selecting a property manager, as detailed in Form 56-REIT 1, Part 3, Subject "Selection of the Property Manager", taking into account the best benefits of the Trust Unitholders.



Contact Information

1. Auditor

Name EY Office Company Limited
Address 193/136-137, 33rd Floor, Lake Rajada Office Complex,
Ratchadapisek Road, Klongtoey Sub-district, Bangkok. 10110
Tel 0-2264-9090
Website www.ey.com

2. Trust Registrar

Name Thailand Securities Depository Company Limited
Address 93 Ratchadapisek Road, Din Daeng Sub-district, Bangkok. 10400
Tel 0-2009-9000
Website www.set.or.th/tsd

3. Appraisers

Name CB Richard Ellis (Thailand) Company Limited
Address 548 One City Centre, 46th and 45th Floor Unit 01-02 Ploenchit Road, Lumpini,
Pathumwan, Bangkok 10330
Tel 0-2119-1500
Website <https://www.cbre.co.th>



Business Overview and Descriptions of Invested Assets

Average
Occupancy Rate
of BHIRAJ TOWER
at EmQuartier

Year 2023

93%

Average
Occupancy Rate
of BHIRAJ TOWER
at BITEC

Year 2023

81%



Business overview, policies and sources of income

Business Overview of BOFFICE

BOFFICE has the policy to acquire the benefits from the core assets of BOFFICE by leasing the space of such asset to tenants as specified in the topic “Core Assets of BOFFICE”. The REIT Manager procures the benefits from the asset of BOFFICE by setting the policies and strategies for managing the asset of BOFFICE for the best benefits of BOFFICE and assigning the property management duty to BHIRAJ Management Co., Ltd. as the Property Manager. The responsibilities of the Property Manager include procuring the benefits by leasing the space according to the policies determined by the REIT Manager, coordinating and facilitating the tenants, and collecting the rent and service charges to BOFFICE. The Property Manager will procure the prospective tenants, lead the site visiting to the property and negotiate with the interested parties directly, as well as maintaining the properties of BOFFICE in a good and functional condition.

The strategies for operation or benefit procurement

BHIRAJ REIT Management Co., Ltd. (“the REIT Manager”), as the REIT Manager of BOFFICE, has the duty to procure benefits from the assets to generate commercial income from rental area and service business and maximize the benefits to the Trust Unitholders. The REIT Manager has significant policies and business strategies as follows:

1. Regarding asset management, the REIT Manager shall monitor the operating results of BOFFICE by comparing the Annual Budget of each year. Including compare the Business Profit of previous years for analyze current operation result. However, if the operating results of BOFFICE does not achieve the target, the REIT Manager shall analyze potential causes and improve its operation to achieve the target.
2. The REIT Manager shall set the rental rate appropriately according to the market situation.
3. The REIT Manager shall improve operation performance and control the operation expenses.
4. The REIT Manager shall increase the potential of BOFFICE’s assets by maintaining project areas and improving the condition of the assets regularly.
5. BOFFICE emphasizing on investment in quality assets with potential location, ideal qualities for a real estate business in order to make profitable turnover and ensure sustainably satisfactory return on investment.

The Property Manager is responsible for managing the properties to generate benefits in the form of leasable area according to the REIT Manager’s policy, coordinating with and facilitating tenants, collecting the rental fees and submit to BOFFICE, and maintaining BOFFICE’s properties in good and functional conditions.



The benefit procurement

BOFFICE invests in the core assets to generate the return on investment with a long-term sustainably satisfactory level to Trust Unitholders. The REIT Manager will set appropriate policies and strategies for proper management of the assets to generate commercial income to BOFFICE and maximize the overall benefits to Trust Unitholders. The investment income from the properties BOFFICE invested in are:

1) Rental and service income

Rental and service income from leasing the office area and retail area to tenants directly, which the tenants use the leased area to operate their own businesses. In most cases, BOFFICE charge rental and service income at a constant rate, depending on the size of the area. Most lease agreements has a term of three years. Tenants pay rental and service fees on a monthly basis to BOFFICE.

2. Other income

Other income consists of revenue from parking fee, overtime air conditioning fee, utility fee from tenants, service fee, sales promotion and advertising fees (profit share from revenue of LCD display media), rental and service income of the telecommunication systems, fines, and other incomes.

As of 31 December 2023, the tenants' business types are vary. The type of tenants' business and size of the leased area also differ. The income is not significantly dependent on a specific tenant. More details are discussed below.

Business type of tenants in BHIRAJ TOWER at EmQuartier

Business type of tenants	Number of tenants	Leased area (sq.m.)	Ratio of net leasable area (%)	Ratio of net Rental income (%)
Commerce	15	14,330	29.18%	29.71%
Consumer Products	15	8,491	17.29%	18.43%
Services	22	7,194	14.65%	16.75%
Industrial	8	6,303	12.83%	13.39%
Financials	11	3,556	7.24%	8.30%
Property & Construction	3	2,499	5.09%	5.22%
Government Agency	2	1,598	3.25%	3.83%
Technology	7	1,589	3.24%	3.81%
Energy & Resources	1	117	0.24%	0.31%
Retail	1	64	0.13%	0.23%
Occupied Area	85	45,741	93.14%	100.00%
Vacant area		3,369	6.86%	
Total (Net leasable area)		49,110	100.00%	

Remark :

As of 31 December 2023, the leasable area in which BOFFICE invested includes the leased area as per the Lease Agreement and the Service Agreement, as well as the leased area as per the Letter of Intent in the lease and service. In addition, data of the expiry dates of each lease agreement are presented in the table below.



In addition, data of the expiry dates of each lease agreement are presented in the table below.

Table of tenants sorted by expiry year in the lease agreements

Expiry year	The expiring area in the lease agreement (sq.m.)	Ratio of leased area with approaching expiry to the net leasable area (%)	The ratio to the net rental income (%)	The number of agreements with term expiry ¹ (agreements)
2024	16,054	32.69%	34.44%	36
2025	19,335	39.37%	43.10%	42
2026	10,352	21.08%	22.46%	23
Occupied area	45,741	93.14%	100.00%	101
Vacant area	3,369	6.86%	-	-
Total (Net leasable area)	49,110	100.00%	100.00%	101

Remark:

As of 31 December 2023, the leasable area in which BOFFICE invested includes the leased area as per the Lease Agreement and the Service Agreement, as well as the leased area as per the Letter of Intent in the lease and service.

¹Some tenants made more than one agreement. Each agreement has different expiry terms.

As of 31 December 2023, BHIRAJ TOWER at EmQuartier had an occupancy rate of 93% and the rental rates of lease agreements in 2023 ranged from 940 - 1,350 Baht/ sq.m./ month

Business Type of tenants in BHIRAJ TOWER at BITEC

Business type of tenants	Number of tenants	Leased area (sq.m.)	Ratio of net leasable area (%)	Ratio of net Rental income (%)
Services	8	11,266	35.13%	45.31%
Industrial	11	4,906	15.30%	21.81%
Property & Construction	9	4,555	14.20%	18.05%
Consumer products	4	1,641	5.12%	7.40%
Financials	1	1,407	4.39%	5.01%
Technology	2	288	0.90%	1.49%
Agro & Food Industry	1	128	0.40%	0.60%
Retail	1	154	0.48%	0.33%
Occupied Area	37	24,345	75.91%	100.00%
Vacant area		7,727	24.09%	
Total (Net leasable area)		32,072	100.00%	

Remark:

As of 31 December 2023, the leasable area in which BOFFICE invested includes the leased area as per the Lease Agreement and the Service Agreement, as well as the leased area as per the Letter of Intent in the lease and service.

In addition, data of the expiry dates of each lease agreement are presented in the table below.

Table of tenants sorted by expiry year in the lease agreements

Expiry year	The expiring area in the lease agreement (sq.m.)	Ratio of leased area with approaching expiry to the net leasable area (%)	The ratio to the net rental income (%)	The number of agreements with term expiry ¹ (agreements)
2024	15,475	48.25%	62.20%	22
2025	400	1.25%	1.88%	3
2026	8,470	26.41%	35.92%	20
Occupied area	24,345	75.91%	100.00%	45
Vacant area	7,727	24.09%	-	-
Total (Net leasable area)	32,072	100.00%	100.00%	45

Remark:

As of 31 December 2023, the leasable area in which BOFFICE invested includes the leased area as per the Lease Agreement and the Service Agreement, as well as the leased area as per the Letter of Intent in the lease and service.

¹Some tenants made more than one agreement. Each agreement has different expiry terms.

As of 31 December 2023, BHIRAJ TOWER at BITEC had an occupancy rate of 76% and the rental rates of lease agreements in 2023 ranged from 667 - 930 Baht/ sq.m./ month.

According to the data of leasable area of BOFFICE's core assets, that are BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC, as of 31 December 2023, the expiries of lease agreements and service agreements in the core assets of BOFFICE are shown in the table below.

Expiry year	Ratio of net leasable area (%)		
	BHIRAJ TOWER at EmQuartier	BHIRAJ TOWER at BITEC	Percentage of BOFFICE's assets
2024	32.69%	48.25%	38.84%
2025	39.37%	1.25%	24.31%
2026	21.08%	26.41%	23.18%
Occupied area	93.14%	75.91%	86.33%
Vacant area	6.86%	24.09%	13.67%
Total (Net leasable area)	100.00%	100.00%	100.00%

Details of tenants associated with BOFFICE

Tenants associated with the Trustee

KASIKORNBANK Public Company Limited ("KASIKORNBANK") is a major shareholder in Kasikorn Asset Management Co., Ltd. ("the Trustee") at the ratio of 99.99% of the total paid-up capital. Therefore, KASIKORNBANK is associated with the Trustee and KASIKORNBANK has made a lease and service agreement with BOFFICE. The details are discussed below.



As of 31 December 2023, KASIKORNBANK, as a tenant, entered into a lease and service agreement to operate a business on BHIRAJ TOWER at EmQuartier with an estimated area of 1,640 sq.m. The lease term shall last for three years, starting from 1 October 2021 onwards. The above agreement is a renewal of lease and service agreement expiring in 2021. The conditions of the lease and service, the rental and service charges shall be in the same standard as the one that BOFFICE offers to other tenants and service users of BHIRAJ TOWER at EmQuartier.

The REIT Manager has assessed and deemed that such a transaction will be beneficial for BOFFICE and Trust Unitholders and it is not contrary to the Trust Deed of BOFFICE or any relevant laws. KASIKORNBANK is a large corporate in the finance and banking industry, resulting in a higher ratio of finance and banking sector in the Project. As a result, the Tenant Mix demonstrated a better distribution. The conditions for lease and service, including the rental and service charge shall be the same as BOFFICE's offers to other tenants in BHIRAJ TOWER at EmQuartier.

Tenants associated with the REIT Manager

Bhiraj and Beyond Ventures Company Limited ("Bhiraj and Beyond Ventures") is a related party of the REIT Manager. As an information of 31 December 2023, Bhiraj Buri Holding Company Limited holds shares in Bhiraj and Beyond Ventures at the ratio of 43.10% of the issued and paid-up shares and Bhiraj REIT Management Company Limited at the ratio of 70% of the issued and paid-up shares. Bhiraj and Beyond Ventures entered into rental and service agreements, which are detailed as follows.

As of 31 December 2023, Bhiraj and Beyond Ventures, as a tenant, entered into a lease and service agreement to operate a business on BHIRAJ TOWER at BITEC with an estimated area of 154 sq.m. The lease term shall last for three years, starting from 16 June 2021 onwards. The conditions of the lease and service shall be in the same standard as the one that BOFFICE offers to other tenants and service users of BHIRAJ TOWER at BITEC. And the rental and service rate that were comparable in markets rate with a similar businesses and a nearby location.

As of 31 December 2023, Bhiraj and Beyond Ventures, as a tenant, entered into a lease and service agreement to operate a business on BHIRAJ TOWER at EMQUARTIER with an estimated area of 64 sq.m. to replace previous tenant. The lease term shall last for two years and four months, starting from 01 June 2022 onwards. The conditions of the lease and service shall be in the same standard as the one that BOFFICE offers to previous tenants and service receiver of BHIRAJ TOWER at EMQUARTIER. And the rental and service rate that were comparable in markets rate with a similar businesses and a nearby location.

The REIT Manager has assessed and deemed that such a transaction will be beneficial for BOFFICE and Trust Unitholders and it is not contrary to the Trust Deed of BOFFICE or any relevant laws. The transaction has been approved by the Trustee.

Significant Change and Development of BOFFICE

In 2023, The Board of Directors Meeting Bhiraj REIT Management Company Limited (“Company”) as the REIT Manager of Bhiraj Office Leasehold Real Estate Investment Trust (“BOFFICE”) No.4/2023 held on 18th October 2023 resolved to appoint Mrs. Sarocha Buri, Director acting in the position of Director and Managing Director of the Company, which effects from 1st November 2023 onwards as the replacement of Mr. Attakorn Netneramitdee whose resigned from the position of Managing Director effective from 1st November 2023 onwards.

Additionally, The Board of Directors Meeting Bhiraj REIT Management Company Limited (“Company”) as the REIT Manager of Bhiraj Office Leasehold Real Estate Investment Trust (“BOFFICE”) No.6/2023 held on 8th December 2023 had passed the resolution to appoint the new independent director namely Mr. Thaevan Uthavath, which will be effective from 23rd November 2023 onwards. In this regard, the Company has completed the registration of the new independent director with Department of Business Development, Ministry of Commerce.



Descriptions of the core assets

1) BHIRAJ TOWER at EmQuartier

BHIRAJ TOWER at EmQuartier is an office building developed as part of the Mixed-Use Commercial Complex on the starting section of Sukhumvit Road, with office buildings and a department store all blended harmoniously in the same area. The Mixed-Use Commercial Complex comprises 4 buildings, namely (1) BHIRAJ TOWER at EmQuartier Office Building, (2) The Glass Quartier Building, (3) The Waterfall Quartier Building, and (4) The Helix Quartier Building. This investment is in the area of BHIRAJ TOWER at EmQuartier Office Building and the areas related to the operation of the office, some of which are in the Glass Quartier Building and the Waterfall Quartier Building. BOFFICE invested in the conveyance the building's facilities and movable properties relating to the operation of the office building, excluding the EmQuartier Department Store and the common usable area between the office building and the shopping complex. The location and details of each building are illustrated in the following figure.

The location of BHIRAJ TOWER at EmQuartier in the Mixed-Use Commercial Complex



Remark:

- (1) BHIRAJ TOWER at EmQuartier Office Building,
- (2) The Glass Quartier Building,
- (3) The Waterfall Quartier Building, and
- (4) The Helix Quartier Building



Location and surrounding area

BHIRAJ TOWER at EmQuartier Office Building is a Grade A office building located at 689, Sukhumvit Road, Khlongtan Nuea Subdistrict, Vadhana District, Bangkok. The front is facing directly with Sukhumvit Road between Soi Sukhumvit 35 and Soi Sukhumvit Soi 39. This location is in the Bangkok's central business district (CBD) with direct access from BTS Phrom Phong Station to M floor of the EmQuartier Department Store toward the office building's lobby. Furthermore, the Building is also located near Sukhumvit MRT Station with direct access to BTS Asok Station, which is only one station or 1.2 kilometers away. Besides, expressways are not far from the Building. All these mass transit and public transport systems make it easy to commute.





Description of Investment	
Characteristics of the investment	<p>1. Long-term partial leasehold right of BHIRAJ TOWER at EmQuartier</p> <p>1.1 Leasable office space of BHIRAJ TOWER at EmQuartier (15th – 42nd floors and some areas of 43rd floor), and retail store leasable area (M floor)</p> <p>1.2 The common areas of the office building such as the fire escape, the elevators, the office corridors, and the office lobby</p> <p>1.3 The parking areas of the office building (located at 2M floor, 3rd floor, and 3M floor of The Waterfall Quartier building)</p> <p>1.4 The areas for office building facilities (some parts of the Waterfall Quarter and BHIRAJ TOWER at EmQuartier) also cover the facilities shared with the EmQuartier Department Store (located in the Waterfall Quartier building, some part of BB floor, B floor, G floor, and 5M floor).</p> <p>2. Ownership of movable assets relating to BHIRAJ TOWER at EmQuartier operation, including facilities of the office building, the common area with the EmQuartier, and related equipment</p>
Investment term	Approximately 26 years and 9 months, starting from the leasehold registration date to 30 September 2044
Investment date	18 January 2018
Value invested by BOFFICE	6,668,789,000 Baht
Appraisal value of the asset as of 1 June 2023	6,346,000,000 Baht (appraised by CB Richard Ellis (Thailand) Co., Ltd.)

Characteristics of the assets invested by BOFFICE	
Location	689 Sukhumvit Road, Khlongtan Nuea Subdistrict, Vadhana District, Bangkok
Landowner	BHIRAJ TOWER at EmQuartier Project is located on an area of 13 rai and 32 square wah, owned by BHIRAJ BURI Co., Ltd.
Property owner	The building is owned by BHIRAJ BURI Co., Ltd.
Type of utilization	Office Building for rent
Gross Floor Area	94,853 sq.m., including office area for rent, the common area of the office building, parking area of the office building, facilities area, and other area relating to the Project
Net Leasable Area	49,110 sq.m., including leasable office area of 48,814 sq.m., terrace 232 sq.m., and retail store leasable area 64 sq.m..
Construction completion year	Year 2015
Nature of obtaining benefits	Benefits are obtained by leasing the space to retail tenants and services related to the leased assets.
Target groups	Target tenants are from a wide range of business and service sectors.
Limitations or obligations	Under the loan agreement, BOFFICE is required to comply with certain financial conditions stated in the agreement, such as maintaining the loan debt to total as-set ratio and the leverage ratio.



Value based on the recent appraisal

The asset has been appraised recently on 1 June 2023 by CB Richard Ellis (Thailand) Co., Ltd. (the appraiser), who has been approved by the Securities and Exchange Commission Office (SEC). The appraiser has used income approach method for making the appraisal report. The income approach method reflects the competence of future income of asset within the leasehold period and discounts the future cash flow by proper discount rate for Net Present Value (NPV) that is value of the asset.

Key assumptions for appraising the asset with the income approach

Details	Long-term partial leasehold right of the office building and ownership of movable assets related to the operation of BHIRAJ TOWER at EmQuartier	
Appraiser	CB Richard Ellis (Thailand) Co., Ltd	
Appraisal approach	Income Approach	
Appraisal period	21 years and 4 months, starting from the end of the appraisal date to 30 September 2044 (according to the remaining term of the leasehold period)	
Appraisal date	1 June 2023	
Appraisal value of the asset	6,346,000,000 Baht (six billion three hundred forty-six million Baht only)	
Key assumptions		
The rental rates and growth rate from 2023	<ul style="list-style-type: none"> Office space for rent at the rate of 1,090 baht/sq.m./month for vacant space with a 3.0% increase every year Balcony area 460 Baht/sq.m./month for vacant space with a 3.0% increase every year Retail store leasable area at the rate of 1,700 Baht/sq.m./month (with a 3.5% increase every year) 	
Occupancy Rates	<ul style="list-style-type: none"> Office space : Years 1-2 = 95% of Net Leasable Area Year 3 onwards = 97% of Net Leasable Area Balcony area : Year 1 = 93% and a year onwards = 100% of Net Leasable Area Retail store leasable area : 100% of Net Leasable Area 	
Discount Rate	8.50 %	

Remark:

The facility expenses will be increased by 2% per annum and based on the estimated rate of 2023, the reserve for building renovation by 3% of the total income, and the property manager fee as stipulated in fixed amount throughout the Property Manager Appointment Agreement



2) BHIRAJ TOWER at BITEC

BHIRAJ TOWER at BITEC is an office building developed as part of the BITEC Mixed-Use Complex located on Sukhumvit Road near Bang Na Intersection. The complex consists of the exhibition center, convention center, and office building. The investment in BHIRAJ TOWER at BITEC covers partial ownership of the facilities and movable assets relating to the building's operation, excluding the Bangkok International Trade & Exhibition Centre (BITEC), the common usable area between the office building and BITEC, and ownership of shared facilities. BOFFICE has registered the charge on immovable property on the land or in the building for shared facilities.





Location and surrounding area

BHIRAJ TOWER at BITEC is located on Sukhumvit Road, near Bang Na Intersection and 150 meters away from Bang Na BTS Station. There is a skywalk bridge from the BTS station to BHIRAJ TOWER at BITEC via the second floor of the Bangkok International Trade & Exhibition Centre (BITEC) and the lobby on the G floor of the building. In addition, the Project is only 100 meters from the entrance to and exit from an expressway with access to other road networks such as Chalong Rat Expressway, Chalerm Maha Nakhon Expressway, and Buraphawithi Expressway, thus easy transport by car.





Investment details	
Characteristics of the investment	<ol style="list-style-type: none"> 1. Long-term partial leasehold rights of BHIRAJ TOWER at BITEC <ol style="list-style-type: none"> 1.1 Leasable office space of BHIRAJ TOWER at BITEC (10th – 28th floors and some areas of 9th floor) and retail store leasable area (G floor) 1.2 The common areas of the office building such as office corridors, office lobby, elevator lobbies, and restrooms, including 29th floor and rooftop 1.3 Parking areas of BHIRAJ TOWER at BITEC on B1, B2 and B3 floors 1.4 Some facility areas of BHIRAJ TOWER at BITEC 2. Ownership of movable assets relating to the operation of BHIRAJ TOWER at BITEC <ol style="list-style-type: none"> 2.1 Ownership of movable assets in the building facilities related to the office building operation such as air conditioning system, electricity system (excluding the substation), sanitation system (excluding wastewater treatment system and water storage tanks), communication system, elevator and escalator systems, fire prevention and firefighting systems (partial), security system, and building automation system. 2.2 Ownership of movable assets in the building facilities for parking areas of the office building 2.3 Ownership of equipment used for decorating the office building or commercial purposes of BHIRAJ TOWER at BITEC
Investment term	30 years, starting from the leasehold registration date to 19 August 2050
Investment date	20 August 2020
Value invested by BOFFICE	3,331,020,000 Baht
Appraisal value of the asset as of 1 June 2023	2,766,000,000 Baht (appraised by CB Richard Ellis (Thailand) Co., Ltd.)
Characteristics of the assets invested by BOFFICE	
Location	4345 Sukhumvit Road, Bang Na Tai Subdistrict, Bang Na District, Bangkok
Landowner	BHIRAJ TOWER at BITEC is located on the land owned by Pharindhorn Co., Ltd.
Property owner	BHIRAJ TOWER at BITEC is owned by Pharindhorn Co., Ltd.
Type of utilization	Office Building for rent
Gross Floor Area	70,741 sq.m., including the office space for rent, common area, the parking area of the office, facility area, and other areas relating to the Project operation
Net Leasable Area	32,072 sq.m., including the office space 31,918 sq.m. and retail store leasable area 154 sq.m..
Construction completion year	2017
Nature of obtaining benefits	Benefits are obtained by leasing the space to retail leaseholders and services related to the leased assets.
Target groups	Target tenants are from a wide range of business and service sectors.
Limitations or obligations	Under the loan agreement, BOFFICE is required to comply with certain financial conditions stated in the agreement, such as maintaining the debt to net asset ratio and the leverage ratio.

