

# AIMCG

AIM Commercial Growth Freehold and Leasehold  
Real Estate Investment Trust



# ANNUAL REPORT 2019





## Message from Chairman



The year 2019 marked another year of stellar success of AIM Real Estate Management (the “Company”) as the independent REIT manager. The Company was granted approval from the Office of Securities and Exchange Commission to issue and offer the units of AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust (“AIMCG”) and allocated the funds totaling Baht 2,880 million to invest in the acquisition of freehold right over identity community malls, namely Udon Plaza Project, Proto Chino Project and 72 Courtyard. Those assets have potential to satisfy the customers’ needs and lead the revenue to AIMCG. Subsequently, AIMCG was listed the Stock Exchange of Thailand on 12 July 2019.

In November 2019, AIMCG further invested in additional assets which is the ownership on condominium for commercial use with carpark in the Noble Solo Project located in Soi Sukhumvit 55 (Soi Thonglor). Consequently, AIMCG had total investment income of 111.73 million Baht resulting from the operation during 3 July 2019 (Incorporation Date) to 31 December 2020 and made 2 distribution payments in total amount of 0.3904 Baht per unit.

Going forward to 2020, the Company as a REIT Manager will continue to deliver on its promise of effective REIT management to generate satisfactory revenue with professionalism, transparency, and responsibility towards the society and all stakeholders of the REIT. The Company will also seek to further acquire high-potential assets in order to achieve satisfactory and sustainable return in the future.

Lastly, the Company would like to express our appreciation to all of trust unitholders who confidently trusted and invested in AIMCG and we strongly hope that our additional investment in other assets will be well supported by you in the future.

Yours Sincerely,

A handwritten signature in blue ink, belonging to Thanachai Santichaikul. The signature is stylized and fluid, with a large initial 'T' and a long, sweeping line extending to the right.

Thanachai Santichaikul  
Chairman

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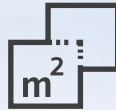
Total Asset Value



**3,333.08**

Million Baht

Investment Area



**85,355.72**

Square Meters

Space for Rent



**45,256.63**

Square Meters





# Definition

<b>AIMCG</b>	means	AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust.
<b>SRT</b>	means	State Railway of Thailand.
<b>SEC</b>	means	The Securities and Exchange Commission.
<b>UD Town Project</b>	means	UD Town Project located at Mak Khaeng Subdistrict, Muang Udonthani District, Udonthani Province.
<b>72 Courtyard Project</b>	means	72 Courtyard Project located at Soi Sukhumvit 55 (Soi Thonglor) Khlong Tan Nuea Subdistrict, Wattana District, Bangkok.
<b>Porto Chino Project</b>	means	Porto Chino Project located at Nadi Subdistrict, Muang Samutsakorn District, Samutsakorn Province.
<b>Noble Solo Project</b>	means	Noble Solo Project located at Soi Sukhumvit 55 (Soi Thonglor) Khlong Tan Nuea Subdistrict, Wattana District, Bangkok.
<b>Chetchot</b>	means	Chetchot Company Limited.
<b>SET</b>	means	The Stock Exchange of Thailand.
<b>Trustee</b>	means	SCB Asset Management Company Limited.
<b>Notification No. KorRor.14/2555</b>	means	The notification of Securities and Exchange Commission No. KorRor. 14/2555 re: Rules of Being Settlor and Trustee of Real Estate Investment Trust dated 20th November B.E 2555 and as further amended.



## Definition (Continued)

<b>Notification No. TorJor. 49/2555</b>	means	The notification of Capital Market Supervisory No. TorJor. 49/2555 re: Issuance and Offer for Sale regarding Units of Real Estate Investment Trust dated 21st November B.E. 2555 and as further amended.
<b>Notification No. SorChor. 29/2555</b>	means	The notification of Securities and Exchange Commission No. SorChor. 29/2555 re: Rules, Conditions and Procedures for the Approval of REIT Manager and Standard Conduct dated 21st November B.E. 2555 and as further amended.
<b>REIT Manager or Company</b>	means	AIM Real Estate Management Company Limited.
<b>Trust Act</b>	means	The Trust for Transactions in the Capital Market Act B.E. 2550 and further amended.
<b>Securities and Exchange Act</b>	means	The Securities and Exchange Act B.E. 2535 and further amended.
<b>SEC Office</b>	means	The Office of Securities and Exchange Commission.
<b>D Land</b>	means	D-land Property Company Limited
<b>Noble</b>	means	Noble Development Public Company Limited
<b>Membership</b>	means	Membership Company Limited
<b>Udon Plaza</b>	means	Udon Plaza Company Limited

# AIMCG Asset Portfolio



Investment Type: "Freehold"



Investment Type: "Leasehold"

Occupancy Rate (%)

