

### **Information on the Additional Investment Assets No. 1**

The REIT will invest in Additional Investment Assets No. 1 by making investment in the ownership over immovable property of a data center project being currently named as the INTERLINK DATA CENTER Project and will purchase relevant movable properties used in the business operation in the INTERLINK DATA CENTER Project from Interlink Telecom Public Company Limited (the “**Asset Owner**” or “**ITEL**”). Details of Additional Investment Assets No. 1 are as follows:

#### **1. General information of Additional Investment Assets No. 1**

##### **1.1 Ownership over immovable properties in the INTERLINK DATA CENTER Project**

- (1) Part of the land identified under land title deed nos. 210680 and 214244, land nos. 1390 and 1402, survey map nos. 23701 and 25865, located at Tha Raeng Sub district, Bang Khen District, Bangkok, with the area of approximately 1 rai, 30.6 square wah, which is a location where the INTERLINK DATA CENTER Project is situated (the “**Investing Land**”<sup>1</sup>)
- (2) Buildings and their component parts, and system works relevant to the provision of service of the INTERLINK DATA CENTER Project;
- (3) Building where the generators used in the INTERLINK DATA CENTER Project are located, including the component parts of the building and relevant system works; and
- (4) Guardhouse in the INTERLINK DATA CENTER Project, including its component parts and relevant system works.

The details of which are as follows:

---

<sup>1</sup> Currently, the Investing Land under both Land Title Deeds are in the process of measuring and separation of land title deeds, which must be completed before the investment date of the REIT.

Location	Building No.	Approximate Usable Area of Building (sq.m.)	Details of Building	Land Title Deed No.	Land Area			Means of Asset Acquisition		
					rai	ngan	sq.wah	Land	Buildings, System Works, and Component Parts of the land and buildings	Movable Properties and Equipment
Tha Raeng Subdistrict, Bang Khen District, Bangkok	9/1	1,800	one 3-storey building	210680 <sup>2</sup> (partial), 214244 <sup>3</sup> (partial)	1	0	30.6	Ownership	Ownership	Ownership
		192	one 2-storey steel structure							
		12	one single-storey building							

<sup>2</sup> Currently, the Invested Land under both Land Title Deeds are in the process of measuring and separation of land title deeds, which must be completed before the investment date of the REIT.

<sup>3</sup> Currently, the Invested Land under both Land Title Deeds are in the process of measuring and separation of land title deeds, which must be completed before the investment date of the REIT.

**1.2 Ownership over relevant movable properties and equipment used in the business operation in the INTERLINK DATA CENTER Project:**

- (1) Furniture and equipment for the operation within the buildings which are the immovable properties to be invested, and that are relevant to the data center business (which are not constituted as component parts of the immovable properties to be invested);
- (2) Rack cabinets, and system works and other relevant connecting equipment used in the INTERLINK DATA CENTER Project which include core network equipment, and processing and data storing units, and software relevant to the equipment; and
- (3) Generators including furniture and equipment for the operation within the building where the generator is situated.

**Remarks:**

- (1) The REIT will make additional investment in the INTERLINK DATA CENTER Project by entering into the following agreements:
  - (1.1) Immoveable Property Sale and Purchase Agreement (INTERLINK DATA CENTER Project) with ITEL;
  - (1.2) Movable Property Sale and Purchase Agreement (INTERLINK DATA CENTER Project) with ITEL; and
  - (1.3) Any other relevant agreements, e.g., Undertaking Agreement, Operating Lease Agreement.
- (2) At present, the Investing Land is under the ownership of Interlink Communication Public Company Limited (“**ILINK**”), provided ITEL and ILINK are in the process of separation of land title deeds, and after the separation, ILINK will transfer the ownership over the Investing Land to ITEL.

In addition, after ILINK transferred the ownership over the Investing Land to ITEL, ITEL and ILINK agree to have the following servitudes registered:

- (2.1) ITEL agrees to register the servitude on part of the Investing Land as a servient land of the adjacent land under the ownership of ILINK to be used as entrance and exit way, walkway, driveway, driveway for large vehicles, for laying of power lines, as well as putting in power line posts, installation of drainage channels, water, telephone, and public utility systems; and
- (2.2) ILINK agrees to register the servitude on part of the adjacent land which is under its ownership as a servient land of the Investing Land to be used as entrance and exit way, walkway, driveway, driveway for large vehicles, for laying of power lines, as well as putting in power line posts, installation of drainage channels, water, telephone, and public utility systems. However, as the parties agree to move some part of the public utility located over ILINK’s land to be located over the Investing Land after the investment in Additional Investment Assets No. 1 and once this process is completed, the parties will de-register the servitude over some parts of ILINK’s land which is in relation to such public utility.

With respect to the investment in immovable properties, the REIT must consider and ensure that the acquired immovable properties are not subject to any property rights or disputes, with the exception for the case where the REIT Manager and the Trustee consider and have written opinion that the state of being under any such property rights or disputes does not significantly affect the seeking of benefits out of the immovable properties, and that the conditions on the acquisition of the immovable properties are overall beneficial to the trust unitholders.