Value based on the recent appraisal

The asset has been appraised recently on 1 June 2023 by CB Richard Ellis (Thailand) Co., Ltd. (the appraiser), who has been approved by the Securities and Exchange Commission Office (SEC). The appraiser has used income approach method for making the appraisal report. The income approach method reflects the competence of future income of asset within the leasehold period and discounts the future cash flow by proper discount rate for Net Present Value (NPV) that is value of the asset.

Key assumptions for appraising the asset with the income approach

Details	Long-term partial leasehold right of the office building and ownership of movable assets related to the operation of BHIRAJ TOWER at BITEC
Appraiser	CB Richard Ellis (Thailand) Co., Ltd
Appraisal approach	Income Approach
Appraisal period	27 years and 2 months, starting from the end of the appraisal date to 19 August 2050 (according to the remaining term of the leasehold period)
Appraisal date	1 June 2023
Appraisal value of the asset	2,766,000,000 Baht (two billion seven hundred sixty-six million Baht only)
Key assumptions	
The rental rates and growth rate from 2023	<ul style="list-style-type: none"> Office space for rent at the rate of 750 Baht/sq.m./month for vacant space with a 3.0% increase every year Retail store leasable area at the rate of 370 Baht/sq.m./month (with a 3.0% increase every year) Storage space 315 Baht/sq.m./month for vacant space with a 3.0% increase every year
Key assumptions	
Occupancy Rates	<ul style="list-style-type: none"> Office space: Years 1-3 = 80-93% of Net Leasable Area Year 4 onwards = 96.0% of Net Leasable Area Retail store leasable area: 100% of Net Leasable Area Storage space: 100% of Net Leasable Area
Discount Rate	9.0%

Remark:

The facility expenses will be increased by 2% per annum and based on the estimated rate of 2023, the reserve for building renovation by 3% of the total income, and the property manager fee as stipulated in fixed amount throughout the Property Manager Appointment Agreement.

In this regard, the REIT manager has examined the key assumptions of the appraiser used in the appraisal of the invested asset and found that the asset appraisal report is appropriate. It is according to the type of property that generates income. The key assumptions used in the appraisal did not find any material that made the assumptions unreasonable in relation to the historical average performance and consistent with the overview of the office building market.

However, actual operating results may differ from those assumptions or events may not be as expected because the appraiser's assumptions based on business environment factors which are affected by various situations occurring at the date of asset appraisal. If the event or other data that affect to the assumptions are changed in the future, the appraisal value of the asset may be change.



Details of Core Asset Acquisitions and Sale in the Accounting Period

Details of Core Asset Acquisitions in the Accounting Period

BOFFICE did not acquire any core assets in the accounting period from 1 January to 31 December 2023.

Details of Core Asset Sale in the Accounting Period

BOFFICE did not sell any core assets in the accounting period from 1 January to 31 December 2023.





Borrowing Policy

BOFFICE may borrow loans or guaranteed/non-guaranteed obligations in compliance with regulations of loans and obligation defined by relevant law or determined in trust deed. Nevertheless, the loans or obligations shall be conducted under the following objectives;

- 1) To invest in real estate or leasehold rights which are added to its core assets.
- 2) To use borrowings to manage BOFFICE's properties.
- 3) To use borrowings for maintenance, repair, upkeep or improvement of BOFFICE's properties such as its real estate or leasehold rights of real estate so that they remain in good condition and are properly maintained to readily confer benefits of income production.
- 4) To use borrowings for constructions of any annex or any additional buildings on the exiting plots of land that BOFFICE owns or holds leasehold rights of such real estate to confer benefits of income production.
- 5) To use borrowings for repayments of its loans or obligations.
- 6) To use borrowings for any other necessary purposes as the REIT Manager shall deem appropriate for the management of BOFFICE and for the benefits of trust unitholders.

Loan will be conducted principally for the benefit of trust unitholders. In case of loan under objective 3) to improve BOFFICE's properties such as its real estate or leasehold rights of real estate or objective 4) to construct of any annex or any additional buildings on the exiting plots of land that BOFFICE owns or holds leasehold rights, remaining period of leasehold right shall be considered.

BOFFICE has a limit of loan ratio which shall not exceed 35 percent of total asset value. In case of investment grade be applied, loan ratio shall not exceed 60 percent of total asset value.

Loan of REIT for investing in core assets will benefit to trust unitholders, because REIT will receive lower financial cost when compared to invest in core assets by using capital from offering trust units to investors only. The interest rate that BOFFICE has to pay on this loan is in line with the borrowing rate of prime customers that most domestic commercial banks offer to their clients who operate the office rental business and under similar conditions.



Borrowing Method

BOFFICE can borrow money through the following methods:

- 1) applying for the loan from commercial banks, financial institutions, life insurance companies, non-life insurance companies, and/or any other juristic person that capable of providing loans to BOFFICE, provided that it must not violate any relevant law, notifications, rules or regulations as prescribed by the Securities and Exchange Commission (SEC) or the Office of the SEC or other relevant regulators;
- 2) issuing instruments or securities or entering into agreements in the nature of loans from other persons or corporations that are capable of providing loans provided that it must not violate any relevant laws, notifications, rules, or regulations as prescribed by the SEC or the Office of the SEC.

BOFFICE's loan borrowing shall include borrowing of a company in which BOFFICE holds shares in accordance with the company rules that BOFFICE indirectly invests in the core assets, Investor's borrowing in other trusts or borrowing of the trust which established for an indirect investment as well.

Borrowing Restriction

BOFFICE's borrowing shall not a character as follow:

- 1) That is terms and conditions similar to the terms of the debentures for the redemption of debentures upon dissolution of the company (perpetual bond).
- 2) That is structured products except in the case that meets all characteristics as follow:
 - 2.1) The debtors have the right to repay the debt before the due date (Callable), or BOFFICE have the right to demand early payment the debtor to pay the debt before the maturity date (puttable).
 - 2.2) The interest or return is a fixed rate or a variable rate, that varies according to the interest rate of a financial institution or other interest rates.
 - 2.3) There are no conditions for paying interest or returns that are based on additional other referable factors.
- 3) That can be converting assets to securities

Creation of Encumbrances over the Properties of BOFFICE

The encumbrances over the properties of BOFFICE may be created only when it is necessary and related to the property management of BOFFICE according to the Trust Deed as follows:

- 1) Creating of encumbrances relating to the main undertakings allowed under the provisions of the Notification No. TorJor. 49/2555, as well as other relevant notifications as prescribed by the SEC, for example, the placing of BOFFICE's properties as a collateral for loan obligation pursuant to the loan agreement, and as required by law;
- 2) Creating of encumbrances in an ordinary course of business or of the particular type of transaction;

Obtaining Loan from or Creating Encumbrance with Person(s) Related to the Trustee

BOFFICE may obtain a loan by applying for a credit facility from commercial banks, financial institutions, life insurance companies, non-life insurance companies, and/or other persons who are capable of providing loans to BOFFICE, or entering into agreements in the nature of loans, creating encumbrances to its properties, and/or entering into a transaction with the person(s) related the Trustee pursuant to the rules of the SEC or the Office of the Securities and Exchange Commission and other relevant orders as prescribed by the SEC or the Office of the SEC, that will announce.

Information about loan at the end of the fiscal year

BOFFICE currently has some loans. Kasikorn Asset Management Company Limited as BOFFICE's trustee makes a loan agreement with KASIKORNBANK Public Company Limited, who is related person with the trustee. Terms and conditions of such loan comply with the loan agreement, the business security agreement and relevant financial documents between trustee and the lender or between contract counterparties. Summary of terms and conditions are determined as follow:

Summary of terms and conditions of Bhiraj Office Leasehold Real Estate Investment Trust's loan

Lender	KASIKORNBANK Public Company limited
Borrower	Kasikorn Asset Management Company Limited acting as Trustee of Bhiraj Office Leasehold Real Estate Investment Trust
Loan Amount (Million Baht)	1 st Loan Amount: Long-Term Loan type, 1,720 million Baht for debt repayment of the initial investment in core assets. 2 nd Loan Amount: Long-Term Loan type, 700 million Baht for investment in core assets invested in the 1st capital Increase. 3 rd Loan Amount: Letter of Guarantee type, 4 million Baht for yearly Revolving Credit to guarantee the use of electricity to the core assets to the Metropolitan Electricity Authority.
Interest Rate	Minimum Loan Rate (MLR) minus by rate determined in the loan agreement (%)
Repayment Period	Repayment within 5 years after the first date of withdrawal
Principal Payment	The repayment shall be made in installments and/or only at once for the entire amount as specified in the Loan Agreement, collateral agreement as agreed upon between the Parties, however, the remaining loan amount shall be repaid entirely upon the due date of the Loan Agreement. Upon the due date of the Loan Agreement in the 5th anniversary, the Company as the REIT Manager shall consider the alternative means of funding by taking into consideration the economic circumstance at the time for the best interest of BOFFICE e.g. issuance of debentures, obtaining a loan from commercial banks and/or financial institutions for refinancing etc.
Interest Payment	Monthly payment



Collaterals 1st Loan Amount	<ol style="list-style-type: none"> 1. Business Collateralization on lease agreement of BHIRAJ TOWER at EmQuartier Office Building 2. Business Collateralization on system building or utility system, equipment and/ or the right of claims under sale agreement of BHIRAJ TOWER at EmQuartier Office Building chattels 3. Business Collateralization on common area service agreement 4. Business Collateralization on public utility service agreement 5. Business Collateralization on parking area service agreement 6. Business Collateralization on other agreement pertaining to BOFFICE's operation 7. Endorsement on all risk insurance and business interruption insurance on BHIRAJ TOWER at EmQuartier Office Building except Third Party liability Insurances, defining the lender as co-beneficiary and/or co-insured
Collaterals 2nd Loan Amount	<ol style="list-style-type: none"> 1. Business Collateralization on lease agreement of BHIRAJ TOWER at BITEC Office Building 2. Business Collateralization on system building or utility system, equipment and/ or the right of claims under sale agreement of BHIRAJ TOWER at BITEC Office Building chattels 3. Business Collateralization on common area service agreement 4. Business Collateralization on public utility service agreement 5. Business Collateralization on parking area service agreement 6. Business Collateralization on other agreement pertaining to BOFFICE's operation 7. Endorsement on all risk insurance and business interruption insurance on BHIRAJ TOWER at BITEC Office Building except Third Party Liability Insurances, defining the lender as co-beneficiary and/or co-insured <p>Beside from the conditions specified above, other terms and conditions on the provision of this loan collateral shall be in accordance with the terms of the loan agreement, collateral contract and related financial documents which the parties will have agreed to.</p> <p>“Business Collateralization” means enacting assets as collateral for debt repayment under the Business Security Act B.E. 2558 Which can be pledged as collateral, including the right to receive rental payments under the relevant lease, the right to deposit in relevant accounts. The lender can enforce the collateral when there is a reason for the enforcement of the security as specified in the collateral agreement including the event of contract breach under the loan agreement (for example, the borrower fails to pay the debt, the borrower fails to comply with the financial documents including bankruptcy borrowers and etc.) and the lender has issued a letter notifying the parties for the enforcement of collateral as stipulated in the Business Security Act.</p>

However, the loans will benefit the Trust Unitholders in terms of the rate of return. Because the cost of debt is lower than the cost of equity. The status of the BOFFICE's loan as at the end of the fiscal year 2023 are determined as follow:

Outstanding Loan	2,220,000,000 Baht
Total Assets	9,730,334,307 Baht
Loan to Total Assets	22.82%
Compiling with Financial Covenants in Loan Agreement	BOFFICE complies the financial covenant in loan agreement



Overall Industry of Real Estate Investment

Overall Economic Situation of Thailand

In 2023, the Thai economy still faced various risks and limitations. The main drivers of last year's economic growth were tourism recovery and a rise in domestic consumption. The restraining risk factor was a slowdown in the global economy. Some of the issues were inflation trends and problems faced by financial institutions in major economies. The change in the policy interest rate also caused high household and business debts. In addition, the global economy was affected by geopolitical conflicts such as the ongoing war between Israel and Hamas. In Thailand, there was a delay in the 2024 budgeting process as a result of the uncertainty surrounding the forming of a new government. At the same time, the agricultural sector was hit by unreliable climatic conditions due to the El Nino situation. According to the Office of the National Economic and Social Development Council, Q1 2023 saw a 2.7% economic growth, a 1.4% increase from Q4 2022. One of the main contributors to this uptrend was the expansion of the export sector and the service sector. Likewise, private-sector consumption continued to grow in line with economic recovery. Despite such positive trends, the economy still faced pressure from exports which were constantly down because of a slowdown in the global economy. In Q2 2023, the Thai economy grew by 1.8%, a 2.6% quarter-on-quarter decrease. This resulted mainly from a continuous rise in household spending and an overall downturn in investment, The public sector continued to spend less, while the export sector experienced a decline. By contrast, there was a high rate of growth in the service sector thanks to a jump in foreign tourist arrivals. From an overall perspective, in the first half of the year, the Thai economy expanded by 2.2%. In Q3 2023, it grew by 1.5%, compared to the range of 2.0-2.2% expected by the market. The growth slowed from 1.8% in the second quarter of the same year. This could be explained by the fact that the overall exports fell for four consecutive quarters. The economic growth in Thailand was primarily spurred by domestic consumption, and this contributed to a 1.9% rise in the first nine months of 2023.

Since the start of the COVID-19 pandemic, the Bank of Thailand has raised the policy interest rate eight times, starting with a rate of 0.50% and culminating in 2.50% at the end of 2023. The 6th Monetary Policy Committee meeting held in 2023 concluded with a statement that the Thai economy would possibly expand by 2.4% and 3.2% in 2023 and 2024, respectively. The national economy is projected to follow an upward trend, which can be attributed to increased private-sector consumption in line with growing consumption in the service sector. Other factors were employment and higher labor income. However, economic growth is expected to slow down as exports and tourism are recovering more slowly than expected. One of the contributing factors is that the Chinese economy and the global electronics cycle have yet to fully recover. In 2024, the Thai economy will likely see growth driven by domestic consumption as tourism and exports are back on track in terms of recovery. The additional driver will be the government's policies. Despite this, caution should be taken on the possibility of higher food costs due to the El Nino phenomenon. Uncertainty and conflicts in the Middle East may also lead to increased energy costs worldwide. Economists have predicted a continuous recovery of the Thai economy in 2024. Given this, the Bank of Thailand will freeze the policy interest rate at 2.50% throughout the year. It is possible as well that the rate will be lowered in the latter half of the year, depending on the economic situation.



Real Estate Industry Conditions for the Commercial Sector in the Office Building Category

According to a survey conducted by Colliers International Thailand Company Limited on Bangkok-based office rental businesses in 2023, in the first quarter, there was a rise in the supply of offices in Bangkok. Five new projects were introduced. Some developers renovated rental spaces on some floors and developed the Co-Living Collective model, combining work and life in a newly designed working space to attract potential tenants' attention. In the second quarter, three projects were released. However, the demand for office spaces dropped. By contrast, the third quarter saw a clear QoQ growth in demand with over 10,000 square meters being used in the central business district (CBD). On the supply end, there are still office spaces for the future. Colliers predicts that 400,000 square meters, on average, will continue to be available until 2025. New buildings tend to attract tenants. Priority will still be given to enhancing the quality of office spaces. Workspaces are crucial components of office buildings. Nowadays, new office buildings provide options for a variety of tenants. Efforts are being put into improving marketing strategies. Greater rental flexibility is offered in line with any future competition and the ongoing business climate for office building rental.

Supply of Office Building in Bangkok

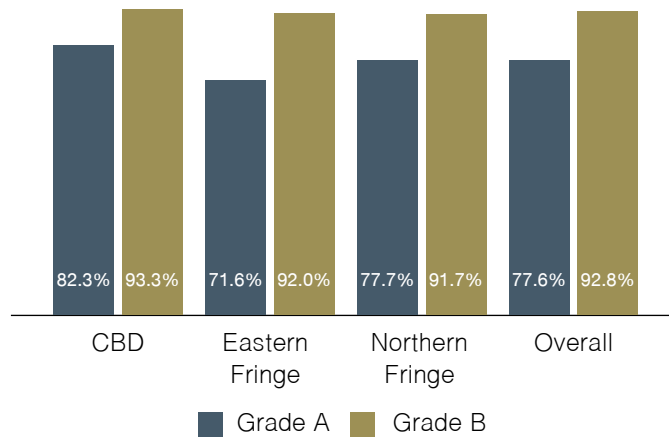
Colliers International Thailand Company Limited's report on the supply of offices for rent in Bangkok shows that in 2023's third quarter, a single new office building was unveiled, totaling 51,659 square meters in size, a 0.53% QoQ increase. This uptick in supply was driven by the completion of this new office building, which is One City Center, a Grade A office building located in Lumpini near Ploenchit BTS Station on the Sukhumvit Line. Meanwhile, construction setbacks have led to the postponement of other projects in the pipeline, with their expected completion now pushed to the following year. Given such a delay in construction, Colliers foresees a future supply of approximately 400,000 square meters of new office space annually until 2025. Colliers has also observed that certain newly launched office buildings are attempting to position themselves as superior to luxury standards, likely in an effort to align with exceptionally high asking rental prices. The observation underpins a shift in the industry towards better modern standards along with meeting the heightened expectations of more premium tenants.

Demand of Office Building in Bangkok

In the report, Colliers International Thailand Company Limited anticipates that relocation towards better standard office buildings may become more apparent in 2024 wherein new developments are also slated to open. Consequently, tenants in older, existing buildings are now observed to be less inclined to renew their contracts. In Q3 2023, overall occupancy slightly improved, reaching nearly 89%, and this shows a 0.02% QoQ increase. The Sukhumvit area remains a preferred choice within the CBD, representing an occupancy rate of 92.3. On the other hand, the western fringe area is a non-CBD area with a higher occupancy rate, reaching 95.8%.



A graph showing occupancy rates by location for Grade A and Grade B offices as of Q3 2023

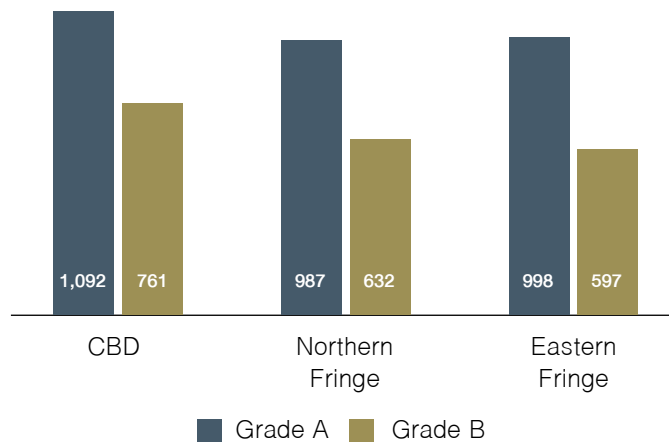


Source : Colliers International Thailand Company Limited's research findings

Rental rates

The research conducted by Colliers International Thailand Company Limited shows that the average rent for all office grades and areas in Bangkok settled at 763 baht per square meter, slightly down by 0.52% QoQ. In Q3 2023, the rental rate for Grade A offices averaged 1,055 baht per square meter. The areas with outstanding rental rates were Ploenchit, Chidlom and Rama I. The asking price for Grade A office buildings situated in CBD areas reached approximately 1,092 baht. This marks a 0.64% increase on a quarterly basis. As currently there is a growing supply of new office buildings, it is anticipated that older buildings may face increased downward pressure on rents. Landlords will need strive to maintain competitiveness, retain tenants, and swiftly fill vacant spaces.

A graph showing the average asking rental rate by location for Grade A office buildings in Bangkok



Source: Colliers International Thailand Company Limited's research findings



Project Marketing and Competition Policies

A comparison between the supply of office spaces for rent in Bangkok and the operational results for the property invested in by real estate investment trusts (REITs) shows that the occupancy rate of a project that a trust invests in is higher than the market occupancy rate of a Grade A office building. However, as future tenants are likely to move to a cost-saving office building or a newly built office building, the REIT Managers and the Property Managers see that upgrading facilities and the project image in accordance with well-being and sustainability-oriented development practices will play a vital role in motivating most tenants to consider renewing their contracts and continue to rent spaces in the projects invested in by the trust.





Risk Factors

1) Risks about business competitors of BOFFICE's assets

BOFFICE might experience the risk of leasable office area supply increased in the future due to the increasing in new office buildings for rent. Such an increasing in supply might attract tenants to rent other offices, affecting the occupancy rate, the bargain of space rental rate, and operation of BOFFICE. However, with the location of BHIRAJ TOWER at EmQuartier at the Central Business District (CBD), the outstanding environment of the project with the direct access to public transit like BTS Phrom Phong Station made this asset competitive compared to other office buildings. In the meantime, BHIRAJ TOWER at BITEC is located on Sukhumvit Road, near Bang Na Intersection. The office building is right next to Bangkok International Trade & Exhibition Centre (BITEC). People who come to the building can take the sky walk on the second floor of BITEC to access BHIRAJ TOWER at BITEC directly. Moreover, the sky walk is also connected to public transit of BTS Bang Na Station with a walking distance of 150 meters. Also, the building is close to the entrance and exit of expressways such as Chalong Rat Expressway, Maha Nakhon Expressway, and Burapha Withi Expressway.

2) The risks of tenants in default on rental fees and/or service charges and/or prematurely terminating the lease agreements and service agreements and/or the expiry of the existing agreements within an immediate period of time and/or renewal or execution of new lease agreements and service agreement under which BOFFICE receives lower benefits

The rental fees and service charges that BOFFICE collects from tenants according to lease agreements and service agreements are the main source of BOFFICE's income. BOFFICE might be at the risk of tenants and clients default on rental payment and/or service charges and/or prematurely terminating lease agreements and service agreements. Reasons for terminating agreements are vary for instance domestic economic fluctuations, which had an extensive economic impact and continuity on the overall economy and business industries. If lease agreements and service agreements are prematurely terminated and BOFFICE is unable to find new tenants for the vacant areas or the core assets of BOFFICE might encounter a situation in which several lease agreements expire at a similar period of time. If all or some tenants or service users do not wish to renew their lease agreements or service agreements for whatever reasons. Such a situation might lead to a significant level of vacant area. It will affect the income of BOFFICE directly, along with the ability to benefits distribution to Trust Unitholders.



In addition, renewal or execution of new lease agreements and service agreement might be an event when BOFFICE needs to renew agreements or enter into lease agreements or service agreements under which BOFFICE receives lower benefits than the existing agreements. The causes of such incidents are vary, including lower demand for office space, significantly higher supply of office space, or other economic conditions that might affect tenants or clients' ability to pay for rental or service charges, which is beyond the control of BOFFICE. If the new rental or service charge rates upon renewal or execution of new agreements are significantly lower than expected, it can also cause adverse impact on the operation results and financial status of BOFFICE, along with the ability to benefits distribution to Trust Unitholders.

To minimize the risk, the REIT Manager and the Property Manager has reviewed the policies and revised the strategies relating to the procurement of benefits by hiring Agencies to select new tenants, determined a set of criteria to screen for tenants who have high business potential by considering their financial stability, reliable background, reputation, and acceptance. Currently, the REIT Manager and the Property Manager are monitoring the situation and assessing the chance of agreement renewal or termination continuously. The REIT Manager and the Property Manager are taking their best efforts in maintaining the base of tenants and clients in the midst of the fluctuating economic condition and minimizing the risk of tenants and clients default on rental payment and/or service charges and/or prematurely terminating lease agreements and service agreements and/or finding tenants and clients upon the expiry of the existing agreements within an immediate period of time and/or renewal or execution of new lease agreements and service agreement under which BOFFICE receives lower benefits.