**100%**

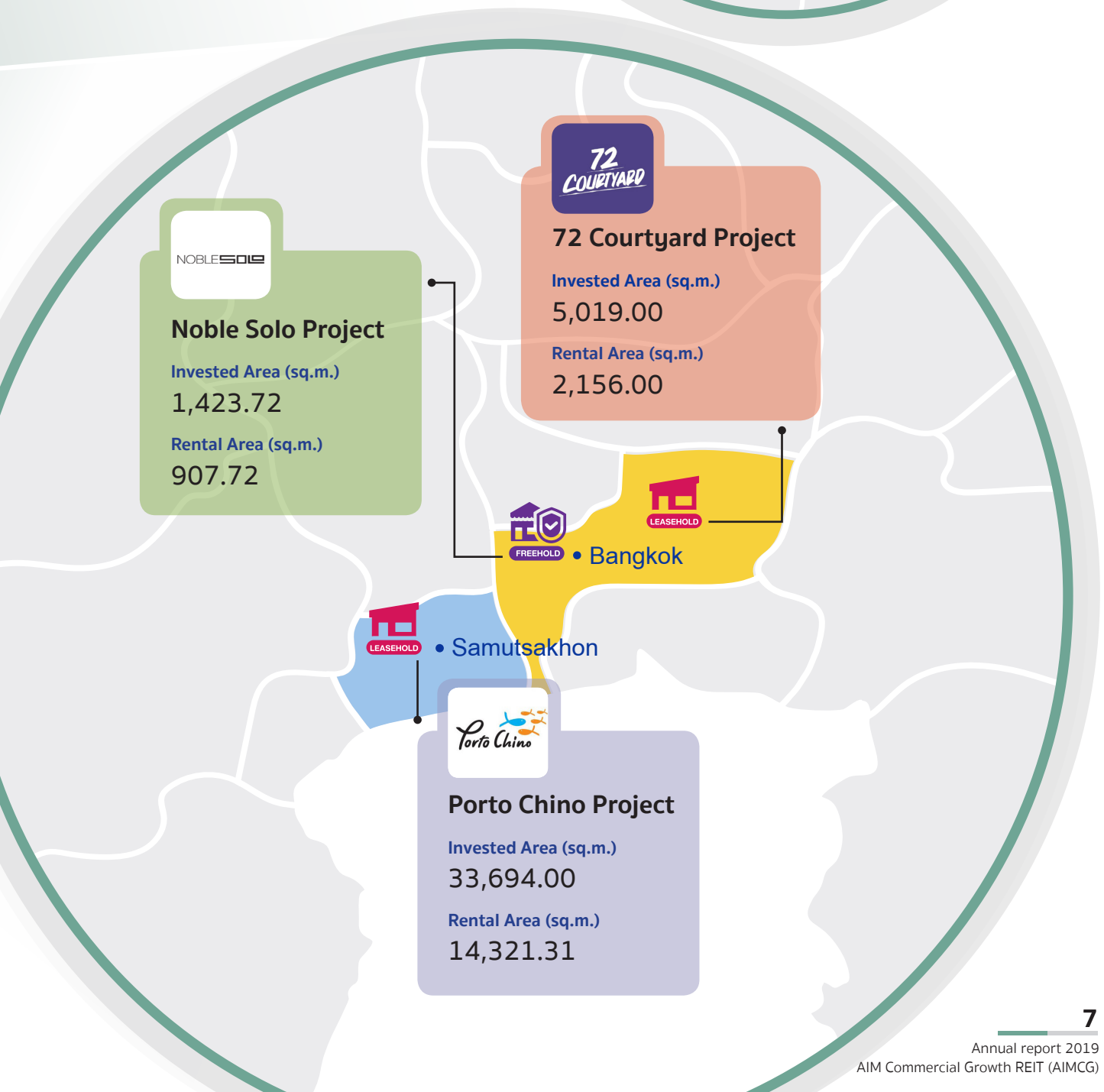
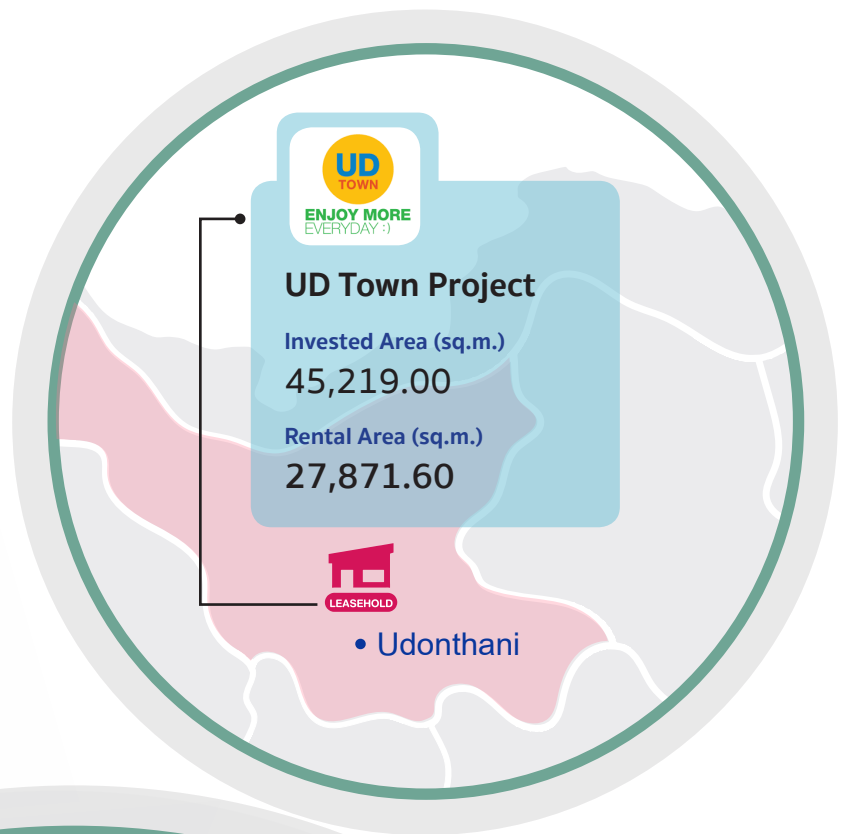
## Total of all Projects