According to the details under Clause (2.1) above, after due consideration, the Company is of the view that the Investing Land being subject to the aforementioned servitudes does not significantly affect the seeking of benefits out of the immovable properties of the INTERLINK DATA CENTER Project, and that the conditions on the acquisition of the INTERLINK DATA CENTER Project are overall beneficial to the trust unitholders. However, the Trustee is in the process of considering on the aforementioned servitudes, when the Company receives the opinion from the Trustee, the Company will inform the trust unitholders thereafter.

In this regard, the Company appointed American Appraisal (Thailand) Ltd. and C.I.T. Appraisal Co., Ltd. (collectively, the “**Independent Appraisers**”) which are independent appraisers approved by the Office of the Securities and Exchange Commission (the “**SEC Office**”) which will appraise the value of Additional Investment Assets No. 1. The details on the value of Additional Investment Assets No. 1 appraised by the Independent Appraisers are as follows:

Type of Asset	Nature of Investment	Investing Value of the Additional Investment Assets No. 1	Appraisal Value (by the Independent Appraisers)		
			American Appraisal (Thailand) Ltd.	C.I.T. Appraisal Co., Ltd.	Lower Appraisal Value
Data Center	Ownership	THB 750,000,000 (inclusive of value added tax)	THB 760,000,000	THB 697,400,000	THB 697,400,000

**Remarks:**

- (1) The value of Additional Investment Assets No. 1 is appraised by applying the Income Approach, asset value, based on the REIT’s benefit seeking structure, prepared by American Appraisal (Thailand) Ltd. as of 10 January 2022, and by C.I.T. Appraisal Co., Ltd. as of 15 December 2021.
- (2) Calculated based on the total of the lowest appraisal value of each asset prepared by the appraisers.

The Independent Appraisers used the Income Approach to appraise the value of Additional Investment Assets No. 1 having the REIT’s benefit seeking structure of leasing out the data center to ITEL, the sole lessee and operator, for the lease term of 3 years, the parties thereto agree to be committed to renew the lease agreement 9 times, for 3-year period per renewal (total lease term of 30 years) with the terms and conditions of the commitment for renewal specified in the Operating Lease Agreement.

The Company's opinions are in line with the opinions of the Independent Appraisers that the Income Approach used in the appraisal is an appropriate method to compare with investment value of Additional Investment Assets No. 1, considering the source of income of Additional Investment Assets No. 1 is a rental fee. In this regard, the investing value of Additional Investment Assets No. 1 is higher than 7.54 percent of the lowest appraisal value of Additional Investment Assets No. 1 appraised by the Independent Appraisers. In addition, the Company is of the view that the value of the additional investment assets that is fixed at not exceeding THB 750,000,000 (payable on the date on which the REIT invests in the additional investment assets) is reasonable, for the properties which are located in a favourable location for the operation of a data center, fully equipped with facilities, safe, stabilized. Based on the aforementioned reasons, this investment would increase the benefits for the REIT, stabilize and strengthen rental incomes and operational results of the REIT, as well as diversify risks associated with benefit seeking from the immovable properties and increase variety of the REIT's sources of income, which would benefit the REIT and its trust unitholders in the future.

## **2. Risk factors relevant to the benefit seeking from Additional Investment Assets No. 1**

### **2.1 Potential risks resulted from the REIT's securing loan**

Considering, the REIT will enter into the long-term loan agreement amounting to not exceeding THB 750 million or equivalent to approximately 20.02 percent of the total asset value of the REIT (the total asset value of the REIT as at 30 November 2021 was approximately THB 3,747,091,815) with a financial institution, as a part of sources of fund for the investment in Additional Investment Assets No. 1. Therefore, the REIT may be exposed to the risk associated with the securing of loan due to a fluctuation of economic situation and interest rate, for the reason that the floating interest rate under the loan agreement may be changed during the term of the loan agreement which may affect the operation of the REIT resulting in insufficient liquidity to repay both the interest and the principal, and may affect the REIT's capability to distribute returns to the trust unitholders.

In the case where the REIT is unable to repay the principal and interest due, or in the event of other event of default under the loan agreement, the creditor may proceed with the legal action with the REIT or exercise the right of claim under the agreement due to a failure to perform the loan agreement, for example, to exercise the rights to enforce the agreement with respect to the provision of securities, in whole or in part, in favour of the loan. In addition, in the case of refinancing, the REIT may be exposed to the risk of taking an extensive period of operation, or not receiving arrangements in a new loan agreement which are as favourable as the existing loan agreement, or in the case of additional loan, there may be certain agreement provisions limiting the operation of the REIT. In this regards, all the aforementioned risks may affect the liquidity of the REIT, which may result in adverse impact to the REIT's capability in distributing returns to the trust unitholders. Furthermore, such provision may limit the REIT's capability in making additional investments.

Nevertheless, the REIT Manger will consider additional risks comparing with the benefits to be derived from the securing of loan and guidelines or measures to prevent the risks, as well as formulate a measure to regularly follow up the REIT's operation and external factors including the interest rate trend. In addition, the REIT Manager may consider negotiating with the creditor on the various issues, for example, request for extension of repayment period, request for relaxation of a condition which creates obstacles to the management of the REIT.

The REIT will carry out such the operations by complying with the relevant laws, and taking into account the best interests of the trust unitholders.