However, if tenants and clients decided not to renew their lease agreements and service agreements, they are required to notify BOFFICE as the lessor and service provider. The Property Manager has a policy to survey the intention to renew the agreements about 6 months before the expiry of a lease agreement and service agreement. This will give the REIT Manager and the Property Manager some time to get prepared for entering into a lease agreement and service agreement with new tenant.

3) The risk from the BOFFICE's performance and operating results depend on the REIT Manager's and/or Property Manager's ability to procure benefits and management from the BOFFICE's core assets.

The Effective and successful management of BOFFICE depends on knowledge, abilities, experience and expertise of the REIT Managers and the Property Managers. The REIT Manager is determine the policy and strategy for management and procure benefits from the BOFFICE's core assets as stipulated in the Trust Deed. The REIT Manager is a person who primarily responsible for general business management and controls the business operations in order to obtain benefits from the BOFFICE's core assets that controlled by the Trustee. The REIT Manager is inability to operate according to the BOFFICE's strategy as planned as it may has a significant negative impact on the business, financial position, operating results, operating results and opportunities of the BOFFICE. The ability of REIT Manager to plan and operate the REIT's investment strategy successfully depends on many uncertain factors. For example, the ability to find investment opportunities that are suitable and consistent with the BOFFICE's investment rules and obtaining good financial conditions. Therefore, the REIT Manager cannot guarantee that the actual operation results following the REIT Manager's investment strategy will be in accordance with the plan or Timing in planning or appropriately cost.



In addition, The REIT Manager has assigned Bhiraj Management Co.,Ltd as the Property Manager for managing BOFFICE's first investment in core asset and the first capital increase core assets. The Property Manager is responsible to manage BOFFICE's core assets under the supervision, policies and strategies set by the REIT Manager which are in accordance with the property manager appointment agreement that the BOFFICE and the REIT Manager have entered into with the Property Manager. The Property Manager is responsible for managing the core assets and procure benefits and operation for the core assets according to the policy received from The REIT Manager such as finding prospective tenants, renewal of agreements with the current tenants, advertising, public relations and sales promotion, management of maintenance or development of the BOFFICE's core assets, that is BOFFICE's expense, to be in a good and profitable condition. However, if the Property Manager is unable to manage the BOFFICE's core assets properly according to the REIT manager's policy or if there is a change in the Property Manager or a key personnel of the Property Manager and still fails to recruit or assign a new quality personnel, the failure may lead to adverse impact on the BOFFICE's revenues or rental revenues that may affect operation result, financial position, core assets value, ability to distribute benefits to Trust Unitholders and/or ability to repayment the BOFFICE's debts at due date.

4) Potential risk in bank loan

As of 31 December 2023, BOFFICE had loan debt to total asset ratio of BOFFICE as 22.82%. The total amount of loans from a financial institute was 2,220 million Baht. BOFFICE might the risk from such loans due to the floating interest rate during the term of the Loan Agreement. This might bring about adverse impact on BOFFICE's operation and ability to distribute benefits to Trust Unitholders. Moreover, if BOFFICE is unable to pay the interest and/or the principal of loan or is in default of any other provisions as specified in the Loan Agreement, the lender might choose to take legal actions against BOFFICE due to BOFFICE's non-compliance with the Loan Agreement or exercise the rights under the Loan Agreement due to BOFFICE's non-compliance with the Loan Agreement. For example, the lender may assign any or all amounts under any financial document to be due immediately. Alternatively, the lender may exercise, in part or in whole, the rights under the main agreement. However, the REIT Manager considers that the risk from BOFFICE's failure to pay the interest specified in the Loan Agreement is low because the core assets of BOFFICE can generate income to BOFFICE continuously and the ratio of loan debt to total asset is still low.

In addition, if BOFFICE borrows another amount of loan to pay the debt (Refinancing), there could be a risk of long processing time or not achieving as good conditions as in the original loan agreement. In additional loaning, some provisions may limit the operation of BOFFICE. All these risks might affect flexibility of BOFFICE, and consequently, BOFFICE's ability to distribute benefits to Trust Unitholders, or lower benefits in an adverse scenario. However, the REIT Manager is aware of BOFFICE's ability to settle the debt with an interest and its ability to establish obligations, and has plans to settle the loan debts and find other alternatives to maximize the benefits to the Trust Unitholder and BOFFICE.



5) Risks from natural disaster, flood, acts of terrorism, thefts, and other force majeure events

Natural disasters, flood, acts of terrorism, thefts, and other force majeure events might cause damage to the core assets of BOFFICE, damage or loss of lives, bodies, and assets of tenants and clients. To mitigate the risk, BOFFICE has made the Property All Risks Insurance to cover the damage of the core assets, damage from accident, natural disasters such as fires, thunders, earthquakes, and floods. Including thefts, and other force majeure events. However, the coverage of the insurance company has certain limitations or exceptions according to the insurance policies. Some events may not be covered or cannot be included in the insurance, such as the risk from embezzlement, dishonesty, pollution, security of electronic data or the data on the Internet, danger from fungus, political movements, warfare and terrorisms, public insurgency to the uprising level, cybercrime, danger from the coronavirus or the outbreak of a disease. The REIT Manager and the Property Manager will do their best efforts to make the most appropriate insurance for the best benefits of BOFFICE.

6) The risk related to insurance compensation rate. In the case of damaged assets, the insurance compensation may not worth the economic benefits that BOFFICE may lose

The business of BOFFICE may be at the risk of operating or utilizing the core assets. Although BOFFICE has made adequate and appropriate insurance for such assets according to laws and relevant agreements, the compensation rate for the loss to BOFFICE might not be worth the economic benefits that BOFFICE might lose or the insurance claim time for BOFFICE's loss of income. For instance, the insurance policy for business interruption that BOFFICE has made for the loss of benefits for 24 months for the core assets might not cover the actual time that BOFFICE is unable to make use of the investment assets or unable to exercise the rights specified in other applicable insurance contracts, either in part or in whole. Furthermore, there could be a delay in the compensation that is not BOFFICE's fault.

In addition, BOFFICE may be at the risk of financial loss upon critical events in which BOFFICE may not receive sufficient compensation or not be able to make an insurance for such events. This will directly affect the expected benefits of trust unitholders.

However, the REIT Manager and the Property manager has made the Property All Risks Insurance in which BOFFICE and/or the lender is or will be the co-insureds or co-beneficiaries according to the Loan Agreement (if any). The insurance limit shall not be lower than the full replacement cost, excluding the cost of land. The REIT Manager considers that, determining the insurance limit to be not lower than the full replacement cost excluding the cost of land throughout the lease term despite a shorter lease term is reasonable when comparing to downsizing the insurance limit based on the remaining lease term to reduce the insurance premium because it is impossible to predict the damage on the assets will occur and whether the economic loss will not be worth saving on the insurance premium in the last few years of the Lease Agreement. However, the pricing principle for investing in the core assets of BOFFICE is based on the income approach, but the insurance limit is based on the full replacement cost excluding the cost of land. Therefore, BOFFICE might be at the risk if the value of the leasehold right from the income approach in the period of such a level of damage on the assets that the business cannot proceed is higher than the compensation from the insurance company based on the full replacement cost excluding the cost of land. In this scenario, BOFFICE will be at the risk of financial loss because it may not be sufficiently compensated, which will directly affect the expected benefits to the Trust Unitholders.



In addition, the REIT Manager managed to enter BOFFICE into the Public Liability Insurance and Business Interruption Insurance for the core assets by setting the insurance limit as BOFFICE deems appropriate and adequate for the loss of benefits during the repair or reconstruction of the core assets. The coverage time shall not last less than 24 months. BOFFICE will be the beneficiary under such Business Interruption Insurance and/or manage to designate the lender as a co-insured and co-beneficiary according to the provision in the Lease Agreement (if any), to ensure that the core assets are covered by the policies of the Public Liability Insurance and Business Interruption Insurance.

7) The risk that BOFFICE’s properties are invested under legal requirements about environment because the compliance with such legal requirements may force BOFFICE to bear several expenses and responsibilities

The properties that BOFFICE invested in are under the legal requirements about environment, including sanitation laws and pollution control laws regarding air pollution, water pollution, waste disposal, and noise pollution. The property owners or managers might have to take legal responsibilities for violating these laws or not complying with the requirements, and punishments may include fines or imprisonment. Furthermore, BOFFICE might have to bear the cost to be in compliance with such legal requirements. In presence of contamination and pollution or inability to resolve the arisen pollution, BOFFICE shall take responsibilities and these might significantly affect leasing the properties.

However, the Property managers are usually monitor and examine the quality of water and pollution. BOFFICE also has a channel to receive suggestions and/or complaints so that those who may be suffering from nuisances can contact or inform BOFFICE to reduce the chance and loss that may occur and able to deal with that trouble promptly.

8) The risk about accounting standard, financial report standard in Thailand and/or amendment of related laws, rules or regulations, where it is unable to guarantee that such changes will not cause significant impact on financial statement of BOFFICE or financial status and operation result of BOFFICE

The operation results and benefit distribution of BOFFICE may be affected by the effectiveness of a new accounting standard in Thailand or revision in the standard of financial report, amendments of laws, regulations, notifications, requirements, provisions, policies, and/or orders of government agencies or any organizations with legal authorities. However, the REIT Manager is always monitoring the effectiveness, changes, and revisions of the accounting standard, the standard of financial report, laws on land and properties, and other applicable laws, as well as guideline practices to prepare and train the employees regularly so that the reports, accounting record financial statements, and operation are in compliance with relevant standards and laws.



9) The risk of land expropriation by the government

BOFFICE might be at the risk of land expropriation by the government, either in part or in whole, depending on the law on land expropriation. In this case, BOFFICE will not be able to use the assets on the expropriated land and may not be compensated from the expropriation or when the compensation value is lower than the investment amount in the assets. This event might make the Trust Unitholders' benefits lower than the expected return of investment and the investment amount. It should be noted that the compensation money that BOFFICE will receive depends on the condition in applicable agreements, the remaining term of using the asset after the expropriation or the compensation money received from the expropriation.

10) The risk in property leasehold value which may lower due to the remaining leasehold term

BOFFICE invested in the leasehold right of real properties. The appraisal value of the leasehold right might be lower due to the remaining leasehold term when the expiry date comes closer. The change in such leasehold value will significantly affect the net asset value of BOFFICE and/or the benefit distribution of BOFFICE.

11) The risk about renewal of agreements in the future regarding the right to use the BTS Station sky walk

Regarding BHIRAJ TOWER at EmQuartier, BHIRAJ BURI Co., Ltd. entered into an agreement with The Bangkok Mass Transit System Public Company Limited (BTS) to link a part of BTS Phrom Phong Station to a part of BHIRAJ TOWER at EmQuartier on M Floor. Regarding BHIRAJ TOWER at BITEC, Parinthorn Co., Ltd. entered into an agreement with BTS and Bangkok Metropolitan Administration (BMA) to build a sky walk between Bangkok International Trade & Exhibition Centre (BITEC) and a part of BTS Bang Na Station. The two agreements aimed to use the sky walks as the public passages for accessing the sky trains and the core assets of BOFFICE. The concession terms of both agreements for BHIRAJ TOWER at EmQuartier will be expired in 2029 and for BHIRAJ TOWER at BITEC the concession was renewed in 2022 already. As a result, the concession of Bhiraj Tower at BITEC will be expired in 2027. BOFFICE might be at the risk in the future for not being able to link the sky train access to the BTS Station to some part of the core assets or bearing additional expenses due to the new agreement with the BTS operator at the time. If BOFFICE does not have the right to link this part of the core assets with the BTS stations, it may be difficult for tenants and clients who use the BTS sky walk to access the core assets of BOFFICE. If there are additional expenses in the future, these expenses may also affect BOFFICE's operation. However, if BOFFICE does not have the right to link the sky walk to the BTS stations to some parts of the core assets, tenants and clients can still use the main accesses to the BTS station in front of the core assets as normally.

12) The risk about the price of BOFFICE's units that may be reduced from the fluctuation of the price according to the volatile market conditions.

Trust units of the BOFFICE are listed on the Stock Exchange of Thailand. As a result, it can be traded within the stock exchange (secondary market). There is a chance that the price of the trust units will change, increase or decrease due to various volatility factors such as economic conditions, domestic and foreign political factors, business competitor, domestic and international interest rates, etc.



13) The risk from less diversified investment of BOFFICE

As of 31 December 2023, BOFFICE has invested in long-term leasehold rights in two projects, namely BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC. The risk has been distributed into two locations to minimize the fluctuation in investment, from originally having only once project at BHIRAJ TOWER at EmQuartier. It should be noted that the REIT Manager is keenly aware of an importance of distributing the investment and determining the investment policies and strategies to develop the existing core assets and those in the future.

14) The risk about pandemic, panic of pandemic which may negatively affect the procurement of benefits, financial status of BOFFICE

In 2023, after the resolution of the coronavirus disease 2019 (COVID-19) outbreak, tenants in some businesses adjusted their work policies to be more flexible. By adjusting to the form of Work From Home and in the form of Hybrid Working, this causes tenants to change their behavior in renting office space. The need to reduce the size of rental space and negotiate rental rates including considering moving the office to an office building with a lower rental rate

The REIT Manager and the property manager closely monitor the situation to be aware of the situation of the tenants and prepare to adjust the renewal plan or find new tenants. In addition, the Company prepares to formulate strategies and adjust plans to support the management of the REIT's core assets in accordance with the models and needs of future office building tenants in the short term and long term.

15) The risk from conflict of interest

The REIT Manager has designated and will designate BHIRAJ Management Co., Ltd. as the Property Manager to manage the core assets of BOFFICE. However, BHIRAJ Management still performs duties of a property manager for other office buildings that Bhiraj Buri and/or its subsidiary company owns the assets, namely:

- 1) United Business Centre II (UBC II) on Sukhumvit Road under the long-term leasehold right of Prime Office Leasehold Property Fund (POPF)
- 2) BHIRAJ TOWER at Sathorn on Sathorn Road
- 3) Summer Lasalle on Lasalle Road

Therefore, the procurement of benefits and asset management of BOFFICE by the Property Manager might result in a conflict of interest, which may affect the rental rates in the assets that BOFFICE will invest in and the turnover, income, and profits from the assets that BOFFICE will invest in. To clarify, if a prospective tenant is considering more than one office which the Project Manager has managed (including the core assets of BOFFICE), and that still has leasable area, the Property Manager may offer the rental rate of other buildings which are not the core assets of BOFFICE to the prospective tenant. Therefore, the prospective tenant may decide to rent the office space of other buildings than that of the core assets of BOFFICE.



However, the REIT Manager estimated that the chance of conflict of interest is relatively thin for several reasons. First of all, BHIRAJ TOWER at EmQuartier and United Business Centre II are on the same area, but they are at different distances from the BTS station. Also, the two projects have different positions in terms of marketing and the rates of rental and level of service. It is to say that, BHIRAJ TOWER at EmQuartier is a Grade A office building while United Business Centre II is a Grade B buildings, which are relatively different according to the definition of Grade A office buildings by Jones Lang Lasalle Co., Ltd. (JLL), for example:

- A grade A building shall have a direct access or less than 5-minute walking distance from the nearest BTS station.
- Each floor shall have a minimum area of 1,000 sq.m., proportionate shape, no pillar at the center, and a minimum height of 2.7 meters from the floor to the ceiling.
- The building shall be decorated with high quality material, both interior and exterior, and a large lobby area.
- There shall be high-efficiency and high-speed elevator systems and a separate cargo elevator.

In the negotiation between the Property Manager and the target customers, the target customers normally inform the desired characteristic of the leasable area and the range of rental rates to the Property Manager. Particularly, reputed Thai and international companies have a set of criteria for selecting the office location. Provided with the basic information, the Property Manager will present the target customers with the leasable area of every office building under his or its management which fits the desired characteristics and range of rental rates. This process will minimize the risk of conflict of interest because the target groups of both buildings are different in terms of marketing positions and the rental rates and service rates of each project

Regarding BHIRAJ TOWER at Sathorn, the Property Manager considers that this Project was designed to be different from typical office buildings. It is a low-rise medium-sized building with four stories, renovated from an old building. Therefore, it is not rated to any grade of typical office buildings. The target customers of BHIRAJ TOWER at Sathorn are small to medium-sized companies that need a different type of office building from BHIRAJ Tower at EmQuartier and BHIRAJ TOWER at BITEC. Specifically, BHIRAJ TOWER at Sathorn has smaller and less efficient infrastructure systems than typical Grade A office buildings. For example, there is no elevator access control system between floors, so it does not fulfill the needs of large corporates. In addition, the difference in size of buildings also reflects difference in rental rate and service charges, thus low chance of conflict of interest between the core assets of BOFFICE and BHIRAJ TOWER at Sathorn.

Regarding Summer Lasalle, although its location is close to BHIRAJ TOWER at BITEC, there is a huge difference in the distance from the nearest BTS station. Summer Lasalle is a low-rise office building with unique characteristics. It is not categorized as a typical office building. With its unique characteristics, the Trust Manager considers that the chance of conflict of interest between the core assets of BOFFICE and Summer Lasalle is unlikely.



In the future, if there is any office building as an asset under the management of BHIRAJ Management, with similar marketing position, location, and grades as the core assets of BOFFICE and the possibility of conflict of interest with BOFFICE (an office building project, whether a building and/or all buildings with equivalent qualities and grades as the first additional investment which might be developed on the BITEC Project). The Property Manager will find retail tenants to rent the space and use the services of BOFFICE and maintain the existing retail tenants for the maximum benefit of BOFFICE. The Property Manager shall not undertake any dishonest or unfair acts that might cause the current retail tenants in the leased properties of BOFFICE to terminate the agreement or not renew the lease agreement or service agreement in the aforementioned area in order to enter into an agreement with another office building of the promisor or the Property Manager or any associated person in an unfair manner. However, there is an exception for the case in which the retail tenants wish to move or specify another building of the promisor. In this case, the Property Manager has to ensure that the same group of persons will not make use of any commercial information of BOFFICE for their own benefits or those of any third party. This measure aims to prevent conflict of interest in the future.

If there is a new project of the office space type in the BITEC Project and the asset to be invested in has the leasable area that fits the purpose of the prospective tenant or equivalent, the Property Manager will offer the leasable area in the asset that BOFFICE will invest in to the prospective retail tenants and the existing retail tenants who wish to rent additional space (“prospective tenants”) before offering the leasable area of the future projects to the prospective tenants. If any prospective tenant is specifically interested in renting leasable area of the future project, the Property Manager may offer the leasable area in the assets that BOFFICE will invest in to the prospective tenant at the same time as the leasable area of the future project. This measure aims to prevent conflict of interest in the future.

In addition, BHIRAJ BURI has made an agreement with BOFFICE as specified in the Undertaking Agreement, which also specifies that, regarding the service for the same group of persons/1, BOFFICE shall have the option to buy/lease the future projects/2 (only the projects in the BITEC Project), along with the lease term of the core asset in the first additional investment when the future projects have all the required qualifications as specified in applicable agreements in the prospectus for offering trust units in the first capital increase of BOFFICE. Although Parinthorn, the landlord of the future projects, is not a party in the Undertaking Agreement with BOFFICE, if BHIRAJ BURI or the same group of persons of BHIRAJ BURI does not comply with the provision in the Agreement, BOFFICE may claim the actual damage from BHIRAJ BURI for not complying with its obligations to the Undertaking Agreement. Furthermore, BOFFICE has the right to offer from BHIRAJ BURI for the construction of new projects which are office buildings as specified in the Undertaking Agreement for the first additional investment of BOFFICE. This measure will help reduce conflict of interest with BHIRAJ Management.

Remarks:

/1: The same group of persons also include Parinthorn. Currently, Parinthorn is the owner of the land on which BITEC Project is located and BHIRAJ the promisor with BOFFICE according to the Action Agreement.

/2: Future projects refer to any office building project, in as one building and/or all buildings with equivalent qualities and grades to the assets in the first additional investment, which may be developed on the BITEC Project area.



16) The risk from some parts of the building systems in BHIRAJ TOWER at BITEC not being in the area that BOFFICE invested and the area is being under mortgage.

Some parts of the Bangkok International Trade & Exhibition Centre (BITEC) are the installation areas of facilities of BHIRAJ TOWER at BITEC, which is invested by BOFFICE (including the in-building air conditioning system with chillers, the cooling towers, and the water pumps). Some parts of the land plots no. 13542, no. 13543, and no. 44198, and some parts in the Bangkok International Trade & Exhibition Centre (BITEC) are the installation areas of shared facilities between BITEC and BHIRAJ TOWER at BITEC. The latter area was registered mortgage as a deposit to the lender of Parinthorn. If the said land and properties are in foreclosure of mortgage, BOFFICE may be at a great risk of being revoked from these areas by the new property owner (the person who buys the said land and property from the foreclosure of the mortgage). In this case, BOFFICE will not be able to use the said area at its convenience or the new property owner (the person who buys the said land and property from the foreclosure of the mortgage) may be in default to prevent BOFFICE from using the said area.

However, the facility areas of BHIRAJ TOWER in which BOFFICE will invest under the mortgage are equivalent to a total area of 1,187 sq.m., covered only the supporting asset, and do not function as the core asset that BOFFICE will make use from. In addition, Parinthorn will register the obligations in the real property on the land and building area, which include the mortgaged area to BOFFICE for 30 years, which is the same period as the lease term, so BOFFICE will have the ownership right over the supporting facilities and the shared assets.

17) The risk of BOFFICE's taxes and fees

In the future, taxes and fees collected by BOFFICE might change from the present. For example, the transfer, reception of the leasehold right transfer, sale, buy, or reception of ownership in properties might be wholly or partially born by BOFFICE. These taxes and fees may be different from the current rates.



Corporate Governance of BOFFICE

The Company has been regulating BOFFICE in accordance with the Trust Deed, as well as related laws and notifications. The Company has provided the Operation manual and internal control system to define the duties and scope of the Company's operations in each division, with a board of directors consisting of three directors, one of which is an independent director. The Company, however, does not establish a board of subcommittees.

The Board of Directors' Meeting of REIT Manager

1) Requirements and Process of meeting

BHIRAJ REIT Management Co., Ltd. holds the Board of Directors' Meeting every quarter, which requires at least half of the total number of directors to constitute a quorum. The resolution required the approval shall be final based on the majority votes of the directors attending the meeting. Directors with interest shall not participate in the decision-making process of that particular issue. The general agendas are as follows:

(a) Matters for acknowledgement

- 1) Report of BOFFICE's operating results
- 2) Progress on important matters related to the operation of BOFFICE
- 3) BOFFICE risk monitoring and mitigation
- 4) Report on the questions from investors and other relevant investor relations
- 5) Other matters (if any)

(b) Matters for approval

- 1) Financial statement of BOFFICE
- 2) Payment distribution to the Trust Unitholders
- 3) Capital reduction of BOFFICE
- 4) Budget, business plans and strategies of BOFFICE prepared by the REIT manager, with supports from the Property manager
- 5) Transactions between BOFFICE and persons connected to the REIT Manager and the Trustee, including related party transaction or any transaction that may cause a conflict of interest with the operation of BOFFICE
- 6) Significant matters related to the operation of BOFFICE, for example, the Trust Unitholders Meeting of Trust Unitholders
- 7) Other matters (if any)

(c) Approval on the report of the previous Board of Directors meeting

Every director is given the opportunity to freely express an opinion during the meeting before voting. A summary of the resolution of each agenda will be provided. There will be a written record of the meeting, as well as the report on the approved agenda will be kept as evidence. In addition, the meeting of the Board of Directors may use electronic conferencing methods, that proceed in accordance with the law of electronic meeting.