● Invested Area (sq.m.)

**85,355.72**

● Rental Area (sq.m.)

**45,256.63**



# Financial Highlight

Unit: Baht

Statement of Income	3 July 2019 (Incorporation Date) – 31 December 2019
Total income	188,318,939
Total expense	79,589,019
Net investment income	111,729,920
Increase in net assets from operations	171,165,226
Balance Sheet	31 December 2019
Total assets	3,333,082,775
Total liabilities	336,752,749
Net asset value	2,996,330,026
Capital from unitholders	2,880,000,000
Financial Ratios	31 December 2019
Net assets per unit (per unit)	10.4039
Ratio of total liabilities per total assets (%)	6.30



## Significant Events

AIMCG was established under Trust Act, whereas SCB Asset Management Company Limited as a trustee of AIMCG appointed AIM REIT Management Company Limited to be a REIT Manager on 2 July 2019. After that there were significant events related to AIMCG operation as follows:



12 July  
2019

AIMCG's trust units were listed on SET.

28 November  
2019

AIMCG invested in the additional investment no. 1 which is the ownership of condominium for commercial use (retail area) in Noble Solo Project located in Soi Sukhumvit 55 (Soi Thonglor), Klong Tan Nuea, Wattana, Bangkok.



# Board of Directors





## Mr. Thanachai Santichaikul

Chairman of the Board of Directors and Independent Director

### Appointed as a director for the first time on:

31 August 2018

### Educational Background

- Master of Business Administration, Faculty of Commerce and Accountancy, Thammasat University.
- Advanced Certificate - Auditing, Faculty of Commerce and Accountancy, Chulalongkorn University.
- Bachelor of Art, Accountancy (Cost Accounting), Faculty of Commerce and Accountancy, Chulalongkorn University.

### Training Record

- AC HOT UPDATE Program, Federation of Accounting Professions.
- Graduate Diploma in Politics and Governance in Democratic Systems for Executive Course (Class 11), King Prajadhipok's Institute.
- Capital Market Academy Leadership Program (CMA#1), Capital Market Academy, The Stock Exchange of Thailand.
- Director Certification Program (Class 18/2002), Thai Institute of Directors Association (IOD).

### Current Duty and Position

- 2018 – Present Chairman of the Board of Directors and Independent Director.  
AIM Real Estate Management Company Limited.
- 2018 – Present Independent Director and Member of Audit Committee.  
Nation Multimedia Group Public Company Limited.
- 2017 – Present Chairman of the Board of Directors and Independent Director.  
Siam Syndicate Technology Company Limited.
- 2017 – Present Director and Managing Director.  
Salee Printing Public Company Limited.
- 2016 – Present Chairman of the Board of Directors and Independent Director.  
AIM REIT Management Company Limited.
- 2013 – Present Member of Audit Committee and Independent Director.  
Eastern Polymer Group Public Company Limited.
- 2013 – Present Chairman of Audit Committee and Independent Director.  
M Picture Entertainment Public Company Limited.

### Experiences

- 2016 – 2018 Director.  
Spring News Corporation Company Limited.
- 2016 – 2018 Director.  
News Network Multimedia Company Limited.
- 2013 – 2015 Member of Audit Committee and Independent Director.  
LDC Dental Public Company Limited.