**2.2 Risks associated with Additional Investment Assets No. 1 relying on income from the sole operating lessee who is a Property Manager of Additional Investment Assets No. 1, which is the sole source of income of Additional Investment Assets No. 1**

After the REIT invested in Additional Investment Assets No. 1, it will enter into the operating lease agreement with ITEL for the term of 3 years. In this regard, ITEL will commit to renew the term of the lease agreement for 9 times, for the period of 3 years each (totalling 30 years). ITEL will be the party to seek benefits from the INTERLINK DATA CENTER Project by leasing out such assets to its customers accordingly.

Considering the primary income of Additional Investment Assets No. 1 will be obtained from the rental under the operating lease agreement only, if ITEL fails to efficiently and effectively control and supervise, and manage the INTERLINK DATA CENTER Project and its general businesses (of any project), the potential in business operation and management of the INTERLINK DATA CENTER Project and the assets in the project, including ITEL's operating results may be affected, resulting in ITEL not being able to make rental payment to the REIT, and/or to comply with the conditions of the operating lease agreement and/or relevant agreement. Such circumstances may have an adverse impact on the REIT's operating results, and the REIT's capability to distribute returns to the trust unitholders.

However, the operating lease agreement requires the operating lessee to place a security deposit amounting to 6-month rental (in cash and/or letter of guarantee issued by a commercial bank). If the lease term is terminated before the expiration of term due to a failure to perform the agreement by ITEL, the REIT shall be entitled to forfeit the security deposit in accordance with the terms and conditions specified under the operating lease agreement and claim for other damages (if any) from ITEL, subject to the court's decision, and whether or not the debt repayment ability or the asset value of ITEL is sufficient to repay debt to the REIT. In addition, the REIT may not be able to procure a third party to operate the data center business continuously or in place of ITEL in short period of time, as the persons who would be capable to operate the data center business are limited, and such persons are required to be licensed and obtain relevant approvals from the National Broadcasting and Telecommunications Commission (the "NBTC"), resulting in the REIT may not be able to generate rental income from Additional Investment Assets No. 1 during the period with no new operating lessee to operate the data center business continuously or in place of ITEL. In the case where the REIT is not able to procure new lessee to agree and pay the rental at the reasonable rate and within the reasonable period, or the REIT agrees with the new lessee on the conditions which are different from those of ITEL, or is not able to procure any new lessee at all, such circumstances may result in the REIT's rental income each year being decreased, and may have materially adverse impact on the business, financial positions, operating results, and business opportunity of the REIT which would be obtained from the assets under the INTERLINK DATA CENTER Project, including adverse impact to the capability of the REIT in distributing returns to the trust unitholders. However, the REIT has put in place the measures for the diversification of risks associated with the investment in the initial investment asset of the REIT comprising of the assets which are different from each other in terms of locations and types of business, such businesses comprise warehouse and factory projects, rental office projects, and community mall projects. Consequently, in the case of any circumstance that may affect an asset located

in certain location or of a certain type of business, the REIT's assets in other projects would be able to continuously generate income to the REIT.

In this regard, as ITEL is a listed company on the Stock Exchange of Thailand which engages in the business relating to technology for an extensive period, and has expertise in information technology and communications industry, the trust unitholders can be confident that ITEL is capable to operate the business and perform the operating lease agreement and/or the relevant agreements. In addition, under the operating lease agreement, there are several measures to control the lessee's business operation, including without limitation, fixing of the Funded Interest Bearing Debt to Total Asset Ratio, compliance with the law, arrangements and conditions of the license, and rules and regulations relevant to the business operation. Furthermore, the main asset which generates income to ITEL, i.e., the INTERLINK DATA CENTER Project demonstrates capability in generating incomes and profits which is sufficient for making the rental payment to REIT each year. The INTERLINK DATA CENTER Project's operating results for the last 3 years from 2018 to 2020, as well as the operating results of the third quarter of 2021 are sufficient for the rental payment to the REIT as specified in the agreement for the first year. In addition, the INTERLINK DATA CENTER Project is able to expand its opportunity in the provision of service and to generate more income than in present as the use of rack and cloud equipment has not yet to reach maximum capacity of the assets, and there are factors supporting the trend of growth of cloud industry which would increase the demand in the use of data center.

Furthermore, the INTERLINK DATA CENTER Project which has commenced the commercial operations has been constructed in accordance with the requirements for a tier-3 data center, offers the 24-hour service every day with a high level of stability in the services, obtains ISO9001:2008 and ISO27001 standard certifications, and is able to accommodate various types of lessees, including communications companies, telecommunications companies, sellers of hardware for data center whether inbound or outbound, as well as located in a favourable location, with low risk of natural disaster, and fully equipped with public utilities. In addition, considering there are many data center licensees, and the data center business is an expanding business, any person who takes an interest in investment and wishes for expediency in the commencement of operation, the REIT's assets which are available for the operation are considered an option for such person to lease the assets from the REIT. The aforementioned factors would encourage the interested party to operate the business or become a lessee leasing assets from the REIT.

### **2.3 Risks associated with the lessee not renewing the lease agreement upon the expiration of the lease term**

The REIT's seeking of benefits with respect to Additional Investment Assets No. 1 is the leasing out of assets to the main lessee by entering into the operating lease agreement for the term of 3 years with ITEL, which ITEL committed (effectively and irrevocably) to the REIT to renew the lease agreement, provided the REIT is entitled to an option to renew the lease agreement 9 times, for 3-year period per renewal, and entitled to conduct an evaluation on ITEL as the lessee every 3 years.