- 2) Significant transaction of BOFFICE proposed during the Board of Directors meeting in the previous accounting period.

In 2023, the REIT Manager had conducted Board of Directors meetings to approve and acknowledge the significant operations of BOFFICE as follows:

Meeting No.	Date	Matter / Agenda on Significant Transaction	Resolution	Reason
1 / 2023	23 Feb 2023	<ul style="list-style-type: none">• Distribution to Trust unitholders for the 4th quarter of 2022• The detail of Annual General Meeting for the year 2023 of Trust Unitholders of BOFFICE.	<ul style="list-style-type: none">• Dividend payment at the rate of 0.1730 Baht per trust unit on 30 Mar 2023• Organizing the 2023 Annual General Meeting (AGM) of Trust Unitholders.	<ul style="list-style-type: none">• To comply with the Trust deed and related rules• To comply with the law
2 / 2023	11 May 2023	<ul style="list-style-type: none">• Distribution to Trust unitholders for the 1st quarter of 2023	<ul style="list-style-type: none">• Dividend payment at the rate of 0.1719 Baht per trust unit on 8 Jun 2023	<ul style="list-style-type: none">• To comply with the Trust deed and related rules
3 / 2023	9 Aug 2023	<ul style="list-style-type: none">• Distribution to Trust unitholders for the 2nd quarter of 2023	<ul style="list-style-type: none">• Capital Reduction payment at the rate of 0.1707 Baht per trust unit on 7 Sep 2023	<ul style="list-style-type: none">• To comply with the Trust deed and related rules
5 / 2023	3 Nov 2023	<ul style="list-style-type: none">• Distribution to Trust unitholders for the 3rd quarter of 2023	<ul style="list-style-type: none">• Dividend payment at the rate of 0.1458 Baht per trust unit and Capital Reduction payment at the rate of 0.0149 Baht per trust unit on 15 Dec 2023	<ul style="list-style-type: none">• To comply with the Trust deed and related rules

Prevention of Insider Trading

The REIT Manager places great emphasis on preventing Insider Trading. The Policy is adopted for directors, executives and employees to comply with the laws, notifications, rules, orders, and related regulations, with measures and methods as follows:

- 1) Disclosure of interests of directors, executives, and employees

The Company requires a REPORT on the interests of directors, executives, and employees from the start of their position, and conduct regular reviews. Moreover, the Company requires to disclose details on related transactions in the note to financial statement, annual report, prospectus, annual registration statement, or other channels etc.

The Company also provides a channel to be informed the change of trust unit ownership to Compliance Department once the Board of Directors has reported via Securities and Exchange Commission's system according to the rules and procedures prescribed in the relevant notifications.



In addition, directors and executives shall perform their duties with due care and integrity. Decisions shall be made without interest, either directly or indirectly, in the matter of being decided. Therefore, information for reporting such trust units holding will be useful for monitoring and ensuring that the duties of directors and executives are in accordance with the principles.

2) Protection and prevention of Insider Trading

The Company has established guidelines to prevent the misuse of information a segregated system of work and human resources, as well as limits the access to insider information, only allowing employees to gain access to need-to-know basic information and limits the access to insider information to prevent the leakage of the information and reconsider the limits the access to insider information. Office rooms are separated and require the employees who may be aware of the insider information to keep the information confidential, not to be disclosed to other people, or use the insider information for the benefit of themselves and others.

The Company also provides a suspension period for trading (including the act of transferring and receiving) of a trust unit, which all directors, executives and employees of the company will be early announced at the time the company is processing considering the significant insider information for determination that may affect the price of trust units or securities, which has not been disclosed to the public, until the information has been made public. The Company also monitors the trading of trust units including the act of transferring and receiving) among the directors, the executive, the employees, and holding of trust units by directors, executives and employees, to ensure that the directors, executives and employees of the Company will comply with the Company's policies, guidelines and internal regulations, including the rules, regulations and/or orders from related agencies.

In addition, if an employee is found to violate the regulation in any case, which causes damage or loss of reputation to the Company or BOFFICE, the employee will be subject to severe disciplinary action or employment termination without compensation. Moreover, the company may consider carrying out both civil and criminal prosecution against the offender (if any).

Investments Approval and Management of BOFFICE

Processes and factors taken in consideration when making a decision to invest in additional real estate or leasehold right, and BOFFICE management

- 1) Rules for additional investment in the future - If BOFFICE would invest in additional real estate or leasehold right, and would benefit from the real estate or the leasehold right, the REIT Manager will have to proceed in accordance with the following rules:
 - 1.1) The core asset that BOFFICE will invest in can be located in Thailand or abroad. BOFFICE will focus on investing in office buildings, office spaces, and other commercial buildings. BOFFICE may consider additional investment in assets other than office buildings, office spaces, and commercial buildings, if the REIT Manager has conducted a research on the asset, as well as assessed various factors involved, and sees that the investment will benefit the Trust Unitholders.



- 1.2) Real estate investment includes the investment for ownership or long-term leasehold right, either or both.
- 1.3) Acquired real estate must not be subject to any real rights or any disputes unless the REIT Manager and the Trustee have provided a written agreement that being subject to such real rights or disputes does not significantly affect the utilization of the property, while the acquisition condition of the property is also beneficial to the Trust Unitholders as a whole.
- 1.4) In addition, BOFFICE may indirectly invest in the core asset of BOFFICE, as a real estate investment through the holding of shares in a company established for the same purpose as BOFFICE. The investment will be in accordance with the regulations set forth by the SEC and the Trust Deed.
- 1.5) In the event that BOFFICE will indirectly invest in the core assets through investments in other trusts by proceeding in the same way as the rules for BOFFICE that directly invest in core assets. which must be in accordance with the rules prescribed by the relevant notification of the SEC Office and the Trust Deed.
- 1.6) A contract for acquiring real estate must contain no agreement or any obligation that may result in BOFFICE unable to sell the property at a fair price (at the time of disposition), such as an agreement that grants the counterparty the right to purchase the property from BOFFICE before any other parties, with the price fixed in advance, etc., or that BOFFICE would have more responsibilities than that of an ordinary lessee when the lease is terminated.
- 1.7) Acquired property must be ready to be utilized with a total benefit no less than 75% of the additional trust unit value requested to be offered for sale plus the loan (if any).

BOFFICE may invest in projects that have not yet been completed. The value of the investment for the acquisition and development of the property must not exceed 10% of the total asset value of BOFFICE (after the offering to sell units) and must demonstrate that there will be sufficient working capital for such development, without affecting BOFFICE. In the event that BOFFICE invests the greenfield assets, the REIT manager shall prepare a report on the progress of the development of the core assets every period according to the relevant announcements and the Trust deed by disclosing reports and data via the Securities and Exchange Commission's system.

- 1.8) The REIT manager must maintain a proportion of direct and indirect investment in core assets of not less than 75% of the BOFFICE's total asset value as of the end of the fiscal period. except for the last fiscal period before the BOFFICE expires.
- 1.9) Value appraisal is completely conducted according to the following criteria:



- (a) Being a full appraisal with evidence of verification of entitled rights, for the purpose of public use for the disclosure of relevant information to the investors. Such appraisal shall be performed by at least two appraisers and completed no more than six months prior to the date of submission of the application for approval of the sale of units. and;
- (b) The appraisers in (a) shall be the appraiser of asset value approved by the SEC in accordance with the Notification of Securities and Exchange Commission regarding the approval of appraisal companies and Lead appraisers. In the event that the invested property is in a foreign country, the appraiser can be a person from the list of people authorized by the local government or regulatory authority of the country where the property is located. If not from the list, the appraiser must fall in one of the following categories:
 - (1) Being a professional practitioner relating to asset value appraisal who has widely acceptable performances in the nation where such real estate is located
 - (2) Being a person having the international standards of operation and working system for asset value appraisal
 - (3) Being an appraiser of asset value having international wide networks

2) Method of BOFFICE's additional core asset and equipment acquisition

2.1) Prior to the acquisition of core assets, these processes must be fulfilled:

- (a) Due diligence of information and contracts relating to the core assets and equipment (if any), such as financial and legal information, condition of the property to be invested, and the ability of the counterparty to perform juristic act, etc., to support investment decision and accurate disclosure of information. In the event that the landlord or the transferor of leasehold right is connected with the REIT Manager, the REIT Manager will need to provide a financial advisor to give opinions on the analysis of such information.
- (b) Assess the value of core assets and equipment

2.2) Acquisition of an additional core asset must comply with the following regulations:

- (a) In terms of substance of transaction, it must be the transaction with the following characteristics;
 - (1) In compliance with the Trust Deed and related laws
 - (2) For the best benefit of BOFFICE
 - (3) Reasonable and use fair price
 - (4) Expenses for making transactions collected from the BOFFICE (if any) are at the fair and appropriate rate.
 - (5) Special stakeholders for transactions do not involve with decision-making of such transactions.



- (b) In terms of the approval system, must proceed as follows:
 - (1) To receive an approval from the Trustee that transactions are in accordance with the Trust Deed and related laws
 - (2) In the event that the acquired core assets worth from 10% or higher of the total asset value of BOFFICE, approval from the Board of Directors of the REIT manager is also required.
 - (3) In the event that the acquired core assets worth from 30% or higher of the total asset value of BOFFICE, the approval must be made during the meeting of Trust Unitholders, with at least three-fourth of the total number of votes of the unitholders attending the meeting and having the right to vote. The calculation of the value of such core assets will be calculated based on the total asset acquisition value of each project that makes BOFFICE ready to earn income, including assets related to that project.

- (c) The process of seeking approval from the Trustee or requesting for a resolution during the meeting of Trust Unitholders requires responsibilities from the REIT Manager and the Trustee as follows:
 - (1) The REIT Manager must arrange documents for approval or invitation to the meeting, as the case may be, expressing his opinion on the transaction involving the acquisition of additional core asset, with clear reasons and supporting information
 - (2) The Trustee must attend the Trust Unitholders meeting to provide opinions on the transaction as whether it is in accordance with the Trust Deed and related laws.

Provision of Benefits, Policy and Procedures on Supplying Tenants

- 1) The REIT Manager shall procure benefits from the core assets of BOFFICE through leasing, subleasing, offering space with rental fees, or providing services related to the use of space or for renting purposes only. In this regard, the BOFFICE shall not operate in any manner that is the use of the BOFFICE to operate other businesses, such as a hotel or hospital business, etc. Except BOFFICE has a necessity due to the change of real estate tenants or during the recruitment of new real estate tenants that BOFFICE may operate in a manner that temporarily uses BOFFICE to operate such other businesses.
- 2) In the event that the REIT Manager leases the property to a person who will use the property to operate a business that BOFFICE cannot operate by itself, such as a hotel or a hospital business, etc., there must be an agreement that determines a fixed number of the rental fees as in advance. BOFFICE may impose additional rents based on the tenant's performance, that disclose such agreement information in the registration statement and prospectus, annual registration statement and annual report.
- 3) BOFFICE is prohibited from using the area or leasing the property to any person who has a potential to use the property to operate an unethical or unlawful business. BOFFICE must provide an agreement such that BOFFICE could terminate the lease if it appears that the lessee uses the real estate to operate such business.



- 4) The REIT Manager will maintain the core assets in good condition and the core assets is ready to procure income. The REIT Manager will be responsible for providing adequate and appropriate insurance to restore the property of BOFFICE to its previous state if changed, in order for BOFFICE to procure benefit in the same manner as previously done. This covers damages that may occur to the real estate, business interruption insurance, and third party liability insurance in the event that a third-party suffers damage from the property, or from the operation of the property with reasonable financial compensation. The REIT Manager will allow the Trustee, on behalf of BOFFICE and/or the lender in the event that BOFFICE applies for a loan (if any), to be the co-beneficiaries of such insurance (except for the third party liability insurance). In the event that BOFFICE would invest for the acquisition of ownership by subleasing a property or renting areas in a building or renting building, the REIT Manager will ensure that the assets invested by BOFFICE are insured within appropriate financial limit. If the Trustee, on behalf of BOFFICE, are not the beneficiaries and the insureds of such insurance due to any reason, such as the being the beneficiaries and the insureds would contradict with the lease agreement, the REIT Manager will proceed to ensure that there are adequate measures or mechanisms in place for using the compensation to rebuild a new asset for further benefit procurement and/or compensate BOFFICE for the lack of benefit due to the possession of the asset invested BOFFICE
- 5) In the event that BOFFICE acquires an ownership of a property and the REIT Manager seeks to generate income from the property by leasing it to the former owner, the REIT Manager shall set the rental fee as if it was a normal transaction with a third party

Selection of the Property Manager

In order to select a third-party property manager to be the Property Manager to manage the property that BOFFICE has invested in, such as taking care of the sale, marketing, and day-to-day management of the property, the REIT Manager must at least proceed with the property manager as follows:

- 1) Provides an evaluation of experience, reputation and past performance of being a real estate manager, including the ability to find tenants and users, debt recovery, indoor property maintenance, management of rental space, tenancy service, internal control system to prevent the leakage of income and reimbursement control, etc.
- 2) Considers the appropriateness of the remuneration for the Property Manager, which must be determined according to the level of operational capability, in order to motivate the Property Manager to create more income for BOFFICE. For example, the remuneration can be calculated based on the rental fees and/or actual service fees or net profit from property leasing, etc.
- 3) Provide a mechanism that allows BOFFICE to change the Property Manager in the event that the Property Manager does not comply with terms and conditions, or provides unsatisfactory management results.
- 4) Establishes a system to regularly monitor, review and evaluate the Property Manager's internal control system, to ensure that the system remains effective and can prevent fraud, or make it easy to detect fraudulent or non-compliant practices. The REIT Manager must state in the letter of employment that the Property Manager is responsible for any damage incurred to the interests of BOFFICE due to negligent management of the Property Manager.



- 5) In the event that the REIT Manager finds that the Property Manager has committed / or refrained from an action that causes a loss of credibility according to the employment contract, the REIT Manager must terminate the contract of that Property Manager in order to operate instead of such the Property Manager, or select a new property manager. However, in the event that BOFFICE has applied for a loan, by which the loan agreement prohibits the change of property manager, such change must be approved by the lender of BOFFICE.

Supervision of the Property Manager's Performances

- 1) The REIT Manager is responsible for supervising the management and performance of the Property Manager. In order to protect the interests of BOFFICE and Trust Unitholders, the REIT Manager must at least proceed as follows:
 - 1.1) The REIT Manager must be involved in the preparation or the approval of the annual budget plan proposed by the Property Manager that shows details of income and expenses, to avoid undesirable expenses, establish goals for providing monthly and annual income, and supervise income and expenses to be in accordance with the specified budget plan. The annual budget plan of the Property Manager shall be approved by the Trustee.
 - 1.2) The REIT manager must establish the conditions that motivate the Property Manager to add values and returns for BOFFICE, as well as reduce the risks for Trust Unitholders.
 - 1.3) The REIT manager must participate in consideration or the revision of the strategic plans proposed by the Property Manager in order to boost income acquisition and reduce the risks from the fluctuation of rental income and/or service fees for BOFFICE, as well as to supervise the Property Manager to perform in accordance with the plans.
 - 1.4) REIT Manager must be involved in consideration or revision of the guidelines for selecting tenants and key users, or participate in business organization plan of the Property Manager's tenant to limit and control the risks and fluctuation of rental income and / or service fees each year.
 - 1.5) The REIT Manager shall review or participate in determining policies on rental fee and/or area service charge shall be in accordance with appropriate rate based on leasing and servicing market situations at that time.
 - 1.6) The REIT Manager shall monitor and supervise the Property Manager to establish and implement work policies and operational plans for the management, maintenance and improvement of the assets invested by BOFFICE in order for the property to be in good condition and able to generate income.
 - 1.7) The REIT manager must assess the appropriateness of the management system regarding the procurement of the Property Manager so that goods or services received by BOFFICE are cost-effective.
 - 1.8) The REIT Manager must monitor and supervise the income collection of the property managers



so that BOFFICE will receive complete rental fee and/or service charge.

- 1.9) The REIT Manager must require the Property Manager to follow up, and supervise the tenants and service users to pay various taxes as required by the law.
 - 1.10) The REIT Manager must analyze the management irregularities of the Property Manager, as well as provide a random inspection on the performance of the Property Manager.
 - 1.11) The REIT Manager must assess the Property Manager's internal control system.
- 2) The monitoring system and random inspection to ensure that the Property Manager comply with the following rules:
- 2.1) Collect and deliver the income to BOFFICE correctly and completely
 - 2.2) Not collect expenses from BOFFICE in an amount that exceeds the necessity and must be under the frame of REIT Manager Appointment Contract for such collection.
 - 2.3) Provides adequate and appropriate maintenance for the BOFFICE's assets so that they can be used for generating income in a long term.

In 2023, the REIT Manager gave opinion on operations of the Property Manager that the Property Manager was able to perform operations according to the specified plans and expenses were under the specified budget.

Management of BOFFICE's Benefits and Earnings

The REIT Manager has the main objective of enabling the Trust Unitholders to receive consistent and continuous long-term benefits from their investments, taking into account the benefits received from a development and a quality enhancement of a property invested by BOFFICE. Guidelines and system for the REIT Manager to monitor and supervise the benefits from the property invested by BOFFICE are as follows:

- 1) The REIT Manager and the Trustee will monitor the performance of BOFFICE each year, by comparing with the annual budget and the performance of BOFFICE in the previous year, in order to make the operation of the property invested by BOFFICE profitable. In the event that the performance of the property invested by BOFFICE does not meet the expected target, the REIT Manager will conduct a thorough analysis to determine the cause, and will work closely with the Property Manager to develop an operational plan to improve the performance of the property invested, such that the performance would be in accordance with the goal or expectation.
- 2) The REIT Manager and the Property Manager will work together to grow the business and develop good relationship with various clients, while managing to keep the rental rate and rental fee and/or service fee at the level that brings the maximum benefits to BOFFICE. The REIT Manager and the Property Manager will jointly control and manage marketing costs and risks related to the management of the property invested by BOFFICE.



- 3) REIT Manager will cooperate with the Property Manager to increase the efficiency of the BOFFICE's property management, as well as to control and manage the operating expenses, without causing any impact on the service quality.
- 4) The REIT Manager and the Property Manager will work closely together to increase the potential of property invested by BOFFICE, which will include:
 - 4.1) defining target customers by adjusting marketing strategies, service quality, rental rates and service fees to suit the needs of target customers.
 - 4.2) taking care and providing a maintenance for the area around the invested property, such as the improvement of a public and common area, or a specific area for a specific usage.
 - 4.3) improving the image of the invested property, providing a maintenance for the property to meet the standards, repairing the invested property to be suitable for use and create satisfaction for the customers.
- 5) BOFFICE and REIT Manager have a policy to procure benefits from the property invested by BOFFICE, by leasing the area of such property to tenants, as well as providing necessary services and serviced related to the rental. The Property Manager shall be responsible for providing persons interested in renting areas of the BOFFICE's assets by allowing them to visit the site of the project and negotiating with persons interested in rental areas.
- 6) The REIT Manager will provide a minimal insurance as follows:
 - 6.1) Sufficient and appropriate insurance of BOFFICE's interests as a result of the investment in a property or the acquisition of leasehold rights, to cover the damage that may occur to BOFFICE due to an incident, by stating that the lender is the co-beneficiary in the event that BOFFICE has applied for a loan, or the Trustee as the beneficiaries if no loan is involved (case-by-case), with the approval from the Trustee.
 - 6.2) Third party liability insurance for a third-party that may suffer from the damage occurred from the defection of the invested property or structure. In the event that the insurance has already been made by the lessor of the property, or that the tenant of the property has already applied for an insurance, BOFFICE should only apply for the insurance that would prevent BOFFICE to compensate in case of subrogation.
 - 6.3) Any insurance of BOFFICE shall be valid throughout the period of the ownership of the Trustee over the property.
- 7) Transactions made with connected persons will be performed according to the following criteria:
 - 7.1) Transactions with parties related to the REIT Manager will be conducted in accordance with the Trust Deed and related laws for the best interest of BOFFICE
 - 7.2) Transactions with parties related to the REIT Manager will be priced reasonably and fairly.
 - 7.3) Persons having interests with transactions, either directly or indirectly, shall not involve with the consideration and decision-making of transactions.
 - 7.4) Income and expenses arising from transactions with related persons must be calculated with a reasonable and fairly price.



Remuneration of the REIT Manager

Throughout the effective term of the contract, the REIT Manager will receive an annual management fee not more than 0.30% of the cost of BOFFICE’s core assets plus the amount of invested capital in financial instruments, and/or deposited with financial institutions. In the event that the major asset of BOFFICE is disposed, the remuneration will be calculated using the cost of the major asset, subtracted by the amount of capital decreased from the disposition of the major asset. The leasehold right taken into the calculation will only cover the period by which the right is effective. The actual amount charged is stated in “Form 56-REIT1, Part 1, Fees Charged from BOFFICE”. In addition, in the event that the REIT Manager acquires a new asset, the fee charged will not exceed 0.75% of the value of asset acquired by BOFFICE (if the property belongs to the person connected with the REIT Manager) and not exceed 1.00% of the value of asset acquired by BOFFICE (if the property belongs to the person that shares no connection with the REIT Manager). Such fees will be the incentive for the REIT Manager to search for a new major asset for BOFFICE, which will generate income and creates a sustainable return on investment for Trust Unitholders.

Information Disclosure and Communication with Unit Holders

BOFFICE has approaches on information disclosure based on the nature of the information and actual situation. Managing Director of the REIT Manager is responsible for considering information before disclosure to Trust Unitholders, with details as follows:

Information Disclosure	Events
Immediate Disclosure	<ul style="list-style-type: none"> Information that affects prices, investment decisions, and Trust Unitholders’ benefits Information about operations such as payments and benefit distribution Reporting when there is an event possibly affecting the dissolution of BOFFICE Reporting when there is an event that Trust Deed determines to be the cause of dissolution of BOFFICE or other events allowing to know the advance schedule of dissolution of BOFFICE Immediately reporting when there is an event regarding acquisition or disposal of real estate or exceeding proportion of Trust Unitholders
Within 3 business days	<ul style="list-style-type: none"> Information that does not have a direct impact, but should be disclosed to investors, such as a relocation of the headquarters, change of directors, change of auditors, etc.
Within 14 days	<ul style="list-style-type: none"> Information that the Stock Exchange must collect as reference, such as a copy of Trust Unitholders meeting minutes, report on the capital increase, etc.
Within 15 days	<ul style="list-style-type: none"> Report of BOFFICE’s paid-up capital decrease Report of acquisition or disposal of real estate
Within 30 days	<ul style="list-style-type: none"> Report of progress of investment in incompletely constructed real estate
Disclosed by a period of time	<ul style="list-style-type: none"> Quarterly financial statement, submitted within 45 days after the end of an accounting period Annual financial statement, submitted within two months after the end of an accounting period (when the financial statement of the 4th quarter is not prepared) Management Discussion and Analysis submitted together with financial statements Form 56-REIT1 submitted within 3 months after the end of an accounting period Annual report submitted within 4 months after the end of an accounting period Net asset value report, within 45 days after the end of an accounting period Last Property appraisal report, within 30 days from the date the appraisal is complete.