**Mr. Amorn Chulaluksananukul**  
Chief Executive Officer and Director

#### Appointed as a director for the first time on:

31 August 2018

#### Educational Background

- Master of Business Administration - Management, Ashland University, Ohio, U.S.A.
- Bachelor of Economics - International Economics, Faculty of Economics, Chulalongkorn University.

#### Training Record

- Director Certification Program (Class 204/2015), Thai Institute of Directors Association (IOD).

#### Current Duty and Position

- |                |   |
|----------------|---|
| 2019 – Present | Independent Director and Member of Audit Committee.<br>Build Land Public Company Limited. |
| 2018 – Present | Chief Executive Officer and Director.<br>AIM Real Estate Management Company Limited.      |
| 2016 – Present | Chief Executive Officer and Director.<br>AIM REIT Management Company Limited.             |

#### Experiences

- |             |   |
|-------------|---|
| 2014 – 2016 | Managing Director.<br>TICON Management Company Limited.   |
| 2003 – 2014 | Senior Vice President.<br>Bank Thai Public Company Limited /<br>CIMB Thai Public Company Limited. |
| 2001 – 2003 | Finance Senior Executive.<br>Digital Onpa Public Company Limited.                                 |





**Mr. Paisit Kaenchan**

Director

#### Appointed as a director for the first time on:

31 August 2018

#### Educational Background

- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University.
- Master of Development Administration, Western Michigan University, Michigan, U.S.A.
- Master of Arts, Political Science, Western Michigan University, Michigan, U.S.A.
- Bachelor of Art, Political Science, Thammasat University.

#### Training Record

- Risk Management Committee Program (Class 4/2014), Thai Institute of Directors Association (IOD).
- Role of Compensation Committee Program (Class 18/2014), Thai Institute of Directors Association (IOD).
- Role of Nomination and Governance Committee Program (Class 6/2014), Thai Institute of Directors Association (IOD).
- Advance Audit Committee Program (Class 13/2013), Thai Institute of Directors Association (IOD).
- Thammasat Leadership Program (Class 1).
- Certificate in Hotel Real Estate Investment & Asset Management 2008, Cornell University, U.S.A.
- Director Certification Program (Class 56/2005), Thai Institute of Directors Association (IOD).

#### Current Duty and Position

- 2019 – Present Managing Director.  
Proud Real Estate Public Company Limited.
- 2018 – Present Director.  
AIM Real Estate Management Company Limited.
- 2017 – Present Independent Director and Chairman of Audit Committee.  
AEC Securities Public Company Limited.
- 2016 – Present Director.  
AIM REIT Management Company Limited.

#### Experiences

- 2010 – 2016 Grand Asset Hotels and Property Public Company Limited.  
Chief Executive Officer.
- 2010 – 2012 Marriott Hotels & Resorts Asia.  
Chief Representative Hotel Development Thailand.
- 2007 – 2009 SEVP & Chief Investment and Operation Officer.  
TCC Hotel Group & TCC Land Development.
- 1996 – 2006 Managing Director.  
Grand Assets Development Public Company Limited.
- 1996 – 2006 Executive Vice President - Hotel Business.  
The Erawan Group Public Company Limited.
- 1995 – 1996 First Vice President - Private Fund Management.  
JF Thanakom Company Limited.
- 1988 – 1995 Vice President - Fiduciary Services.  
Tisco Finance and Securities Public Company Limited.



**Flg.Off. Supakorn Chantasasawat**  
Independent Director

#### Appointed as a director for the first time on:

31 August 2018

#### Educational Background

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University.
- Bachelor of Science – Pharmacy, Faculty of Pharmaceutical Science, Chulalongkorn University.

#### Training Record

- Director Accreditation Program, Thai Institute of Directors Association (IOD).

#### Current Duty and Position

- |                |  |
|----------------|--|
| 2018 – Present | Independent Director.<br>AIM Real Estate Management Company Limited. |
| 2017 – Present | Independent Director.<br>AIM REIT Estate Management Company Limited. |
| 2010 – Present | Consultant.<br>Two Four Three Company Limited.                       |

#### Experiences

- |             |  |
|-------------|--|
| 2006 – 2010 | Managing Director.<br>Avantgarde Capital Company Limited.        |
| 2002 – 2006 | Assistant Managing Director.<br>Turnaround Company Limited.      |
| 1999 – 2002 | Assistant Vice President.<br>Asia Credit Public Company Limited. |
| 1998 – 1999 | Manager.<br>Cazenove Asia Limited.                               |



**Mr. Charasrit A. Voravudhi**

Managing Director and Director

### Appointed as a director for the first time on:

31 August 2018

### Educational Background

- Master of Business Administration – Financial Management, Lubin School of Business, Pace University, New York, U.S.A.
- Diploma in Finance University of California Berkeley U.S.A.
- Bachelor of Business Administration – Finance and Banking, Faculty of Commerce and Accountancy, Thammasat University.