However, this type of short-term lease (which the party to an agreement gives commitment to renew) may be exposed to the risk, i.e., even though the REIT exercises the rights of renewal under the conditions specified in the lease agreement, ITEL, as the lessee, may refuse to renew the lease agreement which is regarded as a breach of the agreement,

resulting in the REIT's being entitled to terminate the agreement and/or claim for damages. In this regard, even though there is no precedent case for an enforcement of commitment to lease like a commitment to lease out, a commitment to lease should be allowed as a commitment to lease out, as it is in accordance with the basis of freedom of contract which is not restricted by law. Nevertheless, regardless of short-term or long-term lease agreement, there may be a breach of agreement or any other circumstances which results in the REIT being entitled to terminate the agreement.

As a result, apart from the commitment given under the operating lease agreement, the REIT will ensure that ITEL enter into the undertaking agreement (the REIT's seeking of benefits). Under this undertaking agreement, ITEL agrees and represents to the REIT that it will be the lessee to the purchased assets for the entire period of 30 years starting from the date on which the REIT accepts the transfer of ownership over the purchased assets. The REIT shall have the exclusive rights to consider ITEL's qualifications for being the lessee under the lease agreement throughout the 30-year period. In the case where ITEL is in breach of or fails to perform such agreement, the REIT shall be entitled to exercise the rights of claim in accordance with the additional provisions under the undertaking agreement for the damages incurred from a failure to perform the lease obligations throughout the 30-year period as well.

Even though the REIT is entitled to terminate the agreement and/or claim for damages, as well as to demand for any lack of benefits, such breach of agreement by ITEL may result in the REIT not receiving benefits or not being able to enforce the provisions under the operating lease agreement or the undertaking agreement (the REIT's seeking of benefits), for example, the REIT is not able to force ITEL to renew the lease agreement in accordance with the provisions of the agreement, or ITEL may not pay for damages and/or compensation for lack of benefits as demanded by the REIT. As a result, the REIT may have to enter into the judicial process by exercising the rights to file lawsuits, whereby it is not viable to anticipate the period of the judicial process until it is completed, and the amount of compensation and remedy for damage, as well as the results of the case are all subject to the judgement of the court. Even though the court renders a judgement in favour of the REIT, the REIT may encounter difficulties in enforcing the court's judgement, e.g., the REIT may receive a compensation for lack of benefits arising from non-renewal of the lease agreement less than the amount of damages specified in the relevant agreement. In this regard, if the REIT fails to renew the lease agreement and claim for damages, fully or partly, from ITEL, the REIT Manager may have to procure a new main lessee as a substitute. In such case, there may be a delay or the REIT may not be able to find any substituted lessee resulting in the REIT losing the opportunity to generate income continuously, as well as affecting the cashflow and operating results of the REIT which would render the trust unitholders encounter the risks of not receiving returns in full or in due time as expected.

#### **2.4 Risks of the operating lessee not being granted renewal of or able to renew licenses, or not receiving approvals necessary for the business operation**

ITEL is required to obtain relevant licenses and approvals from the National Broadcasting and Telecommunications Commission (the "NBTC"). For the current business operation, ITEL has been obtained the Type 3 Telecommunications Business License which will expire on 7 May 2027, and Type 1 Telecommunications Business License which will expire on 21 September 2025, whereby such licenses can be renewed upon the compliance with the

conditions required by the NBTC. In this regard, to maintain the licenses, the licensee is required to comply with certain terms and conditions required by the NBTC.

Throughout the term of the operating lease agreement, the REIT cannot guarantee that ITEL would be able to maintain or renew such licenses. In addition, in the case where the NBTC issues new rules or regulations, or use different guidelines in law interpretation, or where the NBTC increases fees or conditions regarding the collection of fees from ITEL, the REIT cannot guarantee that ITEL would be able to comply with the new conditions or guidelines in law interpretation. In an event of violation of conditions of the license on certain issues which have yet to be rectified, and the NBTC deems that it is a serious violation, the NBTC may revoke the license. Such circumstances may result in a material adverse impact to ITEL's capability in the operation and rental payment to the REIT under the operating lease agreement. In addition, in the case where ITEL's license is revoked, not able to be renewed, or there is an issuance of new rules rendering the REIT having the duties to apply for such license but the REIT is not able to do so or in the process of application, ITEL and/or the REIT (as the case may be) may not be able to operate its business, whether temporarily or continually, which may significantly affect the REIT's income and ability to distribute returns to the trust unitholders. For worst case, the REIT may be required to perform the dissolution.

Nevertheless, the operating lease agreement provides the conditions for ITEL to comply with the laws, arrangements, and conditions of the licenses applicable to its business operation, which include to obtain and maintain the licenses granted by the NBTC. In this regard, ITEL agrees to be responsible for any damage sustained by the REIT due to a breach in agreement, provision, or misrepresentation of ITEL under the operation lease agreement with respect to the INTERLINK DATA CENTER Project. Furthermore, the provision under the undertaking agreement between the REIT and ITEL provides that ITEL is obliged to operate or coordinate with respect to the operation in the case of issuance of new rules or regulations, or different guidelines in law interpretation and agrees to be responsible for the fees and expenses incurred from the operations relevant thereto.