The REIT Manager is required to provide channels for communicating the following topics within 4 months by the end of fiscal year.

- 1) Fund management
- 2) Financial position and performance
- 3) Appointment of auditors and audit costs

The above-mentioned topics shall be communicated through two-way communication, whether by meeting unitholders in person or by other source of communication such as distribute BOFFICE's performance report to unitholders, to enable unitholders to make an inquiry.

In case that unitholders make an inquiry regarding a related issue, a Q&A summary of the issue must be created and published to acknowledge unitholders within fourteen (14) days from the date of completion of two-way communication through the REIT Manager's website and the information disclosure system of the SET (The Stock Exchange of Thailand)

Arrangement of Trust Unit Holders' Meeting

The REIT Manager's minimal responsibilities for organizing a Trust Unitholders meeting are as follows:

- 1) When the Trust Unitholders holding a total number of units no less than 10% of the total number of units sold, asking the REIT Manager to call for a meeting of the Trust Unitholders, with clear reasons stated in the request letter. When the Trust Unitholders has jointly sent a letter requesting a meeting of the Trust Unitholders, the REIT Manager shall organize Trust Unitholders meeting within 45 days after receiving the letter from the Trust Unitholders.
- 2) In the event that the Trustee wishes to propose a matter to be considered during the Trust Unitholders meeting, the REIT Manager shall organize a Trust Unitholders meeting within 1 month after receiving the letter from the Trustee. The Trustee has the right to consult with the REIT Manager on the importance of the matter.
- 3) In the event that the REIT Manager wish to propose a matter to be considered during the Trust Unitholders meeting, the REIT Manager shall organize a Trust Unitholders meeting to protect the interest of BOFFICE. The REIT Manager has the right to consult with the Trustee on the importance of the matter.
- 4) The REIT Manager shall prepare a invitation letter with sufficient details for the Trust Unitholders to make a decision, with at least details on how to attend the meeting and casting a vote, as well as the agenda of the meeting and matters to be proposed to the meeting, together with reasonable details with clear purpose, whether to inform, seek for approval, or to be considered, as the case may be, as well as the opinions from the REIT Manager on such matters. In the event that the agenda seeks for the resolution from the Trust Unitholders, the comments must involve the impact that the Trust Unitholders may receive after the voting on such matters, and must be delivered to the Trust Unitholders at least 14 days prior to the meeting that requires a resolution of no less than three-fourth of the Trust Unitholders attending the meeting with voting rights, or no less than 7 days before the meeting date in the event there is no agenda that requires a resolution from the Trust Unitholders. The meeting shall also be announced at least in one local daily newspaper no less than 3 days before the meeting. The venue to be used for the meeting must be in the locality where the office of the Trustee or the REIT Manager is located, or in nearby provinces.



- 5) In the event that the REIT Manager has not organized the meeting within 45 days after receiving the request letter from the Trust Unitholders with a total number of combined units no less than 10% of the total number of units sold, and/or as not organized the meeting within 1 month after receiving the request letter from the Trustee, the Trustee may organize a Trust Unitholder meeting as per clause one, mutatis mutandis. The REIT Manager is obliged to cooperate in the submission of relevant and necessary information that the Trustee must use to convene and conduct the Trust Unitholders meeting, within 7 days after receiving the request from the Trustee to avoid further delay of the meeting. The Trustee has the right to collect the actual expense incurred from the meeting (if any) from BOFFICE when organizing a Trust Unitholders meeting on behalf of the REIT Manager.

- 6) Quorum and Chairman of the Trust Unitholders meeting
 - 6.1) To constitute a quorum in the Trust Unitholders meeting, there shall not be less than 25 Trust Unitholders or no less than a half of the total number of Trust Unitholders. In addition, they shall have a total number of units no less than one-third of the total number of Trust Unit sold.

 - 6.2) If within 1 hour from the appointment for the Trust Unitholders meeting, the number of Trust Unitholders attending the meeting is insufficient to form a quorum, if the meeting requires only the presence of Trust Unitholders and that the Trustee has requested for a meeting, the meeting shall then be dissolved. If the meeting is not convened upon the request for a meeting by the Trust Unitholders, the meeting shall be rescheduled, with an invitation sent to the Trust Unitholders no less 7 days prior to the meeting. In the rescheduled meeting, no quorum shall be necessary.

 - 6.3) Under the enforcement of the Trust Act and related notifications, the Trustee shall appoint a person to act as the Chairman of the Trust Unitholders meeting. However, if there is an agenda for consideration regarding the interests of the Trustee at the Trust Unitholders meeting, the Trustee and his/her proxy shall leave the meeting room during such agenda, and the REIT Manager shall nominate a name list to the Trust Unitholders meeting to consider and appoint a person to be the Chairman of the Trust Unitholders meeting in such agenda.

 - 6.4) If there is an agenda for consideration regarding interests of the Trustee and the REIT Manager at the Trust Unitholders meeting, the Trustee and the REIT Manager and their proxies would have no voting rights on such agenda (in case the Trustee or the REIT Manager and their proxies are the Trust Unitholders). In the event that the Trustee share an interest with any agenda, the REIT Manager shall nominate the name list to the Trust Unitholders meeting to consider and appoint a person to be the Chairman of the Trust Unitholders meeting in such agenda.

The Chairman of the Trust Unitholders meeting has an authority and duties as follows:

 - (a) Supervises and maintains the order of the Trust Unitholders meeting
 - (b) Specifies any other methods to proceed the Trust Unitholders meeting as the Chairman deems appropriate or necessary for the purpose of well-organized and effective Trust Unitholders meeting, including its consideration and voting procedure
 - (c) Maintains the order of the Trust Unitholders meeting as per the Trust Act and related laws. The Chairman may cease the discussion or consideration of any matter during the meeting.



- (d) In a case that the votes for resolution at the Trust Unitholders meeting are tied, the Chairman is entitled to cast the final vote. The vote casted by the Chairman of the Trust Unit Holders' Meeting in such agenda shall be final.

7) Grant of proxy

At the Trust Unitholders meeting, a Trust Unitholder may appoint another person to attend the meeting and vote on his/her behalf. The REIT Manager shall submit the letter of authorization as determined by the Trustee to the Trust Unitholders along with the invitation letter for the meeting.

Such letter of authorization shall be submitted to the Chairman of the Meeting or a person appointed by the Chairman at the meeting before the commencement of the meeting.

8) Trust unitholders' meeting and methods of vote counting

8.1) The meeting shall be conducted in accordance with the agenda set out in the letter of invitation for the meeting, unless the Meeting passes the resolution to change the order of the agenda with a vote of not less than two-thirds of the number of trust unitholders present at the meeting.

8.2) When the Meeting considers the agenda, trust unitholders who hold trust units in aggregate of not less than one-third of the total number of trust units sold may request the Meeting to consider matters other than those specified in the letter of invitation for the meeting.

8.3) In the event that the Meeting fails to consider the matter according to the specified agenda or the matter requested by the trust unitholders to consider other than those specified, as the case may be, and it is necessary to postpone the consideration, the Meeting shall determine the venue, date and time of the next meeting, and the REIT manager shall submit a letter of invitation for meeting specifying the venue, date, time and agenda to the trust unitholders at least 7 days prior to the meeting date. In this regard, the meeting invitation letter must also be published in a newspaper at least 3 days before the meeting date.

8.4) Trust unitholder shall have 1 vote per 1 trust unit held. The trust unitholder who is eligible to vote shall not have a special interest in the considered matters.

9) Resolution of Trust Unitholders

Unless otherwise stated in the Trust Deed, the resolution of the Trust Unitholders meeting shall consist of the following votes:

9.1) In a general case, it shall consider the majority vote of the Trust Unitholders attending the meeting that are entitled to vote.

9.2) In the following cases, the resolution shall be final if received at least three-fourth of the total votes of Trust Unitholders attending the meeting that are entitled to vote.



- (a) Acquisition or disposition of BOFFICE's major asset with the value equal to or more than 30% of the total asset value of BOFFICE
- (b) Increase or decrease of BOFFICE's paid-up capital that is not indicated in the Trust Deed in advance
- (c) Increase of capital under general mandate of BOFFICE
- (d) Transactions made with the REIT Manager or related parties with the REIT Manager, with the transaction value equal to or above 20,000,000 Baht, or more than 3% of net asset value of BOFFICE, whichever is higher
- (e) Change of benefits and return of the capital to Trust Unitholders
- (f) Change of Trustee or REIT Manager; however, for the change of REIT Manager, it shall be in accordance with the Trust Deed
- (g) Amendment of the Trust Deed that significantly affects the right of Trust Unitholders
- (h) Dissolution of BOFFICE

However, the resolution of Trust Unitholders that would cause BOFFICE or its management to be in conflict with or contrary to the Notification SorRor. 26/2555 or related rules under the Securities and Exchange Act or the Trust Act shall be deemed unenforceable.

10) Minutes of Trust Unitholders meeting

The REIT Manager shall prepare a record of the resolutions of the meeting and the process of summoning and conducting each Trust Unitholders meeting. The Chairman of the meeting needs to approve the integrity of the minutes. Expenses incurred from the preparation of the minutes are considered the expense of BOFFICE.

Selection and Nomination of Directors and Management at the Level of Managing Director

1) Board of Directors

The Board of Directors shall consist of at least 3 directors, with at least one-third of the Board being independent directors. The Board of Directors shall be qualified and have no prohibited characteristics as specified by laws.

2) Management at the level of managing director

The Board of Directors will appoint the Management at the level of managing director by considering and selecting qualified, knowledgeable, and skilful persons without prohibited characteristics as specified by laws.

Remuneration of the Auditor

BOFFICE has appointed an auditor for the accounting period ended on 31 December 2023, with the following details:

Company	EY Office Company Limited
Auditor	Mr. Kittiphan Kiatsomphob
Audit fee	1,260,000 Baht
Non-audit fee	none



Internal Control and Risk Management

The REIT Manager provides the internal control system to protect assets of BOFFICE and benefits of Trust Unitholders, including clearly establishes the management structure and implements the risk management system to estimate potential risks and identify approach to manage such risk to be in a risk tolerance level. In addition, the REIT Manager also systemically separates duties in the management structure of the REIT Manager, appropriate checks and balances. The Compliance Department are monitoring and reporting risks to the Board of directors quarterly. Whereas, the Accounting Department and the Asset Management Department are collaborating with the Compliance Department for monitoring and auditing system for operations of the Property Manager in order to prevent assets of BOFFICE from abuse.



Conflict of Interest Prevention

Related Party Transactions for Previous Accounting Period

Person/ Juristic Person	Relationship Related to REIT Manager	Characteristics of Related Party Transaction	Importance and Reason	Opinion of Pricing
Bhiraj REIT Management Company Limited	- REIT Manager of BHIRAJ OFFICE REIT	- Receive REIT management fee from BOFFICE	- Hired by BOFFICE to manage BOFFICE with fees given from the operation as per the scope of duty and responsibility	- The fees are in accordance with the agreed contract; and do not exceed the limit prescribed in the Trust Deed.
Bhiraj Management Company Limited	- Property Manager of BHIRAJ OFFICE REIT - Related person to the REIT Manager	- Receive Property management fee from BOFFICE - Agency fee	- Hired by BOFFICE to manage the properties of BOFFICE, with fees given from the operation as per the scope of duty and responsibility - Hiring to find tenants for BHIRAJ TOWER at BITEC	- The fees are in accordance with the agreed contract; and do not exceed the limit prescribed in the Trust Deed. - The fees are in the agreed contract; and do not exceed the limit prescribed in the Trust Deed.
Kasikorn Asset Management Company Limited	- Trustee of BHIRAJ OFFICE REIT	- Receive Trustee fee from BOFFICE	- Hired by BOFFICE to management of BOFFICE's Benefits, with fees given from the operation as per the scope of duty and responsibility	- The fees are in accordance with the agreed contract; and do not exceed the limit prescribed in the Trust Deed.
KASIKORNBANK Public Company Limited	- Lender of BHIRAJ OFFICE REIT - Major shareholder of Kasikorn Asset Management Company Limited, which is the Trustee	- Deposit - Provide loan - Rent a space in BHIRAJ TOWER at EmQuartier as an office and provide related services	- Depositing working capital with the bank allows BOFFICE to collect more income from the interest, instead of just the rental and service fees - Loaning a capital to invest in the properties of BOFFICE - Leasing of office space and providing related service for the benefit of BOFFICE	- Interest as per the notification of the bank, under normal rate and conditions. - Loan interest rate within the rate similar to the market. - Rental rate is not lower than that of the other tenants, with service fees equal to those of other tenants in the building.



Person/ Juristic Person	Relationship Related to REIT Manager	Characteristics of Related Party Transaction	Importance and Reason	Opinion of Pricing
BHIRAJ BURI Company Limited	<ul style="list-style-type: none"> - Property owner - Related person to the REIT Manager 	<ul style="list-style-type: none"> - Distribute benefits and capital reduction - Expenses related to the common area service contract of BHIRAJ TOWER at EmQuartier - Other expenses related to the office building management - Incomes related to the contract for providing service related to meeting room and other services 	<ul style="list-style-type: none"> - Distributing benefits and capital reduction to the Trust Unitholders as per the Trust Deed - Hired for managing the common area of BHIRAJ TOWER at EmQuartier Project, such that the property could generate income, with additional details as per the prospectus for the first capital increase - Expense related to the building management of BOFFICE. And expenses related to BHIRAJ TOWER at BITEC Project that will be reimbursed to BHIRAJ BURI Company Limited at the amount paid on behalf of BOFFICE, partly due to the service was part of the continuous agreement before the investment of BOFFICE and the sign tax. - Collecting of fees for using the meeting rooms and other services, such that BOFFICE could collect more income instead of just the rental and service fees 	<ul style="list-style-type: none"> - As per the distribution announcement for the Trust Unitholders - Expense related to the common area service contract of the Project as per the agreement, with additional details as prescribed in the prospectus for the first capital increase - The cost of goods and services shall not be lower than that of other providers. And some expenses are equal to the cost BHIRAJ BURI Company Limited paid to the service provider and government agency. - Income received as per the agreed contract at the rate comparable to that of the tenants, or the services that are comparable.
BHIRAJ BURI HOLDING Company Limited	<ul style="list-style-type: none"> - Major Trust Unitholder - A juristic person having control over the business of the REIT manager 	<ul style="list-style-type: none"> - Distribute benefits and capital reduction 	<ul style="list-style-type: none"> - Distributing benefits and capital reduction to the Trust Unitholders as per the Trust Deed 	<ul style="list-style-type: none"> - As per the distribution announcement for the Trust Unitholders.



Person/Juristic Person	Relationship Related to REIT Manager	Characteristics of Related Party Transaction	Importance and Reason	Opinion of Pricing
PENTA 591 Company Limited	- Related person to the REIT Manager	- Services related to BHIRAJ TOWER at BITEC	- Expense related to BHIRAJ TOWER at BITEC Project that will be reimbursed to PENTA 591 Company Limited at the amount paid on behalf of BOFFICE, partly due to the service was part of the continuous agreement before the investment of BOFFICE.	- The expense is equal to the cost PENTA 591 Company Limited paid to the service provider.
PHARINDHORN Company Limited	- Related person to the REIT Manager - Property Owner	- Services related to the service contract of BHIRAJ TOWER at BITEC - Other expenses related to the office building management - Incomes related to the lease agreement and services for the office space for rent and parking space.	- Due to some of the properties, public utilities, and common areas are shared between the BHIRAJ TOWER at BITEC and Bangkok International Trade & Exhibition Centre (BITEC), which are the shared assets that BOFFICE does not invest in, therefore, a proportion is made as agreed for the amount that BOFFICE needs to pay, with additional details prescribed in the prospectus for the first capital increase. - Expense related to BHIRAJ TOWER at BITEC Project that will be reimbursed to PHARINDHORN Company Limited at the amount paid on behalf of BOFFICE, partly due to the service was part of the continuous agreement before the investment of BOFFICE. - Collecting of rental, office space service, and parking fees, such that BOFFICE could collect more income instead of just the rental and office space service fees, with additional details prescribed in the prospectus for the first capital increase.	- The expense reflects costs and proportionally estimates the common area service provided, which then reflects the proportion of the service used by BHIRAJ TOWER at BITEC and Bangkok International Trade & Exhibition Centre (BITEC), with additional details prescribed in the prospectus for the first capital increase. - The expense is equal to the cost PHARINDHORN Company Limited paid to the service provider. - Office rental and service fees shall not be lower than that of other tenants within the building. The parking fees for holidays and public holidays are comparable to the rate for tenants within the building. The rental shall not affect the office tenants, with additional details prescribed in the prospectus for the first capital increase.



Person/ Juristic Person	Relationship Related to REIT Manager	Characteristics of Related Party Transaction	Importance and Reason	Opinion of Pricing
BITEC SERVICES Company Limited	- Related person to the REIT Manager	- Tree service expenses for BHIRAJ TOWER at BITEC.	- Hired for providing maintenance for the trees within the BOFFICE area, for the better landscape for office tenants.	- The fees are as agreed; not higher than that of other service providers.
Bhiraj and Beyond Ventures Company Limited	- Related person to the REIT Manager	- Rent a space in BHIRAJ TOWER at BITEC as a retail store and provide related services	- Leasing of retail store space and providing related service for the benefit of BOFFICE	- Rental rate is not lower than that of the market rate, with service fees equal to those of other tenants in the building.
Bhiraj Total Solutions Company Limited	- Related person to the REIT Manager	- Cost of assets - Agency fee	- Assets for services to tenants of building - Hiring to find tenants for BHIRAJ TOWER at Emquartier and BHIRAJ TOWER at BITEC	- The prices are as agreed; lower than that of similar products. - The fees are in the agreed contract

The related party transactions that will remain in the future for the benefit of BOFFICE include Property Management fees, REIT Management fees, expenses associated with the service agreement of BHIRAJ TOWER at BITEC, interest income, and Trustee fees.

Policy Related to Transactions between BOFFICE and the Related Parties

Entering into a transaction between BOFFICE and a party related to the REIT Manager, or the Trustee, may cause a conflict of interest. To create transparency and fairness for all Trust Unitholders, the REIT Manager has provided the following transaction policies:

- 1) Transaction policies between BOFFICE and the REIT Manager or a party related to the REIT Manager, shall be in accordance with the following conditions:
 - 1.1) Terms and conditions for entering a transaction with a connected party
 - (a) Transactions between BOFFICE and the REIT Manager, or a party related to the REIT Manager, will be performed in accordance with the Trust Deed and related laws for the best benefit of BOFFICE.
 - (b) Any transactions between BOFFICE and the REIT Manager or a party related to the REIT Manager shall be reasonable and apply fair market prices, including the expense for entering the transaction collected from BOFFICE (if any) shall be at fair and appropriate rate.
 - (c) A party with direct or indirect benefits to the transaction shall not be involved in the decision-making the leads to the transaction.



- 1.2) The approval of transactions between BOFFICE and the REIT Manager or a party related to the REIT Manager shall be in accordance with the following process:
- (a) Approval from the Trustee that the transaction is in accordance with the Trust Deed and related laws.
 - (b) In a case that the transaction value exceeds 1 million Baht, or equals to 0.03% or more of the BOFFICE's Net Asset Value, whichever is higher (or any other value specified by the Securities laws), it shall require approval from the Board of Directors of the REIT Manager.
 - (c) In a case that the transaction value exceeds 20 million Baht, or more than 3% of BOFFICE's Net Asset Value, whichever is higher, it shall require a resolution of the Meeting of the Trust Unitholders, with approving votes of no less than three-quarters of the total number of the attended Trust Unitholders that are eligible to vote.

In a case that the transaction between BOFFICE and the REIT Manager or a party related to the REIT Manager is an acquisition or disposition of the core assets, the value of such transaction shall be calculated based on the acquisition or disposition prices of all of the income-generating assets of such project, as well as other assets related to the project.

- 1.3) Unless it is a transaction between BOFFICE and the REIT Manager or a party related to the REIT Manager that has clearly shown the information in the registration statement and the prospectus, the approval of the Trustee or the resolution of the Trust Unitholders' Meeting is not required as specified in 1.2) However, in the event that a resolution of the Trust Unitholders' Meeting is needed, the invitation letter to the Trust Unitholders meeting shall also contain the opinion of the financial advisor to support the request for the resolution of the Trust Unitholder' Meeting.

2) Policies related to transactions between BOFFICE and the Trustee or a party related to the Trustee

In the management of BOFFICE, the Trustee shall not behave in a manner that is in conflict with BOFFICE's interest whether for the benefit of the Trustee or others, except for the following cases:

- 2.1) The Trustee demands remuneration for their performance as the Trustee
- 2.2) A transaction with the following characteristics:
 - (a) A transaction that has measures or mechanisms to inspect and protect the fairness of such transactions.
 - (b) The Trustee shows that it has managed the BOFFICE in an equitable manner and has sufficiently disclosed relevant information to the Trust Unitholders in advance, and such Trust Unitholders have not expressed any objection.

Disclosure of information and objection shall be in accordance with the rules set forth in the Notification Sor Ror. 27/2557 and other relevant rules as issued or amended by the Office of the Securities and Exchange Commission as follows:



- (1) Disclosure through the Stock Exchange of Thailand in accordance with the relevant regulations of the Stock Exchange of Thailand, or disclosure through other channels which all Trust Unitholders have access to such information.
- (2) Providing a reasonable period of disclosure which shall be no less than 14 days.
- (3) Disclosure of information shall clearly include the channels, procedures and period for objection, which shall be no less than 14 days, except for the case that a resolution of the Meetings of the Trust Unitholders is requested in support of such objections.
- (4) Following the process specified in (3), if more than one-fourth in total of the Trust Unitholders clearly object to the transaction, the Trustee shall not undertake or allow for such transaction, which represents the conflict of interest to BOFFICE, to be made.



Legal Controversy

BOFFICE has no lawsuits, Disputes in the Arbitration or Significant disputes related directly to BOFFICE which the REIT Manager believes will seriously impact on its Business, Financial Status and Performance. All essential information is provided in Notes to the Financial Statement as of 31 December 2023.





Social Responsibility

The REIT Manager has considered the implementation of social responsibility practices to drive the business towards sustainability. The key aspects of sustainability have been assessed to identify internal and external factors affecting or influencing stakeholders and business operations as related directly and indirectly to the trust. Social responsibility as a whole has also been taken into consideration. Business operations are geared towards handling environmental issues as well as social ones including respect for human rights, good governance, conducting business with fairness, corruption suppression, fair treatment of labor, responsibility towards consumers, environmental protection, community or social development and diffusion of innovations with a focus on responsibility towards society, the environment, and stakeholders. The REIT Manager has started to collect reference information in compliance with the criteria under the GRI 2016 (Global Reporting Initiative) standard, which is a global standard for reporting operational results based on the sustainability practices implemented by the trust. This helps manage risks and changes faced by the corporate as well as stakeholders' expectations in a balanced and efficient manner. The details are in the Report on Sustainability Performance Indicators from Environmental, Social and Governance Dimensions.