### Training Record

- Director Certification Program (Class 253/2018), Thai Institute of Directors Association (IOD).

### Current Duty and Position

- |                |   |
|----------------|---|
| 2018 – Present | Managing Director, Director and Business Development Director.<br>AIM Real Estate Management Company Limited. |
| 2017 – Present | Managing Director, Director and Business Development Director.<br>AIM REIT Management Company Limited.        |

### Experiences

- |             |   |
|-------------|---|
| 2015 – 2016 | General Manager and Head of Business Development.<br>TICON Management Company Limited.                                    |
| 2013 – 2015 | Vice President – Relationship Manager, Wholesale Banking Group.<br>Siam Commercial Bank Public Company Limited.           |
| 2009 – 2013 | Vice President – Relationship Manager, Non-Japanese Corporate Banking Department.<br>Sumitomo Mitsui Banking Corporation. |

## Part 1

## AIMCG Business Operation





# AIMCG General Information

REIT's Name	AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust
Symbol	AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust
REIT Manager	AIM Real Estate Management Company Limited
Trustee	SCB Asset Management Company Limited
Property Manager	D-land Property Company Limited Noble Development Public Company Limited Chetchot Company Limited Udon Plaza Company Limited
Par Value	10.00 Baht
Paid-up Capital	2,880,000,000 Baht
Number of Trust Units	288,000,000 units
REIT Term	Indefinite
Types of Trust Unit	Non-redeemable

## Trust Unitholders Structure

The list of top 10 trust unitholders as of 31 December 2019.

Trust Unitholders	Number of Trust Units	Portion of Trust Units Holding (Approximately %)
Allianz Ayudhya Assurance Public Company Limited	45,000,000	15.63
Udon Plaza Company Limited	12,100,000	4.20
Mr. Pibulsak Kraisakdawat	9,971,400	3.46
Muang Thai Insurance Public Company Limited	9,000,000	3.13
LH Securities Public Company Limited	8,050,400	2.80
LH Property Plus I Fund	7,998,900	2.78
LH Thai Property Plus Fund	6,965,400	2.42
FWD Life Insurance Public Company Limited	5,000,000	1.74
Mr. Somchart Sotthimai	3,600,000	1.25
Mr. Sukhum Navapan	3,500,000	1.22
<b>Total</b>	<b>111,186,100</b>	<b>38.61</b>

# AIMCG Structure



## AIMCG's Fee and Expense

In year 2019, AIMCG had the fee and expense as summarized as follows:

Type of Fees and Expenses	Transaction Value in 2019 (million Baht)	Ratio of Transaction Value per NAV (Year End)
1) REIT Manager Remuneration		
• Base Management Fee	8.38	0.28
• Performance-based Management Fee	3.38	0.11
• Incentive Fee	2.87	0.10
2) Operating Expenses (Management Fee, Rental, Common Utility System Maintenance Fee, Electric and Water Bill)	50.52	1.69
3) Trustee Fee	3.62	0.12

# Properties Invested by AIMCG

## Properties Invested by AIMCG

As at 31 December 2019, the information of invested properties by AIMCG is described in the following table.

No.	Project	Location	Assets' Details	Invested Area (sq.m.)	Rental Area (sq.m.)	Occupancy Rate (%)
1.	UD Town Project	Muang Udonthani District, Udonthani Province.	Sublease right over the lands, and leasehold over the buildings including related systems for an approximate period of 21 years ended at 30 April 2040 <sup>1</sup>	45,219.00	27,871.60	100.00
2.	72 Court-yard Project	Soi Sukhumvit 55 (Soi Tonglor), Sukhumvit Road, Wattana, Bangkok.	Leasehold over the buildings and related systems for an approximate period of 13 years ended at 30 September 2032	5,019.00	2,156.00	100.00
3.	Porto Chino Project	Muang Samutsakorn District, Samutsakorn Province.	Leasehold over the lands, buildings and related systems for an approximate period of 30 years ended at 4 July 2049	33,694.00	14,321.31	100.00
4.	Noble Solo Project	Soi Sukhumvit 55 (Soi Tonglor), Sukhumvit Road, Wattana, Bangkok.	Freehold over condominium for the commercial use (Retail Area)	1,423.72	907.72	100.00
Total of all Projects				85,355.72	45,256.63	100.00

Remark <sup>1</sup> UD Town (Main Area) Project

## Nature of Properties invested by AIMCG

### (1) The UD Town Project

The UD Town Project, which opened in 2009, is an outdoor shopping center set on a large area of approximately 28 rai, with a total usable area of approximately 45,219 square meters. It is located in central Udon Thani, and is convenient for traffic with easy access. It is uniquely designed to meet the needs of customers, including locals, foreigners, and tourists. It emphasizes shade and a variety of pleasant features found in nature, while also providing a modern feel for those looking to recharge, spend time relaxing, and to engage in social activities. The features of the UD Town Project are as follows:

**1. The variety and diversity within the project respond well to the culture and lifestyles of Udon Thani residents and tourists alike :** The UD Town Project has a great deal of variety within its service areas, including restaurants, a walking street, food court, activity area, concert area, etc., all of which meet the needs and lifestyle of Udon Thani residents and tourists. There are many stores in each zone for convenient shopping and the Project can accommodate customers both during the day and in the evening. It also responds to the needs of a wide variety of customer groups, including locals, foreigners, and tourists. Additionally, the rental areas and the activity area of the Project are in an open area, making it possible to adapt the area for various activities that meet the needs of customers in the future as well.

**2. It is a high-potential location in the Udon Thani city center :** The UD Town Project is located in the city center of Udonthani, making it convenient for travel and easy access. It is surrounded by 4 main roads: Pho Si Road, Thongyai Road, Prajak Sillapakom Road, and the road behind the main train station, allowing connections to and from and supporting travel by customers both within Udon Thani and from nearby provinces such as Khonkaen, Nongbualamphu, Loei, Nongkhai, Sakonnakhon, and Nakhonphanom, as well as neighboring countries such as Laos PDR.

**3. Tenants within the project are popular and have created consumer demand for access to the project :** The tenants within the UD Town Project are tenants popular with customers and they come in a variety of forms, including

restaurant tenants, such as McDonald's, KFC, The Pizza Company, Oishi Buffet, etc.; retail tenants, such as Watson's, Villa Market, Tesco Lotus, etc.; and bank tenants, such as Krung Thai Bank, Bangkok Bank, and the Government Savings Bank.

**4. It is the largest community mall in Udon Thani :** The UD Town Project is the shopping center with the most outdoor and green areas in Udonthani. It meets the needs of Udonthani residents and tourists alike, as it is a project that has a distinctive style and differs from other shopping centers in the area.

**5. It is designed for Project Identity :** The design is based on three major principles, as follows: (1) The Project plan has no blind spot for customer flow and the building has no back wall, making it possible to display shops from all directions and facilitating convenient shop layout and design. (2) The Project layout is divided into different zones, allowing customers to sit comfortably or to enjoy walking around. It is designed for a continuous atmosphere in both the interior and the exterior of the Project, making it a perfect place for people to meet up. (3) The concept behind the architectural design is to allow customers to have a "Green and Sustainable" experience, placing particular importance on garden areas, with areas allocated for trees and for resting and relaxing. The Project is designed to be a modern lifestyle space that allows customers to spend time relaxing, engaging in social activities, shopping, and relaxing while remaining close to nature.





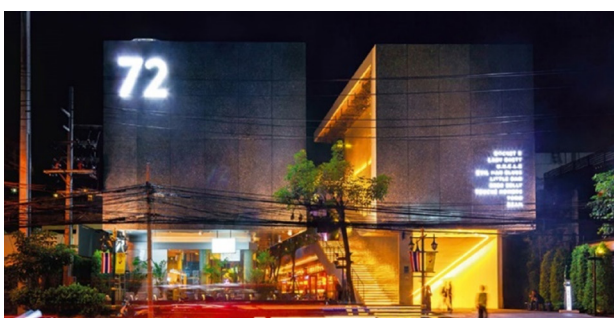
**6. Project management experience :** Udon Plaza the owner and founder of the UD Town Project, is local to Udonthani Province and has extensive experience in managing the UD Town Project, as it has done so since 2009. This expertise and genuine understanding of the area by management has allowed the Project to grow and adapt with a good understanding of consumer behavior and of the ins and outs of business in a city center such as this one.

## (2) The 72 Courtyard Project

The 72 Courtyard Project was opened in December of 2015 and is managed by Membership, with a total area of approximately 5,019 square meters.. It is located at Soi Sukhumvit 55 (Soi Thonglor), Sukhumvit Road, Khlong Tan Nuea, Wattana, Bangkok, and is a high-end lifestyle mall in the heart of Thonglor, fully equipped for both transportation and public utilities. It boasts a selection of 8 different food and beverage outlets as perfect destinations for meeting and socializing, with dining being the main featured activity. Outstanding characteristics of the 72 Courtyard Project are as follows:

**1. It is a high-potential location :** The 72 Courtyard Project is located on Soi Sukhumvit 55, also known as Soi Thonglor, an area with well-developed infrastructure that is also part of the business center of Bangkok. It is relatively well-known to both Thai and international tourists and offers convenient transportation and easy access to the Project. Additionally, the surrounding area is known for its population density and large numbers of consumers. All of these are positive factors that support demand for the 72 Courtyard Project.