3. **Clarification on observations and queries concerning the investment in Additional Investment Assets No. 1, and the REIT's securing of loan and provision of securities of KTBST Mixed Leasehold Real Estate Investment Trust (KTBSTMR)**

**Issue No. 1: Form of the short-term operating lease agreement between the REIT and the lessee**

The REIT Manager considered the structure nature of the seeking of benefits and was of the view that there is no legal issue on said structure form in respect of the lease registration, as it is a requirement for the lessee to solely commit to lease the assets under the operating lease agreement with the term of 3 years, and the commitment to renew the agreement for 9 times, with the period of 3 years per each renewal (totalling 30 years). Such commitment represents a binding effect on the lessee and the REIT shall be entitled to demand for the lessee to renew the same as per the commitment so given (irrevocably) by the lessee, which constitutes an exercise of rights to consider the renewal on a case-by-case basis. This structure provides an opportunity for the REIT to consider whether or not to renew the lease agreement, and to change the lessee if the lessee is in breach of the agreement. In addition, such structure of leasing out of assets and renewal has been used by other trusts or property funds as well.

For the guidelines or measures to prevent risks of the lessee not renewing the lease agreement, apart from the lessee's liability with respect to the commitment given in the lease agreement, the REIT and the lessee have executed the undertaking agreement in addition to the lease agreement. Under the undertaking agreement, the lessee agrees that it shall lease the assets until the expiration of the 30-year term, and that in the case of breach of agreement, the lessee shall be liable to the REIT subject to such agreement. In this regard, the opinion of the legal advisor of the REIT are provided below for the purposes of comparison of (1) the operating lease agreement with the term of 3 years, which the REIT may exercise the rights to renew the lease agreement 9 times, for 3-year period per renewal, and (2) the long-term operating lease agreement with the term of 30 years registered with the land office, the details of which are as follows:

Form of Agreement	Advantages	Risks/Disadvantages
<p>Lease agreement with the term of 30 years registered with the land office</p>	<ol style="list-style-type: none"> <li>1. Enforcement under the lease agreement with the term of 30 years is clear and in line with the intention of the leasing party.</li> <li>2. Enforcement under the lease agreement can be carried out with ease, i.e., in the case of breach of agreement, enforcement under the lease agreement, or claim for damages, the REIT may directly refer to the lease agreement with the lease term of 30 years as the ground for filing of lawsuit.</li> </ol>	<ol style="list-style-type: none"> <li>1. The agreement is not flexible in practice, e.g., if ITEL is in breach of the agreement and the REIT wishes to change the lessee, the change cannot be made with ease, as the official will not register the lease with respect to the lease agreement with a new lessee until the cancellation of lease with ITEL is registered (during the filing of registration of lease cancellation, the REIT may only lease out the assets without registration, but the new lessee may not take on lease until the registration of lease cancellation is completed.).</li> <li>2. Registration fee (1 percent of the rental throughout the lease term)</li> </ol>
<p>Lease agreement with the term of 3 years, with ITEL's sole commitment to take on lease as additional provisions in the relevant agreements, which are:</p> <p><u>Provisions under the lease agreement:</u></p> <ul style="list-style-type: none"> <li>• ITEL has duties in addition to a normal lease agreement, and the agreement shall be treated as a reciprocal agreement with special conditions more than</li> </ul>	<ol style="list-style-type: none"> <li>1. The agreement is more flexible, as the REIT is entitled to re-evaluate the lessee every 3 years, and there is an opportunity for the REIT to seek out more favourable offer from a new lessee at any time.</li> <li>2. If ITEL is in breach of the agreement by refusing to renew the lease agreement, in addition to taking an action for enforcement and claim for damages under the lease agreement (where the burden of proof of damage incurred by the REIT may be</li> </ol>	<ol style="list-style-type: none"> <li>1. In order to renew the lease agreement with commitment, the REIT must exercise the rights to renew (the agreement is not immediately renewed). In this regard, ITEL is obliged to notify the REIT of the exercise of rights twice.</li> <li>2. A renewal of the lease agreement with commitment may be exposed to risks and the burden of proof that renewal condition is intentionally provided but lease registration is not intentionally circumvented. If it cannot be proven or presented to the court in a way that is not suspicious, the court may construe that the party intends to circumvent the registration. In the case of dispute, the</li> </ol>