1) Business operation with ethics and professional conduct

1.1) Fair competition (GRI 204-1)

The REIT Manager and the Property Manager conduct business with fairness in compliance with fair competition regulations. There is a policy to hire experts or secure services through procurement. Two or three bidders are required to ensure fair and transparent pricing and service competition as well as strict compliance with the anti-corruption policy. In addition, a responsible person is assigned and a system has been developed to manage risks, control internal operations and conduct an internal audit to prevent and suppress corruption within the organization.

1.2) Promoting social responsibility among partners

The Property Manager implement a procurement policy to eliminate redundancy in operations, build confidence in product and service quality, and ensure that the procurement management process is efficient and correct. Procurement operations should also meet demands at a reasonable price. In this way, it is possible to promote fair competition among partners and trusts. Documents are checked, while product and service users' demands are evaluated. Values are clearly categorized in the policy guidelines to ensure convenience, fast operations, and transparency. In the procurement process, a clear timeline and clear descriptions of participating shops are provided. A management and tracking system is put in place as well to ensure strict compliance with the contracts, terms, and conditions agreed upon by partners. In case any conditions cannot be adhered to, partners will be informed in advance in a swift manner so that everyone can work together to find reasonable solutions. There is also a green procurement practice whereby the company evaluates potential partners in different aspects such as respect for human rights, especially fair treatment of labor, and a concern for environmental impact.

1.3) Respect for property rights

The REIT Manager and the Property Manager encourage all to have respect for property rights, especially intellectual property, by purchasing and sourcing genuine copyrighted software packages for work and supporting employees in using such products. This ensures maximum efficiency and real fairness.



2) Anti-corruption (GRI 205-1, 205-3)

BOFFICE promotes anti-corruption efforts and adherence to ethical and transparent business practices. To achieve these objectives, regulations have been imposed to govern every step in the working process. Operations can be inspected by trustees in line with the assigned scope of responsibility. A reliable external audit is also performed. Any efforts to suppress all forms of corruption, whether direct or indirect, and whether monetary or non-monetary are given priority to. Anti-corruption is considered a principle and a responsibility for employees and the management at all levels so that everyone can work with integrity and is aware of the duty to combat corruption. In this way, a sense of discipline can be instilled in employees, and everyone involved in BOFFICE. This is the first important step to eliminating corruption in trust management, and, ultimately, it will lead to sustainable growth.

3) Respect for Human Rights (GRI 412-2)

The Property Manager of BOFFICE is well aware that respect for human rights is a fundamental aspect of human resource development. With this in mind, they make efforts to prevent the organization and its employees from being involved in any acts of human rights violation. At the same time, they wish to create fairness and equality in and outside of the organization based on the principles of freedom, equality, and peace. In the hiring process, candidates are not selected based on their ethnicity, religion, or gender. Equality is promoted while oppression and sexual harassment are not tolerated. Freedom of thought and participation in political activities are allowed. However, no individual act must affect or cause damage to the organization. Efforts are also made to oversee compliance with human rights regulations. Everyone, including investment partners, is also encouraged to follow global human rights principles.

4) Fair Labor Practices (GRI 401-1, 401-3, 403-9, 405-1, 406-1, 408-1, 409-1, 404-1)

The Property Manager of BOFFICE conducts business in strict compliance with labor laws. Personnel management regulations have been imposed to promote rights and support development for employees at all levels in a fair and equal manner. Discrimination is not tolerated, and human rights principles are adhered to. Opinions and suggestions are accepted. Employees are allowed freedom to hold a rally. There is no policy to support child labor or illegal labor. There is also a strong will to enhance labor quality as well as the quality of life for the employees who manage the BHIRAJ TOWER at EmQuartier and the BHIRAJ TOWER at BITEC office building projects, and provide them with better, safe, and healthy work environments. Outside-the-box thinking is encouraged as well. Employees must be treated fairly and receive suitable benefits. Learning is provided at every level of the organization. Skill development programs are also offered to improve professionalism in a suitable work environment. Employees' and stakeholders' demands and expectations are taken into account to ensure that any desired operational goals can be attained and to prevent or reduce any negative impact on employees and stakeholders.

5) Responsibility to Consumers (GRI 418-1)

The Property Manager of BOFFICE places importance on responsibility towards stakeholders in the business chain encompassing shareholders, customers, partners, and business competitors. A business code of conduct has been announced and is used to guide the operations. The code of conduct includes the guidelines for consumer responsibility, delivering quality services that meet customer demand, and providing up-to-date and correct information. A procedure has also been established for receiving suggestions and complaints regarding quality and safety based on the service branding standard. This is to create and manage a service brand with specific strategies and methods to build trust and present an image of



quality to customers. An operational system has been designed to enable all employees to understand their roles and know how to treat customers. The system is guided by the International Organization for Standardization (ISO 45001:2018), which is a standard for managing occupational health and safety. The aim is to run the organization in accordance with the law and any related regulations, ensure safety in business operations, promote the image of organizational responsibility towards employees and society, and gain approval from customers and building service users at an international level. Furthermore, a framework for safety operations has been set and is applicable to different organizational contexts and stakeholders' needs. To follow the work plan, a range of related activities have been organized. Some examples are:

- 5.1) An annual basic firefighting training session for tenants run by an instructor certified by the Department of Labor Protection and Welfare
- 5.2) An annual firefighting and evacuation drill for tenants
- 5.3) An annual review and report of listed hazardous chemicals and their safety data
- 5.4) An annual electrical safety inspection, which also includes recording of inspection results as well as electrical system and electrical equipment safety certification
- 5.5) An annual inspection and testing of elevator parts and an annual elevator load test
- 5.6) An annual inspection of building structural and equipment safety
- 5.7) An annual performance test of the fire protection and suppression system
- 5.8) An annual inspection and analysis of the operating conditions related to the light and sound levels
- 5.9) An annual emergency drill to ensure responsiveness to an emergency

Thanks to their dedication to service, consumer responsibility, constant consideration of all stakeholders' benefits and adherence to good corporate governance, as well as the efforts to redefine society with responsibility, which plays a crucial role in sustainable development, the BHIRAJ TOWER at EmQuartier and the BHIRAJ TOWER at BITEC office building projects have been presented with several awards by national and international institutions, including:

- The Green Office Award, Excellent Level by the Department of Climate Change and Environment
 - The ASEAN Building Fire Safety Awards by the Engineering Institute of Thailand Under H.M. The King's Patronage
 - The Thailand Energy Awards - Energy Conservation Potential by the Department of Energy Development and Efficiency
 - The MEA Energy Award - Saving energy by the Metropolitan Electricity Authority
 - The Asia Pacific Property Awards - Best Office Development Thailand by the Real Estate Expert Association
 - The Asia Pacific Property Awards - Highly commended Commercial High-rise Development Thailand by the Real Estate Expert Association
 - ISO 45001 Occupational health and safety Management by SGS Thailand
 - ISO 50001 Energy Management by SGS Thailand
- 6) Environmental Management (GRI 302-1, 303-3(2018), 303-4(2018), 303-5(2018), 305-1)

The Property Manager of BOFFICE prioritizes environmental operations and well aware that business affects the environment in one way or another. They are also determined to manage the environment to derive maximum benefits for all sectors. Such operations are based on the business environmental



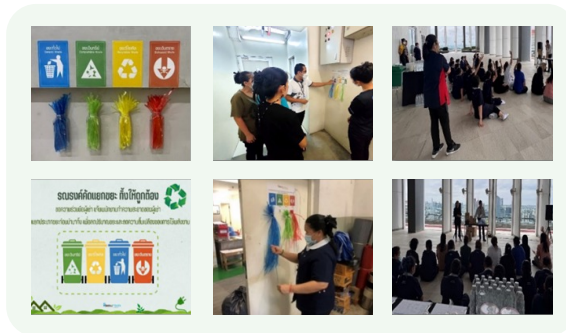
responsibility guidelines. These include compliance with the law, the efforts to enhance operations to constantly reduce environmental impact, regular evaluation and monitoring of environmental risks, the management of existing or possible environmental impact, the efforts to conserve and utilize resources and maximize environmental capabilities, reporting of information to stakeholders in line with the environmental management system. To meet the expectations set by the environmental management system, action has been taken to increase environmental competences as well as to ensure that the operations comply with the law and any related covenants, and that the organization is able to reach its own environmental management objectives. This will bring value to the organization and stakeholders. Such action is reflected in the following activities.

- 6.1) Maintenance and analytical inspection of the wastewater treatment system to monitor wastewater quality on a monthly basis
- 6.2) Maintenance and analytical inspection of the water supply system to monitor water supply quality on a monthly basis
- 6.3) Control, inspection and reporting of the results of water drainage in buildings on a monthly basis
- 6.4) Reporting of the performance of the wastewater treatment system (Tor Sor 1) and provision of a summary of the wastewater treatment system performance (Tor Sor 2) on a monthly basis
- 6.5) Inspection and reporting of the analysis of the concentration levels of hazardous substances in the surrounding environment (Carbon monoxide levels in parking buildings) on a bi-annual basis

To ensure energy sustainability, the Property Manager of BOFFICE focuses on managing energy resources as directed by the Energy Management System; ISO 50001: 2018), which is a dedicated system for optimizing the use of energy. In doing so, the system offers ways to evaluate energy efficiency, plan, and control energy use to derive maximum benefits, prevent energy loss in every step, monitor and oversee the use of electrical equipment to reduce energy waste and determine the amount of energy used and the efficiency level. Any improvements made to energy and the management of any projects related to greenhouse gas reduction are also tracked, monitored, and reported. The information received will be communicated to the involved parties and stakeholders so that they can use energy efficiently. In addition to this, efforts are made to promote the use of new practical technology and encourage continuous and sustainable improvement. Some of the activities as part of the initiative are:

- 6.6) Introducing energy-saving projects and measure in accordance with the Energy Conservation Promotion Act B.E. 2535
- 6.7) Annual reporting of energy management and verification of the energy management report in accordance with the related announcement made by the Department of Alternative Energy Development and Efficiency

To raise awareness of the environmental conditions among tenants, the BHIRAJ TOWER at EmQuartier and the BHIRAJ TOWER at BITEC office building projects organize Green Office activities in line with the standard established by the Department of Climate Change and Environment, the Ministry of Natural Resources and Environment. These activities are intended to minimize the impact of office management on the environment through optimal use of resources and energy. To achieve this aim, guidelines are provided for managing waste efficiently, selecting environmentally friendly, low GHG-emitting office materials, supplies and tools. Behavioral change as well as employee and customer engagement are encouraged to ensure sustainable and eco-friendly production and consumption.



With their focus on environmental operations and energy management, the BHIRAJ TOWER at EmQuartier and the BHIRAJ TOWER at BITEC office building projects have been able to improve energy efficiency and promote efficient use of energy inside the buildings. They also meet the criteria set by the MEA Index (Management of Energy Achievement Index), which is an indicator of energy usage levels, and the Indoor Air Quality (IAQ) standard. Measurements are carried out using parameters such as CO, CO₂, PM_{2.5}, PM₁₀, TVOC, and formaldehyde in line with an international standard which is accepted nationally as well.

All these achievements are a result of their compliance with environmental policies in a systematic way as well as their adoption of the Green Policy in the Green Procurement process. The buildings in the projects are also managed with a minimum of resources. Efforts are constantly made to conserve energy and ensure that the premises are clean and organized, and there are good safety measures in place. Activities are organized to boost employee engagement and instill in them an eco-conscious mindset. The success of these environmental operations lies in every employee's cooperation to change their behavior, determination to reduce energy use and efforts to optimize the use of resources. Such cooperation truly drives the organization towards its goal to achieve sustainability. It also reflects the organization's commitment to sustainability in its operations to create a balance in environmental, social and governance (ESG) aspects as defined by the Stock Exchange of Thailand in all operations.



7) Innovation and Dissemination of Innovation

The REIT Manager and the Property Manager are aware of and place importance on the need to maintain and enhance the potential of the buildings under the responsibility of the trust. These buildings must be kept in good condition and remain competitive in the office building market despite the economic conditions and the volatility of situations. To this end, suitable innovations can be applied to enhance performance and derive benefits for BOFFICE under the Better Life in Low Carbon City concept. This concept involves setting a goal to refrain from emitting more greenhouse gas and slow global warming. Taking the current problems into consideration, this is a way to solve them in a sustainable way and show responsibility towards the global community. It also helps enhance the surrounding environment. For example, eco-friendly buildings may be constructed, while green spaces may be added to residential areas or workspaces.



Anticipating the problems that increased carbon levels may bring to the future, the projects focus on minimizing greenhouse gas emissions. The building design follows the principles of nature. Efficient technology is a preferred choice and more green spaces are created in offices. Energy consumption is monitored in the buildings. Modern and efficient cooling innovations are adopted and indoor air quality is controlled in accordance with the related WHO (World Health Organization) standard. The projects have also been recognized by the MEA Energy Award.

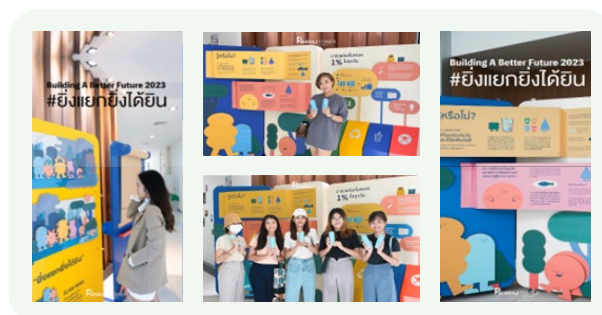
Developments are made with new technology quality to offer unrivalled quality of life. An example of applicable modern technology is smart lighting, which helps manage electricity usage and brings convenience. Determined efforts are also made to enhance office building services so that they meet international standards and meet working requirements. To attain this objective, a good, energy-saving environment is offered. The projects also provide a model for using glass that emits a low level of radiation to reduce energy use and noise pollution. Such glass is transparent Low-E glass and anti-reflective glass which can meet customer demand. Careful attention is given to safety matters. Access to the buildings is strictly controlled with a face recognition system at the turnstile. Closed-circuit television has been installed to monitor safety 24 hours and screen individuals entering the buildings. In this way, everyone can be assured of increased safety and smooth access to the buildings. Reliable safety systems complement a perfect mix of work and life for those occupying the workspaces here.

8) Corporate Social Responsibility (CSR) and Customer Relationship Management; CRM

The REIT Manager and the Property Manager are confident that business needs to rely on its surrounding society and resources to exist and thrive. Therefore, once business has achieved growth, it needs to assume social responsibility and give back to society for the support and resources previously given to it. Considering this, the managers attach importance to corporate social responsibility (CSR) activities to show responsibility towards society and the environment. The CSR project is carried out along with customer relationship management (CRM) to ensure that society and business can grow together.

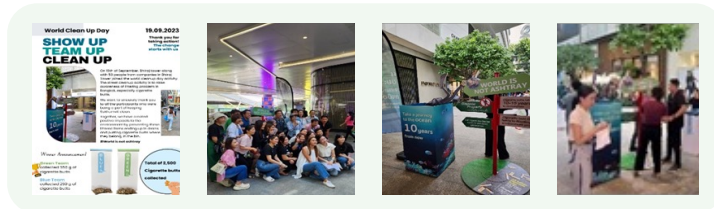
In 2023, as part of the corporate social responsibility and customer relationship management initiative, the following activities were organized at the BHIRAJ TOWER at EmQuartier and the BHIRAJ TOWER at BITEC office building projects.

The Building A Better Future 2023 exhibition was an exhibition on waste sorting. It showed how waste could be managed before disposal and recycling through storytelling. The exhibition also focused on plastic waste reduction by highlighting that plastic waste, if not properly recycled, would recycle itself and reappear in a human body. The waste sorting story was told in a simple and concise way using fascinating illustrations created by a famous illustrator like Chanida Areewattanasombut. Customers in the buildings also shared their ideas on how to protect the environment. In the event, eco-friendly, 100% recyclable drinking water cans were given to participants as a way to reduce carbon footprint, which causes global warming.

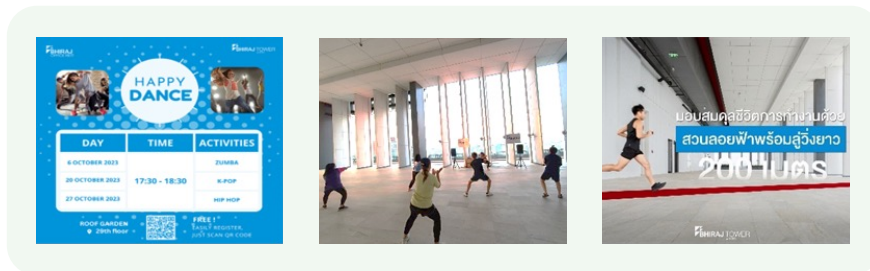




World Clean-up Day: In this volunteer activity, customers joined forces to clean the premises of the BHIRAJ TOWER at EmQuartier, giving special attention to cigarette waste, which is the most common waste on beaches. It is also one of the causes of drainage blockage. Cigarette waste contains toxins and carcinogens, causing contamination in the environment and waterways. Because of this, clean water may become toxic. The plastic in cigarette butts is a non-degradable material or takes a significant amount of time to degrade, potentially causing long-term environmental problems. However, due to its small size, this kind of waste, which is found in almost every area where human activities take place, is usually ignored. It can also be easily brought into waterways and the sea.



Happy Dance: Office building service customers were invited to exercise after work to stay healthy and strong. In addition to creating a healthy workplace, this activity provides a work-life balance. Thanks to it, employees and customers can follow a proper exercise routine on a constant basis so that they can enjoy a good quality of life.



Zero Waste for office workers: This activity provides customers with continuous guidance for sorting waste from the source, making it a daily routine. Some of the waste that has been sorted will go through a recycling process, bringing it back to production. This can happen when people in society cooperate daily. Some other waste, which can still be used, will be donated to charities instead of being dumped in trash bins and ending up in landfills. The key point of the Zero Waste initiative is waste disposal from the source. With the concept of “Start Today, Save Tomorrow”, office workers can contribute to creating a pollution-free world.



Having launched all these activities, the organization is able to identify opportunities and risks in its operations as well as the aspects of management that need improvements. These activities have also led to increased employee and customer engagement. They also play a part in attracting new talents to the organization, while fostering innovation and encouraging creative ideas to improve an operational process. Through such activities, the organization enjoys a greater reputation, wins customer loyalty, and earns respect from the community. All these ultimately give it a competitive edge for the future.



Report on Sustainability Performance Indicators from Environmental, Social and Governance Dimensions

About This Report :

Data Collection Start Year : 2022 **Data Collection Period :** 1 January 2022 to 31 December 2023

Data Collection Criteria : Global Reporting Initiative (GRI) standards prepared by the Organization of the Global Reporting Initiative

Scope of Data Disclosure :

BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC

Data Verifier : This report was prepared by the REIT Manager, who gathered information from the Trust's asset management, starting with the first year of data collection in 2022. However, the REIT Manager has the idea of collecting data in the following year to be used as a reference to improve sustainability performance in accordance with policies and to provide accurate information certification in the future as more data is gathered.

Environmental Energy

GRI 302-1 Energy Consumption : in the Organization: Energy consumption figures of the assets invested by the BOFFICE are disclosed (BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC). The data displays energy consumption from electrical energy purchased for use within the organization and energy from diesel fuel purchased for use within the organization for testing machinery and equipment within the buildings. In 2023, we consumed more electrical energy since tenants returned to the office area and using the facilities in the building.



GRI	SDGs	Details	Unit	2022		2023	
				BHIRAJ at EMQUARTIER	BHIRAJ at BITEC	BHIRAJ at EMQUARTIER	BHIRAJ at BITEC
302-1	Goal #7	energy consumption within the organization					
		from Non-Renewable Energy Sources					
		All electrical energy purchased for use within the organization	Megawatt-hour	9,189.00	6,450.89	10,177.00	6,797.03
		Diesel fuel purchased for use within the organization	Megawatt-hour	5.84	5.26	6.10	5.60
302-3	Goal #7	Energy Intensity					
		Intensity of energy consumption per usable area	Kilowatt-Hours per Sq.m.	0.18	0.20	0.17	0.19
		The percentage of energy consumption intensity per usable area	%	-	-	-	-
		Usable Area					
		Total area	Square meter	49,732.00	32,000.00	59,261.08	35,389.33

Use of Water Resources by Water Source Type

GRI 303-3(2018) Total Amount of Water Drawn for Use: Figures are revealed for the amount of water drawn for use inside BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC. In 2022, The water was drawn for use from freshwater sources with a TDS (total dissolved solids) concentration of not exceeding 1,000 mg/L. The main water source is from the Metropolitan Waterworks Authority.

GRI	SDGs	Details	Unit	2022		2023	
				BHIRAJ at EMQUARTIER	BHIRAJ at BITEC	BHIRAJ at EMQUARTIER	BHIRAJ at BITEC
303-3 (2018)	Goal #6	Use of water resources classified by type of water source					
		The total amount of water drawn					
		Amount of water drawn from Freshwater source (TDS ≤ 1000 mg/l)	Cubic meter	350,677.00	39,332.00	376,967.00	45,389.00
		Amount of water drawn from Third-party water (Freshwater source) (Tap water - Invoice)	Cubic meter	350,677.00	39,332.00	376,967.00	45,389.00



GRI 303-4(2018) Water Discharge: Figures are revealed for the water discharge from BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC. The water is discharged into freshwater sources with a TDS (total dissolved solids) concentration of not exceeding 1,000 mg/L. All of the water is discharged into surface water sources.

GRI	SDGs	Details	Unit	2022		2023	
				BHIRAJ at EMQUARTIER	BHIRAJ at BITEC	BHIRAJ at EMQUARTIER	BHIRAJ at BITEC
303-4 (2018)	Goal #6	Use of water resources classified by type of water source					
		The total amount of water drawn					
		Amount of water drawn from Freshwater source (TDS ≤ 1000 mg/l)	Cubic meter	258,699.00	31,465.60	301,573.60	36,311.20
		Amount of water drawn from Third-party water (Freshwater source) (Tap water - Invoice)	Cubic meter	258,699.00	31,465.60	301,573.60	36,311.20

GRI 303-5(2018) Water Consumption: within the Organization: Figures are revealed the amount of water consumed within BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC. The amount of water is equivalent to the amount of water from GRI 303-3(2018) Total Amount of Water Drawn for Use. The amount of water discharge, according to GRI 303-4(2018) Water Discharge, is lower than the amount drawn for use as some of the water is stored and used to water plants.

GRI	SDGs	Details	Unit	2022		2023	
				BHIRAJ at EMQUARTIER	BHIRAJ at BITEC	BHIRAJ at EMQUARTIER	BHIRAJ at BITEC
303-5 (2018)	Goal #6	water consumption					
		Water consumption within the organization	Cubic meter	350,677.00	39,332.00	376,967.00	45,389.00

Pollution Emissions

GRI 305-1 Direct Greenhouse Gas Emissions (Scope 1), E.G., Fuel Breakdown/Leakage, GRI 305-2 Indirect Greenhouse Gas Emissions from Energy Consumption (Scope 2), GRI 305-3 Indirect Greenhouse Gas Emissions from Other Sources (Scope 3), GRI 305-4 Greenhouse Gas Emission Concentration Value:

Figures are revealed the amount of greenhouse gas emissions from BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC in 2023. The total emissions of Scopes 1, 2 and 3 were 15,681.23 tons of CO2 equivalents. This is divided into: 1. Direct greenhouse gas emissions (Scope 1) (from combustion energy consumption) 2. Indirect greenhouse gas emissions (Scope 2) (from electricity consumption) 3. Indirect greenhouse gas emissions from other sources (Scope 3), including electricity sold to tenants, municipal water consumption, and waste disposal outside the organization. In 2023, BHIRAJ TOWER at EmQuartier And BHIRAJ TOWER at BITEC has a concentration value of direct greenhouse gas emissions (Scope 1, 2, and 3) per area decreased from 2022.