**2. Design and distinctive characteristics :** The 72 Courtyard Project was co-designed by a well-known architectural firm from the U.K. The building is designed in a unique black box-like style, using precast terrazzo for the project's striking façade surface which can be seen from a distance. The building has been designed as a perfect meeting place for evening and night gatherings especially.



### 3. Rental spaces meet the needs of target customers:

The 72 Courtyard Project is a rental area comprising mostly restaurants that respond to the needs of consumers in the Thonglor vicinity. Thonglor has long been known as a destination for socializing, eating and drinking, and for gatherings of customers with high spending power. The 72 Courtyard Project has been designed to fit this particular target group.

**4. Project management experience :** The 72 Courtyard Project is managed by Membership, the shareholders of which are in the prominent Chetchotisak family business group, and who are well-known in Thailand for their experience and ability in the entertainment industry. They therefore have an excellent understanding of this particular market group and the needs of the target customers, as well as an ability to adjust marketing and business strategies to meet the needs of consumers in the future.

## (3) The Porto Chino Project

The Porto Chino Project is a community mall that opened in 2012 on an area of approximately 15 rai, located on Rama 2 Road, to be a new tourist destination for customers in the Samutsakhon Province area. It is also a rest area for tourists departing from Bangkok to travel to nearby provinces such as Samutsongkhram, Petchaburi, Prachuapkhirikhan, etc. Outstanding characteristics of the Porto Chino Project are as follows:

**1. High-potential location :** The Porto Chino Project is located on Rama 2 Road at the 25 kilometer-mark. This is a major road for travelers departing from Bangkok for southern provinces. It is located in the Nadi Subdistrict, Muang Samutsakhon District, Samutsakhon Province, with a distance of about 3.5 kilometers from Samutsakhon City proper (Samutsakhon Municipality) and is near to the Mahachai area, which is a densely populated area of Samutsakhon

Province. It also allows for direct exit and entry to and from Rama 2 Road, making the Porto Chino Project the perfect community mall for customers in Samutsakhon Province itself, as well as for those from nearby provinces, such as Samutsongkhram and Nakhonpathom, both of which boast large numbers of residents. Additionally, these locational advantages have positioned the Porto Chino Project as the major rest area and dining oasis of Mahachai, an area known as a rest-stop and service point area for those traveling onward to western and southern routes. The front of the Project has been designed with drive-through style restaurants, further promoting the location as the perfect, comprehensive rest-stop over other rest-stops along Rama 2 Road catering to those traveling to popular tourist destinations such as Cha-am, Hua Hin, etc.



**2. Prominent and distinctive building design :** The Porto Chino Project is the very first lifestyle mall in the Mahachai area. Its building style and project layout are unique and distinctive, while also corresponding with Mahachai's reputation as a port or fishing city. This has made the Project stand out as unique and memorable and has attracted a wide variety of tenants popular within that particular market.

**3. Ability to respond to the needs of various customer groups :** The Porto Chino Project is designed and managed to meet the needs of its particular customer base, which is not limited to residents of the area only, but also includes tourists from middle to upper-class consumer groups who enjoy modern lifestyles and have good spending potential. The Porto Chino Project is, therefore, not only a community center that supports residents in the neighborhood with high purchasing power, but has also become a rest-stop for tourists or travelers passing through on their way to southern provinces.

**4. The Project format is adjustable to meet the needs of consumers :** The Porto Chino Project has been designed to meet the needs of residents in the area and fits the model of projects for which demand is likely to increase. It also has excellent project management, especially with regard to rental area allocation and appropriate proportion planning and distribution of tenant types, as well as continuous organization of public relations activities, all of which have contributed to the potentiality of the Porto Chino Project in its ability to continue to generate income in the future.

**5. Experience and expertise of the Project developers :** The Porto Chino Project is managed by D-Land, a real estate developer of well-known housing projects in the Mahachai area, the Porto Go Project which is a lifestyle mall and car rest-stop area in Phranakhonsiayutthaya, and the Porto Go Project still under construction in Samutsakhon Province which is approximately 15 kilometers from the Porto Chino Project. D-Land, therefore, possesses the necessary expertise in project development and management, as well as a good understanding of the behaviors and needs of customers in that area.

#### (4) The Noble Solo Project

The Noble Solo Project includes 6 commercial condominium units for commercial use, with a total area of approximately 1,423.72 square meters, and is located on Soi Sukhumvit 55 (Thonglor). Distinctive aspects of the project are as follows:

**1. High-potential project location :** The Noble Solo project is located on Soi Sukhumvit 55 (Soi Thonglor), a high-potential location in the central business district of Bangkok complete with convenient transportation and all public utilities. It is a densely populated area which has a high demand for spaces for commercial use.

**2. Parking space area and size is conducive to commercial usage :** The Noble Solo Project has approximate total room area of 908 square meters and a total parking area of 516 square meters. The parking area can accommodate approximately 43 cars, which is considered a high proportion of parking space when compared to other. The project stands out, therefore, for its spacious parking area, a necessary facility for other business operators in the same location.