Form of Agreement	Advantages	Risks/Disadvantages
<p>a normal lease agreement.</p> <ul style="list-style-type: none"> <li>Before the expiration of each lease term (before the expiration of the 3-year period) and before the expiration of the period for exercise of rights under the commitment (1 year from the expiration of lease term), ITEL has duty to notify the REIT of the exercise of rights.</li> </ul> <p><u>Provisions under the undertaking agreement (the REIT's seeking of benefits)</u></p> <ul style="list-style-type: none"> <li>ITEL agrees to be the lessee throughout the period of 30 years (the list of penalty fees due to a failure to perform the agreement by ITEL is clearly specified as an indemnification to the REIT).</li> </ul>	<p>more complicated than that under the lease agreement with the term of 30 years registered at the land office), the REIT is also able to claim, subject to the additional provisions under the undertaking agreement, for the damages due to a failure to perform the lease obligations throughout the period of 30 years.</p> <p>3. The determination of ITEL's additional duties to be in a form of a special reciprocal agreement may mitigate the risks of the lease agreement being construed as a lease agreement with the term of more than 3 years. In this regard, the court may use such provisions as a factor for consideration, and consider that a reciprocal agreement with special conditions more than a normal lease agreement is not subject to Section 538 which provides that a lease shall be made in writing and registered with the competent official.</p> <p>4. No registration fee (1 percent of the rental throughout the lease term)</p>	<p>lease agreement may have a binding effect for 3 years only, and the remaining period is deemed a lease agreement with no prescribed period. In this regard, under the undertaking agreement, ITEL's duties, and the penalty fees from a failure to perform the agreement by ITEL is clearly specified, separately from that under the lease agreement.</p> <p>3. Even though ITEL's duties are additionally fixed as a special reciprocal agreement, according to the precedent Supreme Court's decisions, the court would interpret an agreement as a special reciprocal agreement only to protect a lessee who pays special reciprocal payment. There may be risks of the court's interpretation that in the case of dispute with respect to ITEL, as the lessee, is in breach of the agreement by refusing to renew the agreement, the court may not interpret the case for enforcing the lessee who pays special reciprocal payment to be re-committed under the agreement. In this regard, under the undertaking agreement, ITEL's duties, and the penalty fees from a failure to perform the agreement by ITEL is clearly specified, separately from that under the lease agreement.</p>

In claiming for damages in the case of breach of agreement by the lessee, according to the lessor's rights of claim, whether or not the leasehold is registered, the obligation to prove to the court shall be of the lessor. In the case where the leasehold is registered, it is more favourable for the lessor to refer to the damage throughout the term of the registered lease agreement than that of the unregistered lease agreement. However, the amount of indemnification to which the lessor is entitled will be subject to the discretion of the court as the court deems appropriate.

For the case where the REIT fixed the amount of damages for a breach of the lease agreement by the lessee in the undertaking agreement at the amount equivalent to the rental throughout the period of 30 years, the parties wish for the REIT's proving of the damage to the court to be more precise.

## **Issue No. 2: The REIT relying on revenue from the sole lessee**

The REIT agreed that the lessee, who is the current owner of the asset and a listed company on the Stock Exchange, who is experienced and an expert on the business, to be the lessee. The fixed rental is determined for the entire lease term of 3 years, as well as the commitment to renew the agreement for 9 time, 3-year per renewal (totalling 30 years). The rental which the REIT would receive shall be considered based on the past operating results of the lessee for the last 3 years from 2018-2020, as well as the operating results of the third quarter of 2021. According to the above, the facts show that the amount of the lessee's operating results is higher than the rental specified in the estimated amount to be payable to the REIT, and that the lessee demonstrates a potential in management of assets and capability to comply with the conditions of the agreement.

In the case of a breach of agreement and the REIT being required to find a new lessee, the REIT Manager was of the view that it is still viable to seek for a new lessee in the case of no renewal of lease, or event of other breaches by the existing lessee due to the following reasons:

1. The condition of the assets (buildings, structures, and work systems) accommodates the operation of the business of the nature that is similar to the existing business.
2. There is an arrangement specified in the lease agreement which provides: if the termination of the lease agreement is due to the fault attributable to the lessee, the REIT shall be entitled to immediately forfeit the lessee's assets sought during the lease, which results in the availability of the assets for further seeking of benefits.

The REIT will openly seek for a new lessee by equally granting the interested parties the rights to become the lessee as for the REIT to have the lessee with the most favourable conditions, or carry out any other action in the best interests of the REIT. During the seeking out of new lessee, the REIT shall be entitled to undertake the following acts:

1. To forfeit the security deposit in accordance with the conditions specified in the operating lease agreement.
2. To terminate the undertaking agreement (the REIT's seeking of benefits) by notifying the lessee in writing, or to file a lawsuit demanding the lessee to perform the agreement and/or claim for damages from the lessee, in accordance with the conditions specified in the undertaking agreement (the REIT's seeking of benefits).
3. To claim for other damages (if any) as indemnification to the REIT.

## **Issue No. 3: Maintenance of licenses issued by the NBTC is required for the operation of data center business**

The REIT formulated the risk prevention structure by setting the conditions for the lessee to agree to comply with the laws, arrangements, and conditions of the licenses applicable to its business operation, which include to obtain and keep the licenses granted by the NBTC. In this regard, the lessee agrees to be responsible for any damage sustained by the REIT due to a breach in agreement or provision, or misrepresentation by the lessee under the operation lease agreement with respect to the INTERLINK DATA CENTER Project. Furthermore, the provision under the undertaking agreement provides that the lessee is obliged to operate or coordinate with respect to the operation in the case of issuance of new rules or regulations, or different guidelines in law interpretation, provided ITEL agrees to be responsible for the fees and expenses incurred from the actions relevant thereto.

The REIT requires that there shall be an inspector to provide inspection with regard to engineering and operation of the leased assets on a yearly basis, including to conduct random inspections on the lessee's operation. This would grant the REIT an opportunity to observe a tendency in business operation or chance of violation of the licenses. As a result, the REIT would be able to plan or solve the issue expeditiously as to mitigate the risks of not renewing the relevant licenses.