GRI	SDGs	Details	Unit	2022		2023	
				BHIRAJ at EMQUARTIER	BHIRAJ at BITEC	BHIRAJ at EMQUARTIER	BHIRAJ at BITEC
305	Goal #3#12#13 #14#15	emissions	tons of CO2 equivalent	6,905.33	3,887.74	7,525.01	4,085.88
305-1	Goal #3#12#13 #14#15	Direct GHG emissions (Scope 1) such as fuel breakdown/ leakage/ leakage	tons of CO2 equivalent	1,728.22	352.43	1,878.62	384.22
305-2	Goal #3#12#13 #14#15	Amount of indirect greenhouse gas emissions from energy consumption (Scope 2)	tons of CO2 equivalent	3,514.67	2,377.11	3,749.98	2,504.55
305-3	Goal #3#12#13 #14#15	Amount of indirect greenhouse gas emissions from other sources (scope 3)	tons of CO2 equivalent	1,662.45	1,158.20	1,896.40	1,197.11
		Electric power sold to tenants	tons of CO2 equivalent	1,078.92	847.69	1,337.50	893.29
		water supply	tons of CO2 equivalent	278.72	31.26	299.61	36.08
		Waste disposal outside the organization	tons of CO2 equivalent	304.81	279.25	259.29	267.74
305-4	Goal #13 #14#15	GHG emissions intensity					
		Direct greenhouse gas emissions (scope 1) per area	tons of CO2 equivalent / Sq.m.	0.035	0.011	0.032	0.011
		Direct greenhouse gas emissions (scope 2) per area	tons of CO2 equivalent / Sq.m.	0.071	0.074	0.063	0.071
		Direct greenhouse gas emissions (scope 3) per area	tons of CO2 equivalent / Sq.m.	0.033	0.036	0.032	0.034



GRI	SDGs	Details	Unit	2022		2023	
				BHIRAJ at EMQUARTIER	BHIRAJ at BITEC	BHIRAJ at EMQUARTIER	BHIRAJ at BITEC
		Direct greenhouse gas emissions (scope 1, 2 and 3) per area	tons of CO2 equivalent / Sq.m.	0.139	0.121	0.127	0.115
		Usable Area					
		Total area	Square meter	49,732.00	32,000.00	59,261.08	35,389.33

Social

Hiring

GRI401-1 Hiring of New Employees and Employee Resignations : Based on information as of 28 December 2023, the Trust Manager, BHIRAJ REIT Management Co., Ltd., hired seven new employees which divided into 1 man and 6 women. Six employees were at the age between 30-50 years old and one employee was under 30 years old.

GRI	SDGs	Details	Unit	2022		2023	
401-1	Goal #5#8#10	New hires and employee turnovers					
		Hiring new employees by age group	person	Male	Female	Male	Female
		Total number of new employees	person	1	2	1	6
		under 30 years old	person	1	1	0	1
		Age between 30-50 years	person	0	1	1	5
		over 50 years old	person	0	0	0	0
		Hiring new employees by level	person	Male	Female	Male	Female
		Number of new employees at the top management level	person	0	0	0	0
		Number of new employees at Senior Management level	person	0	0	1	0
		Number of new employees in Middle Management level	person	0	0	0	1
		Number of new employees at the manager level	person	0	1	0	3
		Number of new employees at Supervisor level	person	0	0	0	1
		Number of new employees at Officer level	person	1	1	0	1
		Employee turnover by age group	person	Male	Female	Male	Female
		Total number of resigned employees	person	Male	Female	Male	Female
		under 30 years old	person	0	2	1	1
		Age between 30-50 years	person	0	2	2	3
		over 50 years old	person	0	0	0	0

GRI401-3 Parental Leave : Based on information as of 28 December 2023, the Trust Manager, BHIRAJ REIT Management Co., Ltd., had a total of three employees who were entitled to parental leave, none of the employees were exercised their parental leave in 2023.



GRI	SDGs	Details	Unit	2022		2023	
				Male	Female	Male	Female
401-3	Goal #5 #8	Parent leave* (excluding Chairman, Executive, Independent directors)					
		All employees who are entitled to parental leave	person	1	2	0	3
		All employees who are entitled to parental leave	person	0	1	0	0
		Employees returning to work after exercising child support rights	person	0	1	0	0
		Employees who return to work after exercising parental rights and continue to work at the organization for the next 12 months.	person	0	0	0	0
		Rate of returning to work after parental leave	person	0	0	0	0
		Retention rate of employees taking parental leave	person	0	0	0	0
		Employees who return to work after taking maternity leave and continue to work at the organization for more than 12 months	person	0	0	0	0

Occupational Health and Safety

GRI403-9(2018) Work Injuries : As of 28 December 2023, according to property management, while operating within BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC, there were zero work injuries, and the work injury rate was zero injuries per work hour. Similarly, based on information from the Trust Manager, BHIRAJ REIT Management Co., Ltd., were zero work injuries and the work injury rate was zero injuries per work hour as well.

GRI	SDGs	Details	Unit	2022		2023	
				Male	Female	Male	Female
403-9 (2018)	Goal #3 #8 #16	Work injury					
		number of injuries from work	time	0	0	0	0
		Occupational Injury Rate	times / working hours	0	0	0	0

Training and Development of Employees' Potential

GRI404-1 Employee Training, GRI404-3 Performance and Career Advancement Evaluation of Employees : In 2023, the total rate of employees of the Trust manager, BHIRAJ REIT Management Co., Ltd., who received performance and career advancement evaluations according to level can be divided into the following rates: 10% of senior executives, 20% of managers, 30% of supervisors, and 20% of officers and general staff.



GRI	SDGs	Details	Unit	2022		2023	
404-3	Goal #5#8#10	“Percentage of employees receiving regular performance and career development reviews”		Male	Female	Male	Female
		The rate of employees receiving performance appraisals and career progression appraisals of employees classified by level.	% per total employee	Male	Female	Male	Female
		The rate of all employees who received performance appraisals and Career Progress Assessment	% per total employee	Male	Female	Male	Female
		top management	% per total employee	-	-	-	-
		senior executive	% per total employee	10%	-	10%	-
		middle management	% per total employee	-	-	-	-
		manager	% per total employee	-	20%	-	20%
		supervisor	% per total employee	20%	20%	10%	20%
		officer and general staff	% per total employee	10%	20%	-	20%

Diversity and Equal Opportunity

GRI405-1 Diversity of governance bodies and employees

Based on data as of 28 December 2023, the Trust Manager, BHIRAJ REIT Management Co., Ltd., had a total of 20 employees (five males, fifty females), divided into two board members, two independent directors and 16 employees categorized by job level.

GRI	SDGs	Details	Unit	2022		2023	
405-1	Goal#5 #8	Diversity of governance bodies and employees		Male	Female	Male	Female
		Number of Employees by Level and separated by age	person	4	9	5	15
		Board of Directors	person	Male	Female	Male	Female
		under 30 years old	person	0	0	0	0
		Age between 30-50 years	person	0	1	0	1
		over 50 years old	person	0	2	1	2
		top management	person	Male	Female	Male	Female
		under 30 years old	person	0	0	0	0
		Age between 30-50 years	person	1	0	1	0
		over 50 years old	person	0	0	0	0
		senior executive	person	Male	Female	Male	Female
		under 30 years old	person	0	0	0	0
		Age between 30-50 years	person	0	0	1	0
		over 50 years old	person	0	0	0	0



GRI	SDGs	Details	Unit	2022		2023	
				Male	Female	Male	Female
		middle management	person				
		under 30 years old	person	0	0	0	0
		Age between 30-50 years	person	0	0	0	2
		over 50 years old	person	0	0	0	0
		manager	person	Mele	Female	Male	Female
		under 30 years old	person	0	0	0	0
		Age between 30-50 years	person	0	2	0	3
		over 50 years old	person	0	0	0	0
		supervisor	person	Male	Female	Male	Female
		under 30 years old	person	1	0	0	0
		Age between 30-50 years	person	1	2	1	4
		over 50 years old	person	0	0	0	0
		officer and general staff	person	Male	Female	Male	Female
		under 30 years old	person	1	2	1	3
		Age between 30-50 years	person	0	0	0	0
		over 50 years old	person	0	0	0	0

Board of Directors and independent directors of the Trust Manager, when classified by age range, are as follows: There are one female Board member aged 30-50 years, one female Board member, one female independent director and one male independent director aged over 50 years for a total of four Board members and independent director. The performance of the Board of Directors is in accordance with the laws, objectives and requirements of the Trust Manager's administration, consideration, supervision and recommendations on the Trust's administration under the supervision of the Trustee with duty of loyalty, duty of care, accountability and ethics. Independent directors of the Trust Manager make up no less than one in three of the total number of directors. The directors have the duty to consider, supervise and provide necessary advice to the Trust Manager for the reasonableness and maximum benefit of the Trust.

Employees of the Trust Manager categorized by job level include 16 employees as follows: one top management level employee aged between 30-50 years old; one male senior executive-level employee aged 30-50 years; two female middle management level employee aged between 30-50 years old; three female manager-level employees aged 30 - 50 years; one male and four female supervisor employees aged between 30-50 years old, and lastly one male and two female office and general employees aged under 30.

Non-Discrimination

GRI406-1 Incidents of Discrimination and Corrective Action : As of 28 December 2023, according to information from the REIT Manager, BHIRAJ REIT Management Co., Ltd., and reports from the property Manager, BHIRAJ Management Co., Ltd., there were no complaints of discrimination within the organization. In addition, the REIT Manager and property Manager have a policy regarding non-discrimination and have notified the employees within the organization.



GRI	SDGs	Details	Unit	2022		2023	
				Male	Female	Male	Female
406-1	Goal #5 #8	Non-discrimination					
		Discrimination Incidents and Corrective Actions	Time	0	0	0	0

Child Labor and Forced Labor

GRI408-1 Implementation of Projects and Partners with High Risk for Child Labor Incidents, GRI409-1 Implementation of Projects and Partners with High Risk for Forced Labor Incidents : The REIT Manager and property Manager have a policy to implement projects that do not violate child labor and forced labor laws, as well as guidelines for selecting and hiring partners with ethics and guidelines that do not violate child labor and forced labor laws in their operation within BHIRAJ TOWER at EmQuartier and BHIRAJ TOWER at BITEC. Based on information as of 28 December 2023 of the REIT Manager, BHIRAJ REIT Management Co., Ltd., and reports from the property Manager, BHIRAJ Management Co., Ltd., there were no projects or reports of partners and contractors considered at risk of using child labor and forced labor.

GRI	SDGs	Details	Unit	2022		2023	
				Male	Female	Male	Female
408-1	Goal #6 #8 #16	Child Labor					
		Number of projects considered to be at risk of child labor	project	0	0	0	0
		Number of suppliers and contractors considered at risk of child labor	project / case	0	0	0	0
409-1	Goal #5 #8	forced labor					
		Number of projects considered to be at risk of using forced labor	project	0	0	0	0
		Number of suppliers and contractors considered to be at risk of using forced labor	project / case	0	0	0	0



Economic Efficiency

GRI201-1 Direct Economic Value Creation and Distribution : Based on information as of the accounting end date of 31 December 2023, the Trust's total revenue was 901 million baht, with expenses in administration, operations and financial costs accounting for 40% of the total revenue and the net investment profit accounting for 60% of the total revenue.

GRI	SDGs	Details	Unit	2022	2023
201-1	Goal #8 #9	Direct economic value generated and distributed	million Baht	BHIRAJ at EMQUARTIER and BHIRAJ at BITEC	BHIRAJ at EMQUARTIER and BHIRAJ at BITEC
		gross income	million Baht	907.8	901.4
		Administrative and operating expenses	million Baht	291.8	291.2
		financial cost	million Baht	72.7	99.8
		net investment profit	million Baht	543.4	510.4
		Dividend paid	million Baht	512.0	489.9

Procurement

GRI204-1 Procurement : Based on information as of the accounting end date of 31 December 2023, administrative and operating expenses of the Trust are paid to all domestic partners.

GRI	SDGs	Details	Unit	2022	2023
204-1	Goal #8	Proportion of spending on local suppliers	million Baht	BHIRAJ at EMQUARTIER and BHIRAJ at BITEC	BHIRAJ at EMQUARTIER and BHIRAJ at BITEC
		Amount paid to suppliers in Thailand and abroad (supplier and contractor)	million Baht	-	-
		Amount paid to suppliers in Thailand (supplier and contractor)	million Baht	291.8	291.2

Anti-Corruption

GRI205-1 Anti-Corruption, GRI205-3 Corruption Incidents and Solutions : The Trust Manager, BHIRAJ REIT Management Co., Ltd., has a process for managing the Trust, including a traceable procurement system with verifiable work steps approved by the Trustee, in addition to a process for receiving complaints and information if there are any operators or persons related to the Trust who have committed actions related to corruption. Based on information as of 31 December 2023, there were no complaints of corruption involving the Trust Manager and property management.



GRI	SDGs	Details	Unit	2022	2023
205-1	Goal #16	Anti-Corruption	Organization, Person, %, Case	BHIRAJ at EMQUARTIER and BHIRAJ at BITEC	BHIRAJ at EMQUARTIER and BHIRAJ at BITEC
		Number of corporates assessed for corruption risk	corporates	1	1
		The total number of corporates of the organization.	corporates	1	1
205-3	Goal #16	In case of corruption that occurs (if any) caused by employees, business partners (supplier and contractors)	case	-	-

Customer Privacy

GRI 418-1 Complaints Proven to Be Related to Privacy and Customer Data Breaches : The REIT Manager has a privacy policy and complaint channels, as well as guidelines for considering complaints. In 2023, there were no cases of complaints about customer data breaches, both directly and through government agencies.

GRI	SDGs	Details	Unit	2022	2023
418-1	Goal #16	“ Substantiated complaints concerning breaches of customer privacy and losses of customer data “	case	BHIRAJ at EMQUARTIER and BHIRAJ at BITEC	BHIRAJ at EMQUARTIER and BHIRAJ at BITEC
		The number of customer data breach complaints that the company has received directly.	case	-	-
		The number of customer data leakage complaints received by the Company through government agencies	case	-	-
		From the information received , It has been proven that the information literally leaked from the company.	case	-	-

This report is a compilation of information from the REIT Manager and the management of assets invested by the Trust to be used as a guideline for reflecting operations that take into consideration the environment, society and governance (ESG) by using the internationally recognized GRI indicators as a reference for disclosure of information. The REIT Manager sincerely hopes that the initiative to collect and disclose information will result in the Trust’s operations having good and fair administration that considers stakeholders in the supply chain and that sustainable benefits is created for the society, environment and the world in the future. In addition, goals have been set for information disclosure for the following years to facilitate additional GRI indicators and the demonstration of clearer ESG development, as well as standardized data preparation with the help of experts in certifying disclosed information and the Trust being rated for its ESG performance.



Opinion of the Trustee



หลักทรัพย์จัดการกองทุนสิทธิกรไทย
开市基金管理 KASI KORN ASSET MANAGEMENT



Opinion of the Trustee

To Trust unitholders of Bhiraj Office Leasehold Real Estate Investment Trust ("the Trust")

I, Kasikorn Asset Management Company Limited, as the Trustee of Real Estate Investment Trust, has supervised and monitored the management of the Bhiraj Office Leasehold Real Estate Investment Trust managed by Bhiraj REIT Management Company Limited for the accounting period from 1 January 2023 to 31 December 2023.

I am of the opinion that Bhiraj REIT Management Company Limited has reasonably and appropriately performed its duties in managing the Trust in accordance with the objectives specified in the Trust Deed, the prospectus and provisions under Securities and Exchange Act B.E.2535, and Trust for Transactions in Capital Market Act B.E.2550.

Best Regards,

(Mr.Vittawat Ajchariyavanich)

(Ms.Sasanan Siravich)

Kasikorn Asset Management Company Limited

29 February 2024

Independent Auditor's Report



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Independent Auditor's Report

To the Unitholders of Bhiraj Office Leasehold Real Estate Investment Trust

Opinion

I have audited the accompanying financial statements of Bhiraj Office Leasehold Real Estate Investment Trust (the Trust), which comprise the statement of financial position, including the details of investments as at 31 December 2023, the related statements of comprehensive income, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bhiraj Office Leasehold Real Estate Investment Trust as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand ("the Accounting Guidance").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Trust in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

The valuation of investment in leasehold right over properties

As mentioned in Note 4.2 and 6 to the financial statements, the Trust presented investment in leasehold right over properties presented in the statement of financial position as at 31 December 2023 at their fair value of Baht 9,103 million, representing 95% of total assets and for the year ended 31 December 2023 the Trust recognised net loss from changes in the fair value of investment in leasehold right over properties amounting to Baht 158 million in the statement of comprehensive income. These investment in leasehold right over properties are not traded on an active market and a comparable quoted price for the same or similar investments on an inactive market cannot be found. The REIT Manager therefore determined the fair value of these investment in leasehold right over properties based on the value appraised by an independent appraiser. The fair value assessments mentioned above are transactions which were calculated under the assumptions and judgement of both the REIT Manager and the independent appraiser. I addressed the measurement of such investments as a key audit matter.

I gained an understanding of the calculation of the fair value of investment in leasehold right over properties by making enquiry of responsible executives. I assessed the reliability of the independent appraiser in conformity with related Thai Standard on Auditing (TSA). I read the fair value assessment report of the independent appraiser, evaluated the valuation approach, the cash flow projections and the assumptions used by the independent appraiser to calculate the fair value and performed analytical procedures on related data. In addition, I tested the fair value calculation and reviewed the disclosures made in notes to the financial statements.



Recognition of revenue from rental and services

The Trust recognised revenue from rental and services in compliance with its accounting policy as disclosed in Note 4.1 to the financial statements. For the year ended 31 December 2023, the Trust recognised revenue from rental and services amounting to Baht 901 million in the statement of comprehensive income. Moreover, the Trust has entered into agreements with a large number of customers, most of whom are retail tenants, and there are a variety of conditions in these agreements. I, therefore, addressed the recognition of rental and service income as a key audit matter.

On a sampling basis, I selected revenue transactions to examine the rental and service agreements and supporting documents of rental and service transactions, in order to assess whether revenue recognition complied with the terms stipulated in the rental and service agreements and was in accordance with the revenue recognition policy of the Trust. I also reviewed for possible irregularities in rental and service transactions throughout the accounting period, particularly accounting entries made through journal vouchers.

Other information

The REIT Manager is responsible for the other information. The other information comprise the information included in annual report of the Trust, but does not include the financial statements and my auditor's report thereon. The annual report of the Trust is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Trust, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the REIT Manager for correction of the misstatement.



Responsibilities of the REIT Manager for the Financial Statements

The REIT Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Guidance, and for such internal control as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the REIT Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager.



- Conclude on the appropriateness of the REIT Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the REIT Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the REIT Manager with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the REIT Manager, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Kittiphun Kiatsomphob
Certified Public Accountant (Thailand) No. 8050

EY Office Limited
Bangkok: 22 February 2024



Annual Report 2023

FINANCIAL STATEMENTS

Bhiraj Office Real Estate Investment Trust (BOFFICE)

Bhiraj Office Leasehold Real Estate Investment Trust

Statement of financial position

As at 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets			
Investment in leasehold right over properties at fair value	6	9,103,412,764	9,261,167,001
Investment at fair value through profit or loss	7	520,059,731	695,196,275
Cash and cash equivalents	8	63,035,102	80,325,609
Rental and service and other receivables	9	20,065,109	20,316,998
Other assets		23,761,601	24,469,342
Total assets		9,730,334,307	10,081,475,225
Liabilities			
Trade and other payables		81,630,072	94,868,787
Advance receipt for rental and services		13,010,008	25,716,398
Deposits from rental and services		234,671,448	223,196,634
Long-term loan from financial institution	10	2,218,042,988	2,416,782,964
Total liabilities		2,547,354,516	2,760,564,783
Net assets		7,182,979,791	7,320,910,442

The accompanying notes are an integral part of the financial statements.



Bhiraj Office Leasehold Real Estate Investment Trust

Statement of financial position (continued)

As at 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Net assets:			
Trust registered			
737,872,074 units of Baht 8.7736 each			
(31 December 2022: 737,872,074 units of			
of Baht 8.9592 each)	11	6,473,794,428	6,610,743,485
Capital from unitholders		6,473,794,428	6,610,743,485
Premium on capital from unitholders		574,180,632	574,180,632
Retained earnings	12	135,004,731	135,986,325
Net assets		7,182,979,791	7,320,910,442
Net asset value per unit (Baht)		9.7347	9.9216
Number of units issued at the end of year (units)		737,872,074	737,872,074

The accompanying notes are an integral part of the financial statements.

.....
Director
.....

Bhiraj Office Leasehold Real Estate Investment Trust

Detail of Investments

As at 31 December 2023

	Type of investments	Areas held by the Trust	2023			2022		
			Cost (Baht)	Fair value (Baht)	Percentage of investment (Percent)	Cost (Baht)	Fair value (Baht)	Percentage of investment (Percent)
Investment in leasehold right over properties (Note 6)								
	BHIRAJ TOWER at EmQuartier Location: 689 Sukhumvit Road Klongtian-Nua Wattana Bangkok	94,853 Sqm.	6,686,556,206	6,342,501,341	65.91	6,686,556,206	6,357,645,094	63.86
	BHIRAJ TOWER at BITEC Location: 4345 Sukhumvit Road BangNa Tai BangNa Bangkok	70,741 Sqm.	3,344,867,467	2,760,911,423	28.69	3,344,339,373	2,903,521,907	29.16
	Total investment in leasehold right over properties		10,031,423,673	9,103,412,764	94.60	10,030,895,579	9,261,167,001	93.02
Investments in securities (Note 7)								
	<u>Opened-end fund</u>							
	Krung Thai SV Fund (KTSV)		93,400,000	94,296,021	0.98	-	-	-
	SCB Treasury Money Plus Open End Fund (SCBTMPLUS)		102,930,946	104,818,473	1.09	191,995,161	192,796,507	1.93
	Thanachart Cash Management Fund (T-Cash)		98,433,395	100,517,066	1.04	128,286,537	129,149,599	1.30
	K Cash Management Fund (K-CASH)		69,195,929	70,044,815	0.73	244,911,797	246,256,045	2.47
	K Government Bond 6 Months AJ Fund (KGB6MAJ)		50,000,000	50,220,500	0.52	-	-	-
	Thai Cash Management Fund (TCMF-I)		98,101,725	100,162,856	1.04	126,065,748	126,994,124	1.28
	Total investments at fair value through profit or loss		512,061,995	520,059,731	5.40	691,259,243	695,196,275	6.98
	Total investments		10,543,485,668	9,623,472,495	100.00	10,722,154,822	9,956,363,276	100.00

* The value does not include accrued rental income.

The accompanying notes are an integral part of the financial statements.