#### **Issue No. 4: Reasonableness of the asset appraisal**

The comparison of investment value obtained based on the Income Approach and the Cost Approach prepared by the Independent Appraisers are as follows:

Type of Asset	Nature of Investment	Investing Value of the Additional Investment Assets No. 1	Appraisal Method	Appraisal Value Prepared by the Independent Appraisers	
				American Appraisal (Thailand) Ltd.	C.I.T. Appraisal Co., Ltd.
Data Center	Ownership	THB 750,000,000	Income Approach	THB 760,000,000	THB 697,400,000
			Cost Approach	THB 124,000,000	THB 154,800,000

#### **Remarks:**

- (1) *The value of Additional Investment Assets No. 1 is appraised by applying the Income Approach, asset value, based on the REIT's benefit seeking structure, prepared by American Appraisal (Thailand) Ltd. as of 10 January 2022, and by C.I.T. Appraisal Co., Ltd. as of 15 December 2021.*
- (2) *Calculated based on the total of the lowest appraisal value of each asset prepared by the appraisers.*

The REIT Manager was of the view that the Cost Approach is not appropriate, as it does not take into account the assets' capability in generating cash flow in the future, and also viewed that the Income Approach is appropriate, as it concerns the future income of the assets which refer to the past information and financial statements of ITEL, and that such appraisal basis is in accordance with the generally accepted standard.

#### **Issue No. 5: Location of the assets may result in difficulties in the REIT's management in the future if the REIT is required to manage the assets itself**

At present, the Investing Land is a part of the land within the boundary and is surrounded by the land of Interlink Communication Public Company ("ILINK"). However, it should be taken into account the factor that the Investing Land is adjacent to the public road. If, in the future, it is necessary for the REIT to request for connecting with the public road, the REIT could do so as an entrance/exit apart from that entrance/exit under the servitude obtained under ILINK's land.

In leasing out the assets to other lessee for the purposes of operation of data center, the REIT Manager viewed that there would be some obstacles in the management in order to satisfy the needs of new lessee as per general guidelines on asset management. However, the nature of assets in the form of immovable properties, structures, work systems, and rights to acquire movable properties with

respect to the assets of the REIT would accommodate the assets to be used in the business operation as before. For leasing out the assets to the lessee in other forms, the REIT Manager will consider the potential of the assets both with regard to the highlights of the buildings, work systems, location, transportation systems, or any public facilities to support the operation of other businesses at the time for the purposes of seeking an opportunity in the seeking of benefits in the future. In the case of disposal of assets, the REIT Manager will consider the factors concerning the location, building forms, work systems, and assets which have been used in the business operation, as well as follow up the condition of the industrial market of such business. If there is a tendency in a change to the form of business operation, the REIT Manager would negotiate or follow up with the opinions of the lessee (with experience and expertise in the business) as to conduct a business plan in order to consider the improvement of assets to be in line with the market's demands at the time.

For the guidelines on additional risk management, considering the REIT invested in the ownership over the land and with an entrance and exit to the public road, the land of which having the area sufficient for the business operation of the existing lessee and any other future lessee. If it appears that the tendency in a change to the lease under the existing or new form of lease, or the disposal of such assets would be in the best interests of the REIT and its trust unitholders, the REIT Manager would negotiate with the lessee (if necessary, in the case of a change to new form of lease, but the lessee has committed to lease the assets in accordance with the existing form), and undertake any necessary and appropriate act in order for the leasing out and seeking of benefits of assets in the new form or the disposal of assets to be expeditiously carried out, for the purposes of mitigation of risks that would affect the seeking of benefits and disposal of assets of the REIT.

In case where parts of the assets are subject to the property right, i.e., right of servitude, the servient land does not affect the benefit seeking from the land, as the land under the servitude will be used as entrance and exit way, walkway, driveway, driveway for large vehicles, for laying of power lines, as well as putting in power line posts, installation of drainage channels, water, telephone, and public utility systems, the use of benefits on the servitude right thus in accordance with general use of the areas which is considered a special characteristic based on the location and the use of the area which is a part of the other project (with the rights of servitude to be received and given). After due consideration, the right of servitude does not affect the REIT's seeking of benefits in any way. In this regard, the related parties have clearly agreed on the maintenance costs and expenses.

As the issue has been raised by the Trustee that if ITEL was not the lessee under the Operating Lease Agreement by any reason, whether or not the conditions on the registration of above servitude would be changed, and in what way would it be changed. After consideration, the REIT Manager was of the view that it is appropriate to amend the memorandum of understanding with respect to the servitude and common utilities (the INTERLINK DATA CENTER Project) between ILINK and ITEL, by requiring both ILINK and ITEL to remove all public utilities from the servient land upon the expiration of the Operating Lease Agreement. The matter on the expenses incurred therefrom shall be agreed upon as follows:

- (1) If the agreement is terminated due to the fault attributable to ITEL, ITEL shall be solely responsible for the expenses relating to the removal of all public utilities and registrations.
- (2) If the agreement is terminated due to the fault not attributable to ITEL, the parties (who are the owners of the lands at that time) agree to remove all of their public utilities from the servient land of the other party, and each party shall be responsible for its own expenses relating to the removal of all public utilities and the registrations.

In addition, the parties agree to register the cancellation of the servitude from the date the Operating Lease Agreement is terminated in accordance with period and condition specified in the draft memorandum of understanding with respect to the servitude

**Issue No. 6: Securing of loan and provision of all assets as securities in favour of the investment in Additional Investment Assets No. 1**

The securing of loan for the investment in Additional Investment Assets No. 1 will benefit the trust unitholders by enhancing the efficiency in the REIT's financial management structure, and reducing investment costs comparing to the offering for sale of trust units alone, resulting in improvements in long-term returns to the trust unitholders. In this regard, the REIT Manager also has considered the risk management with respect the REIT's liquidity, and will ensure that the REIT reserves the fund for the purposes of loan repayment (principal and interest) as it deems appropriate based on the repayment period and condition of the money and capital markets at the time, as well as the best interests of the trust unitholders. The interest rate payable by the REIT due to the securing of loan offered by the financing bank is at the rate similar to the interest rate at which the lending commercial bank charges its most creditworthy major borrowers in similar industries and under similar conditions (for example, conditions on the rights between the creditor and shareholders / trust unitholders, and other risk factors), whereby the rate of which is lower than the financial cost of the REIT, and beneficial to the trust unitholders. In addition, considering the investment in Additional Investment Assets No. 1 will create an opportunity for the trust unitholders in generating long-term returns from additional investment at the appropriate rate, the REIT Manager, therefore, deemed that the investment in Additional Investment Assets No. 1 using this loan is for the best interest of the REIT and its trust unitholders.

Furthermore, the REIT may seek for new sources of funds, e.g., issuance of debentures and/or securing of loan from commercial banks and/or any other financial instrument in the future, to improve liquidity to the REIT's cashflow.

In this regard, the REIT Manager will compare the increasing risks arisen with the benefits to be received from the securing of loan, and guidelines or measures to prevent any potential risk. In addition, the REIT Manager will use the measures in following up the REIT's performance and other external factors, as well as the interest rate trends, on a regular basis. The REIT Manager may consider negotiating with the creditor, for example, requesting for extension of repayment period, relaxation on conditions which would cause difficulties to the management of the REIT. The REIT will do so by taking into account the relevant law and in the best interests of the trust unitholders.

The REIT Manager has considered the risk management with respect the REIT's liquidity, and will ensure that the REIT reserves the fund for the purposes of loan repayment (principal and interest) as it deems appropriate based on the repayment period and condition of the money and capital markets at the time, as well as the best interests of the trust unitholders. The interest rate payable by the REIT due to the securing of loan offered by the creditor bank is at the rate similar to the interest rate at which the lending commercial bank charges its most creditworthy major borrowers in similar industries and under similar conditions (for example, conditions on the rights between the creditor and shareholders / trust unitholders, and other risk factors), whereby the rate of which is lower than the financial cost of the REIT, and beneficial to the trust unitholders, for the investment in Additional Investment Assets No. 1 would create an opportunity for the trust unitholders in generating long-term returns from additional investment at the appropriate rate.

The Trust Deed and the relevant notifications of the SEC Office provide that the percentage of the REIT's securing of loan must not exceed any of the following percentage, with the exception where the exceeded percentage is not resulted from additional loan:

1. 35 percent of the total asset value of the REIT (if the amount of loan subsequently exceeds such percentage but it is not resulted from additional loan, the REIT Manager may maintain the same borrowing percentage, provided however that the additional loan cannot be secured until the borrowing percentage is less than 35 percent of the total asset value of the REIT.)
2. 60 percent of the total asset value of the REIT, in the case the REIT's latest credit rating ranked by the credit rating agency approved by the SEC Office for no longer than 1 (one) year before the date on which the loan is secured, is at the Investment Grade (if the amount of loan subsequently exceeds such percentage but it is not resulted from additional loan, the REIT Manager may maintain the same borrowing percentage, provided however that the additional loan cannot be secured until the borrowing percentage is less than 60 percent of the total asset value of the REIT.)

After the securing of loan, the debt obligation of the REIT is approximately 20.02 percent of the total asset value of the REIT (the total asset value of the REIT as at 30 November 2021 is approximately THB 3,747,091,815). The value of the assets being placed as securities, considering the value of investment money on the first investment date of the REIT, will be approximately THB 2,540.32 million (including VAT) as the sub-leasing right of the lands and movable assets that the REIT invested will not be placed as securities.

The REIT Manager applies the guidelines in operation or risk management whereby the REIT Manager informed the contractual parties to all projects in which the REIT have made investments. All such contractual parties acknowledged and consented to the registration of business securities with respect to the leasehold rights between the REIT and such contractual parties.

4. **Summary of information on the existing investment assets, and the Additional Investment Assets No. 1**

	Projects	Type of Immovable Property	Total approximate area	Lease area
			(rai-ngan-sq. wah)	(sq.m.)
Existing investment assets	Rich Asset Project	Warehouse and Factory	30-1-35.4	40,385.67
	ST Bang Bo Project	Warehouse and Factory	41-1-94.3	37,656.00
	ST Bang Pa-In Project	Warehouse and Factory	40-3-9.0	43,578.00
	Summer Hub Project	Offices	1-1-31.0	5,147.36
	Summer Hill Project	Community Mall	2-1-98.0	5,138.45
Additional Investment Assets No. 1	INTERLINK DATA CENTER Project	Data Center	1-0-30.6	2,004.00
Total			117-1-98.2	133,909.48