Bhiraj Office Leasehold Real Estate Investment Trust

Statement of comprehensive income

For the year ended 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Income			
Rental and service income		900,593,078	907,449,793
Interest income		824,507	354,627
Total income		901,417,585	907,804,420
Expenses			
Cost of rental and service		178,495,270	161,358,192
REIT management fee	14, 15	27,254,136	27,423,989
Trustee and custodian fee	14, 15	11,195,163	11,450,063
Registrar fee	14	4,263,910	3,899,342
Property management fee	14, 15	62,936,474	63,731,599
Amortisation of deferred expenses		707,597	17,217,767
Other expenses		6,354,667	6,714,440
Finance cost	14, 15	99,799,262	72,652,010
Total expenses		391,006,479	364,447,402
Net investment income		510,411,106	543,357,018
Net gain (loss) on investments			
Net gain on investments	7	8,963,457	2,954,255
Net loss on change in fair value of investments in leasehold right over properties	6	(158,282,330)	(131,494,187)
Total net loss on investments		(149,318,873)	(128,539,932)
Increase in net assets from operations		361,092,233	414,817,086

The accompanying notes are an integral part of the financial statements.



Bhiraj Office Leasehold Real Estate Investment Trust

Statement of changes in net assets

For the year ended 31 December 2023

		(Unit: Baht)	
	<u>Note</u>	<u>2023</u>	<u>2022</u>
Increase (decrease) in net assets resulting from operations during year			
Net investment income		510,411,106	543,357,018
Net loss on investment		(149,318,873)	(128,539,932)
Net increase in net assets during year		361,092,233	414,817,086
Capital reduction to unitholders	11	(136,949,057)	-
Distribution to unitholders	13	(362,073,827)	(492,529,609)
Decrease in net assets during year		(137,930,651)	(77,712,523)
Net assets at the beginning of year		7,320,910,442	7,398,622,965
Net assets at the end of year		7,182,979,791	7,320,910,442

The accompanying notes are an integral part of the financial statements.



Bhiraj Office Leasehold Real Estate Investment Trust

Statement of cash flows

For the year ended 31 December 2023

(Unit: Baht)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Net increase in net assets from operations	361,092,233	414,817,086
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchases of investment in leasehold right over properties/ equipment	(528,093)	(3,016,213)
(Purchase) sale of investments in securities	184,100,000	(94,000,000)
Decrease in rental and service and other receivables	251,889	10,978,984
(Increase) decrease in other assets	144	(14,170,200)
Increase (decrease) in trade and other payables	(8,027,643)	26,370,154
Decrease in advance receipt from rental and services	(12,706,390)	(290,922)
Increase (decrease) in deposits from rental and services	11,474,814	(7,638,945)
Amortisation of deferred expenses	707,597	17,217,767
Amortisation of front end fee	1,260,023	1,224,724
Net gain on change in value of investment in securities	(8,963,457)	(2,954,255)
Net loss on investments in leasehold rights over properties	158,282,330	131,494,187
Interest expenses	98,539,240	71,427,286
Net cash flows from operating activities	785,482,687	551,459,653
Cash flows from financing activities		
Repayment of long-term loans from financial institution	(200,000,000)	-
Cash capital reduction to its unitholders	(136,949,057)	-
Cash distribution to unitholders	(362,073,827)	(492,529,609)
Cash paid for interest expenses	(103,750,310)	(62,955,356)
Net cash flows used in financing activities	(802,773,194)	(555,484,965)
Net decrease in cash and cash equivalents	(17,290,507)	(4,025,312)
Cash and cash equivalents at the beginning of year	80,325,609	84,350,921
Cash and cash equivalents at the end of year	63,035,102	80,325,609

The accompanying notes are an integral part of the financial statements.

Bhiraj Office Leasehold Real Estate Investment Trust

Notes to financial statements

For the year ended 31 December 2023

1. Description of Bhiraj Office Leasehold Real Estate Investment Trust

Bhiraj Office Leasehold Real Estate Investment Trust (“the Trust”) was established on 15 January 2018, as a specific closed-end real estate investment trust with an indefinite term in order to invest in specific property.

The Trust’s objectives are to mobilise funds raised from the selling of trust units and loan from financial institution to invest in the leasehold right of BHIRAJ TOWER at EmQuartier project and BHIRAJ TOWER at BITEC project which comprises most of the office rental areas and the associated operation areas, including the transferred ownership of utility and movable property which related to the operation of office buildings.

The Stock Exchange of Thailand approved the listing of the trust units and permitted their trading from 23 January 2018 onwards.

The Trust is managed by Bhiraj REIT Management Company Limited act as the REIT Manager, Kasikorn Asset Management Company Limited acts as the Trustee, Bhiraj Management Company Limited acts as the Property Manager and Thailand Securities Depository Company Limited acts as the trust registrar.

As at 31 December 2023 and 2022, the Trust’s major unitholder is Bhiraj Buri Company Limited which hold 20.07% and 19.99% of issued and fully paid-up trust unit, respectively.

2. Distribution policy

The REIT Manager shall distribute to the Trust’s unitholders at least 90% of the adjusted net profit for the accounting year in accordance with rules specified by the Trust Deed, comprising the year-end distribution and the interim distribution (if any). The REIT Manager shall pay distributions to the Trust’s unitholders not more than 4 times in each accounting year, except in the event of a capital increase, when the Trust may pay more than 4 distributions in an accounting year in the best interests of the unitholders holding trust units prior to the capital increase.

3. Basis of preparation of financial statements

These financial statements are prepared in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand.



The financial statements in Thai language are the official statutory financial statements of the Trust. The financial statements in English language have been translated from the Thai language financial statements.

4. Significant accounting policies

4.1 Revenue and expense

Rental and related service income

Rental income is recognised on a straight-line basis over the lease term, and related service income is recognised on an accrual basis.

Interest income and finance cost

Interest income and finance cost are recognised on an accrual basis based on the effective interest rate.

Other expense

Other expenses are recorded on an accrual basis.

4.2 Measurement of investments

Investments are recognised as assets at cost on the date which the Trust has rights on investments. The cost of investments comprises the purchase price and all direct expenses paid by the Trust in order to acquire such investments.

Investment in leasehold right over properties

Investment in leasehold right over properties is stated at fair value with no depreciation and amortisation. The REIT Manager measured fair value of such investments as at the first reporting date using the acquisition cost of investment, and re-measure them at subsequent reporting dates at fair value, using the appraisal value assessed by an independent appraiser approved by the Thai Valuer Association and the Valuers Association of Thailand (Pursuant to the Notification of the Securities and Exchange Commission concerning the granting of approval of valuation companies and principle valuers for public use). Revaluation is to be made when economic conditions change, but at least every year after the latest valuation date. Valuations must not be performed by the same independent appraisers more than twice.

Gains or losses on measurement of such investments (if any) are presented as net gains or losses in the statement of comprehensive income.



Investments at fair value through profit or loss

Investment in mutual fund which present in the financial statement are stated at fair value. The fair value is based on net asset value at the close of business on the financial statement date by reference to each management company.

Investments in marketable debt securities which can be freely traded on an open market are presented at their fair value, based on the latest yield rate quoted by The Thai Bond Market Association as of the date on which the investments are valued. The value of investments which cannot be freely traded on an open market is stated on fair value based in accordance with the principles and methods for determining the fair value of investments announced by the Association of Investment Management Companies and in accordance with the stipulations, principles and methods for determining fair value of investments in debt instruments which cannot be freely traded on an open market of the Office of the Securities and Exchange Commission. The Trust uses the amortised cost method to determine the fair value of debt securities, which time to maturity is within 90 days from investment date.

Gains or losses on valuation of investment is presented as other income in the statement of comprehensive income. The weighted average method is used for computation of the cost of investment disposal.

Investments in bank deposits, and non-transferable promissory notes and bills of exchange are presented using the sum of principal and accrued interest as of the date on which the investment is valued to determine fair value. Accrued interest is separately presented in the statement of financial position as "Other receivables".

4.3 Accounts receivable from rental and service

The Trust determines the fair value of accounts receivable from rental and service based upon historical credit loss experience adjust with the forecast economic condition for that customer.

4.4 Related party transactions

Related parties of the Trust comprise enterprises and individuals that own a voting interest of at least 10% in the Trust, control or are controlled by the Trust, whether directly or indirectly, or which are under common control with the Trust.

They also include enterprises or individuals which directly or indirectly own a voting interest in the Trust that gives them significant influence over the Trust, the Trustee, the REIT Manager, key management personnel, directors, and officers of the REIT Manager with authority in planning and directing the Trust's operations.



Relationships of related parties are as follows:

<u>Company's Name</u>	<u>Relationship</u>	<u>Details of Business Transactions</u>
Bhiraj REIT Management Company Limited	- REIT manager	- Receive REIT management fee from the Trust
Bhiraj Management Company Limited	- Property Manager	- Receive property management fee from the Trust - Receive Commission fee
Kasikorn Asset Management Company Limited	- Trustee	- Receive Trustee's fee from the Trust
Kasikornbank Public Company Limited	- The parent company of Kasikorn Asset Management Company Limited	- Receive deposit, provide loan to the Trust and rent office area
Bhiraj Buri Company Limited	- Property owner - Major unitholder	- Has entered into lease asset agreement, as the lessor - Has entered into agreement for common area service of Bhiraj Tower at EmQuartier - Has entered into service agreement
Penta 591 Company Limited	- Property owner - Group companies of the Trust's major unitholder	- Has entered into purchase agreement for the ownership of utility and movable property of Bhiraj Tower at EmQuartier and Bhiraj Tower at BITEC
BITEC Services Company Limited	- Group companies of the Trust's unitholder	- Has for tree services of Bhiraj Tower at BITEC and others
Pharindhorn Company Limited	- Property owner	- Has entered into purchase agreement for the ownership of utility and movable property of Bhiraj Tower at BITEC - Has entered into agreement for common area service of Bhiraj Tower at BITEC - Has entered into service agreement

Company's Name	Relationship	Details of Business Transactions
Bhiraj and Beyond Ventures Company Limited	- Group companies of the Trust's unitholder	- Rental and service retail stores
Bhiraj Total Solutions Company Limited	- Group companies of the Trust's unitholder	- Cost of assets - Receive Commission fee

4.5 Distribution to unitholders

Decreases in retained earnings are recognised as at the date a distribution is declared.

4.6 Provisions

Provisions are recognised when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.7 Income tax

The Trust has no corporate income tax liability since it is not the juristic entity in accordance with section 39 of the Revenue Code.

4.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Trust applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Trust measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Trust determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires the Trust's management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Fair value of investment in leasehold right over properties

The Trust measures its investment in leasehold right over properties on the financial statement date at fair value based on the value as assessed by an independent appraiser. The independent appraiser values the investment by using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 6. The Trust considers such fair value is appropriate. However, the actual returns to be received by the Trust on such investment in leasehold right over properties could differ depending upon certain factors and conditions which will be incurred to the assets in the futures.

6. Investment in leasehold right over properties

	(Unit: Thousand Baht)	
	2023	2022
Investment in leasehold right over properties		
at beginning of the year	9,261,167	9,389,645
Increase in building improvement	528	3,016
Net loss on fair value measurement	(158,282)	(131,494)
Investment in leasehold right over properties		
at end of the year	9,103,413	9,261,167

During the current year, the Trust arranged for its investment in property to be appraised by an independent appraiser which appraised by the income approach. The Trust has recognised net loss on investment of Baht 158.28 million (net of accrued income rental and service) in the statement of comprehensive income for the current year.

Key assumptions used in the valuation are summarised below:

	Rate		Result to fair value where as a increase in assumption value
	2023	2022	
Discount rate (%)	8.5 - 9.0	8.5 - 9.0	Decrease in fair value
Occupancy rate (%)	80.0 - 95.0	90.0 - 95.0	Increase in fair value
Rental rate per month (Baht per square meter)	750 - 1,090	740 - 1,070	Increase in fair value

As at 31 December 2023 and 2022, the Trust has mortgaged investment in leasehold right over property as collateral against business security from a financial institution, as described in Note 10 to the financial statements.

7. Investments at fair value through profit or loss

(Unit: Thousand Baht)

	2023	2022
At the beginning of the year	695,196	598,242
Purchase (Sale) of investments during the year	(184,100)	94,000
Net gain on change in fair value	8,964	2,954
At the end of the year	520,060	695,196

8. Cash and cash equivalents

As at 31 December 2023 and 2022, the Trust has the following cash and cash equivalents.

	Balance		Interest rate per annum	
	(Unit: Thousand Baht)		(Percent)	
	2023	2022	2023	2022
Cash	10	10	-	-
Deposits at bank	63,025	80,316	0.50 - 0.70	0.15 - 0.50
Total cash and cash equivalents	63,035	80,326		

9. Rental and service and other receivables

	(Unit: Thousand Baht)	
	2023	2022
Rental and service receivables		
Unrelated parties	9,590	4,702
Related parties	350	385
Accrued rental income		
Unrelated parties	10,035	15,203
Related party	20	-
Total rental and service receivables	<u>19,995</u>	<u>20,290</u>
Other receivables		
Unrelated parties	1	4
Related party	69	23
Total other receivables	<u>70</u>	<u>27</u>
Total rental and service and other receivables - net	<u>20,065</u>	<u>20,317</u>

The balance of rental and service receivables as at 31 December 2023, was mainly due to not yet due and up to 3 months past due, amounted to Baht 3.7 million (2022: Up to 3 months past due, amounted to Baht 1.5 million).

10. Long-term loan from financial institution

As at 31 December 2023 and 2022, long-term loan from financial institution represents loan from Kasikornbank Public Company Limited, the parent company of the trustee. The details are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Long-term loan from financial institution	2,420,000	2,420,000
Less: Repayment	(200,000)	-
Less: Deferred transaction costs	(1,957)	(3,217)
Long-term loan from financial institution - Net	<u>2,218,043</u>	<u>2,416,783</u>

The maximum interest rate of the loan is not exceeding MLR - 1.65% throughout the loan agreement.

The loan is secured by a leasehold right over property, as described in Note 6 to the financial statements.

The loan agreement contains covenants that, among other things, require the Trust to maintain a certain debt to total asset ratio and debt service coverage ratio.

11. Capital from unitholders

The list of capital account received from trust unitholders as at 31 December 2023 can be summarised as follows:

	Per unit (Baht)	Number of units (Thousand Units)	Total (Thousand Baht)
Capital from unitholders			
Balance at beginning of the year	8.9592	737,872	6,610,744
Capital reduction No. 1/2023	(0.1707)	-	(125,955)
Capital reduction No. 2/2023	(0.0149)	-	(10,994)
Balance at end of the year	<u>8.7736</u>	<u>737,872</u>	<u>6,473,795</u>

12. Retain earnings

	(Unit: Thousand Baht)	
	2023	2022
Retained earnings at the beginning of year	135,986	213,699
Add: Increase in net assets resulting from operations	361,092	414,817
Less: Distribution to unitholders	(362,074)	(492,530)
Retain earnings at the end of year	<u>135,004</u>	<u>135,986</u>

13. Distribution to unitholders

Distribution paid during the year ended 31 December 2023 consists, as follows:

Approved date	The operation for the period	Per unit (Baht)	Total (Thousand Baht)
23 February 2023	1 October 2022 to 31 December 2022	0.1730	127,652
11 May 2023	1 January 2023 to 31 March 2023	0.1719	126,840
3 November 2023	1 July 2023 to 30 September 2023	0.1458	107,582
			<u>362,074</u>

14. Expenses

Details of the trust management fee, trustee fee, registrar fee and property management fee are summarised below.



14.1 REIT management fee

The REIT Manager is entitled to receive a trust management fee from the Trust at a rate not exceeding 0.75% per annum of the Trust's net assets value. The fee is calculated and charged on a monthly basis.

14.2 Trustee and custodian fee

Trustee is entitled to receive a remuneration at a rate not exceeding 1.00% per annum of the Trust's net assets value. The fee is calculated and charged on a monthly basis.

14.3 Registrar fee

The fee for the work of the trust registrar shall be calculated using the rate determined by the trust registrar. The fee is calculated and charged on an annually basis.

14.4 Property management fee

Property manager is entitled to receive a remuneration consist of base fee, which a rate not exceeding 7.00% per annum of operating revenue, and variable fee, which a rate not exceeding 3.00% per annum of operating profit. The total rate ceiling is not exceeding 3.00% per annum of the Trust's net asset value. The fee is calculated and charged on a monthly basis.

15. Related party transactions

During the year, the Trust had significant business transactions with its related parties, which have been agreed upon in the ordinary course of business between the Trust and its related parties. The pricing policies and amount for particular type of transactions are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Bhiraj Buri Company Limited		
Distribution to unitholders	72,458	98,447
Capital reduction	27,382	-
Service income	2,981	2,856
Expenses for common area	4,856	4,736
Bhiraj Buri Holding Company Limited		
Distribution to unitholders	7,979	10,854
Capital reduction	3,018	-
Pharindhorn Company Limited		
Rental and service income	4,447	4,232
Cost of rental and service	45,004	40,985



	(Unit: Thousand Baht)	
	2023	2022
Bhiraj REIT Management Company Limited		
Trust management fee	27,254	27,424
Bhiraj Management Company Limited		
Property management fee	62,936	63,732
Commission fee	1,407	1,662
Kasikorn Asset Management Company Limited		
Trustee and custodian fee	11,195	11,450
Kasikornbank Public Company Limited		
Rental and service income	22,926	22,866
Interest income	814	351
Interest expenses	99,799	72,652

The balances of the accounts as at 31 December 2023 and 2022 between the Trust and those related parties are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Bhiraj Buri Company Limited		
Rental and service and other receivable	54	47
Trade and other payables	1,064	1,127
Pharindhorn Company Limited		
Rental and service and other receivable	161	165
Trade and other payables	7,274	8,366
Deposit from rental and services	51	-
Bhiraj REIT Management Company Limited		
REIT management fee payable	2,386	2,429
Bhiraj Management Company Limited		
Property management fee payable	5,420	5,666
Trade and other payables	117	1,216
Kasikorn Asset Management Company Limited		
Trustee and custodian fee	1,921	1,991



(Unit: Thousand Baht)

	2023	2022
Kasikornbank Public Company Limited		
Deposits at bank	62,742	78,994
Deposit from rental and services	5,355	5,355
Advance receipt for rental and services	-	1,722
Long-term loan from financial institution	2,220,000	2,420,000
Interest payable	28,867	34,078

16. Information on investment purchase and sales transactions

The Trust's investment purchase and sales transactions during the year, excluding investments in cash at banks, amounted to Baht 619.83 million which is 8.56% of the average net asset values during the year.

17. Segment Information

The one main reportable operating segment of the Trust is lease of property investment and the single geographical area of its operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

During the year, the Trust has no major customer with revenue of 10% or more of an entity's revenues.

18. Commitments

18.1 The Trust is committed to pay fees to counterparties as described in the Note 14 to the financial statements.

18.2 The Trust has entered into several service agreements in cleaning service and security service. The term of the agreements are general between 1 to 3 years.

As at 31 December 2023 and 2022, future service payments required under these service agreements were as follows:

	2023	2022
Payable within:		
Less than 1 year	32	37
1 to 3 years	8	31



18.3 As at 31 December 2023 and 2022, the Trust has a contractual performance guarantee of approximately Baht 4 million, issued by bank to guarantee electricity use.

19. Fair value hierarchy

As at 31 December 2023 and 2022, the Trust had the assets that were measured at fair value using different levels of input as follows:

(Unit: Million Baht)

	2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in securities	-	520	-	520
Investment in leasehold right over properties	-	-	9,103	9,103
Rental and service and other receivables	-	-	20	20

(Unit: Million Baht)

	2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in securities	-	695	-	695
Investment in leasehold right over properties	-	-	9,261	9,261
Rental and service and other receivables	-	-	20	20

The Trust estimated fair value of assets measure at fair value as stated in note 6 and 7.

During the year, there were no transfers within fair value hierarchy.

20. Financial instruments

20.1 Financial risk management objective and policies

The Trust's financial instruments, as defined under the Accounting Guidance for Property Funds Real Estate Investment Trusts, Infrastructure Fund, and Infrastructure Trusts, principally comprise cash and cash equivalents, accounts receivable from rental and services, trade and other payables, deposits from rental and services and long-term loan from financial institution. The financial risks associated with these financial instruments and how they are managed is described below.



Credit risk

The Trust is exposed to credit risk primarily with respect to accounts receivable from rental and services, deposits at bank and financial instruments and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts of accounts receivable from rental and services as stated in the statement of financial position.

Rental and service receivables

The Trust Manager manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Trust does not have high concentrations of credit risk since it has a large and various customer base and outstanding rental and service receivables are regularly monitored.

The Trust measures the fair value of rental and service receivables at each reporting date based on days past due for groupings of various customer segments with similar credit risks.

The Trust classifies customer segments by customer type and credit rating, and other forms of credit insurance. The calculation of the fair value reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, rental and service receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Trust manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Trust Manager on an annual basis, and may be updated throughout the year subject to approval of the Trust Manager. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Interest rate risk

The Trust's exposure to interest rate risk relates primarily to its cash and cash at banks and long-term loan from financial institution. Most of the Trust's financial assets and liabilities bear floating interest rates which are close to the market rate.



As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below.

				(Unit: Million Baht)
				2023
	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum.)
Financial assets				
Investment in securities	-	520	520	-
Deposits at banks	63	-	63	Please see in note 8
Rental and service and other receivables	-	20	20	-
	<u>63</u>	<u>540</u>	<u>603</u>	
Financial liabilities				
Trade and other payables	-	82	82	-
Deposits from rental and services	-	235	235	-
Long-term loan from financial institution	2,218	-	2,218	Please see in note 10
	<u>2,218</u>	<u>317</u>	<u>2,535</u>	
				(Unit: Million Baht)
				2022
	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum.)
Financial assets				
Investment in securities	-	695	695	-
Deposits at banks	80	-	80	Please see in note 8
Rental and service and other receivables	-	20	20	-
	<u>80</u>	<u>715</u>	<u>795</u>	
Financial liabilities				
Trade and other payables	-	95	95	-
Deposits from rental and services	-	223	223	-
Long-term loan from financial institution	2,417	-	2,417	Please see in note 10
	<u>2,417</u>	<u>318</u>	<u>2,735</u>	



Foreign currency risk

The Trust considers itself no foreign currency risk because the Trust has no foreign currency transactions, and no financial assets and liabilities denominated in foreign currencies outstanding at the date of the financial statement.

Market risk

The Trust is exposed to market risk due to its investment in securities. The return on investment depends on the fluctuation of the economic and political conditions, as well as money market and capital market situation. Such circumstances may have a positive or negative impact on the performance of the fund, depending on the type of fund whether it is correlated with the market volatility that may result in the increase or decrease in the investment value.

20.2 Fair values of financial instruments

Since the majority of the Trust's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

21. Capital management

The primary objectives of the Trust's capital management are to maintain its ability to continue as a going concern and to maintain an appropriate capital structure in order to pay distribution for unitholders in accordance with the Trust's establishment condition.

22. Event after reporting period

On 22 February 2024, a meeting of Board of Directors of the REIT Manager passed a resolution to approve the appropriation of an interim distribution of Baht 0.1607 per unit trust, or a total of Baht 118,576,042. The Trust will pay the interim distribution to its unitholders on 28 March 2024.

23. Approval of financial statements

These financial statements were authorised for issue by the authorised person of the REIT manager on 22 February 2024.

BUILD THE TRUST



REIT Manager

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