### 3. Experience and expertise of the Project developers :

The Noble Solo Project is managed by Noble, which is also the Noble Solo condominium project developer and responsible for project management and tenant procurement. Noble has both the understanding and expertise required for this type of tenant management and has an excellent relationship with the current Noble Solo condominium juristic office, which will ensure that the Noble Solo Project assets outlined above will be well and consistently maintained.



## Location of Invested Properties

### 1. Leasehold Property

#### • UD Town Project

Developer	Udon Plaza Company Limited
Location	Po Sri Road, Mak Khaeng Subdistrict, Muang Udonthani District, Udonthani Province.

#### • 72 Courtyard Project

Developer	Chetchot Company Limited
Location	Soi Sukhumvit 55 (Soi Tonglor), Sukhumvit Road, Khlong Ton Nuea, Wattana, Bangkok.

#### • Porto Chino Project

Developer	D-land Property Company Limited
Location	Nadi Subdistrict, Muang Samutsakorn District, Samutsakorn Province.

### 2. Freehold Property

#### • Noble Solo Project

Developer	Noble Development Public Company Limited
Location	Soi Sukhumvit 55 (Soi Tonglor), Sukhumvit Road, Khlong Ton Nuea, Wattana, Bangkok.

# Benefit Provision Policy

## Characteristics of Procurement of Benefits by AIMCG

After investment in major assets by AIMCG, procurement of benefits is accomplished primarily by rental or leasing out of said major assets, the objective of which is to create stable and continuous return on investment for unitholders on a long-term basis. The REIT Manager establishes appropriate policies and strategies for the management of AIMCG assets in order to generate commercial revenue for AIMCG and to create maximum benefits for the unitholders as a whole.

In the leasing out of said major assets invested in by AIMCG, a rental agreement - the terms of which are in accordance with regulations of the SEC and/or other relevant authorities - shall be entered into by AIMCG directly with the tenant(s). Said contractual agreement shall be fair and standardized, with the same rules and conditions applicable to all tenants.

From the above procurement model, the cash flow and revenue received from investments in major assets by AIMCG will include rental and service incomes as follows:

### Type 1

Leasing of spaces to minor tenants, whereby AIMCG enters into a contract with the tenant directly. In this case, the income and cash flow received by AIMCG will consist mainly of monthly rental and service incomes. The majority of the leases are standard leases with similar contract terms and conditions, with rental income coming from space rentals, while service fee income comes from services and facilities provided along with the use of rental space, for example, and the majority of leases have a 3-year term. AIMCG calculates rental and service fees according to 2 main types:

- 1) rental and service fees as a percentage of income, and
- 2) rental and service fees at a fixed rate according to the area size as specified in the contract.

### Type 2

Leasing of spaces to the original property owners for which there are no tenants for a period of 5 years from the date of AIMCG's initial investment in said spaces. AIMCG shall enter into a contract with Udon Plaza, Membership, and D-Land, which are the property owners, whereby said lease agreement will have a term of 3 years from the date of AIMCG's investment in the spaces, with a pledge from the original property owners to renew the lease agreement for another 2 years. The said lease agreement includes a monthly rental rate as agreed upon by the contract parties, and includes the payment of utilities, land and property taxes and/or other expenses related to tenantless areas within the project as well.

### Type 3

Leaseback of spaces to the original property owners, such as small shop rental spaces, rental spaces with short-term lease agreements (not more than 1 year), or spaces that generate rental or income on a daily basis, including areas for public relations and sales promotion activities, flea markets, food courts, food and beverage outlets, and other spaces with rapid lease turnover. Allowing leaseback of spaces for management by the original property owners also helps the management of AIMCG spaces to be more streamlined and efficient. In addition, it also supports the stability and consistency of AIMCG revenues. AIMCG shall enter into a contract with Udon Plaza and D-Land, the original property owners, whereby said lease agreement will have a term of 3 years from the date of AIMCG's investment in said spaces. AIMCG also retains the right to seek extension of the agreement by the contract parties up until the expiration of the investment term of the trust's leasehold rights for each individual project.



## Rental spaces, proportion of rental space according to type, and total occupancy rate of each project<sup>1</sup>

As of December 31, 2019, the assets invested in by AIMCG had an occupancy rate of 100%, and consisted of spaces leased to minor tenants, spaces leased to the original property owners for which there are no tenants for a period of 5 years from the date of AIMCG's investment in said spaces, and spaces leased back to the original property

owners, such as small shop rental spaces, rental spaces with short-term lease agreements (not more than 1 year), or spaces that generate rental or income on a daily basis, including areas for public relations and sales promotion activities, flea markets, food courts, food and beverage outlets, and other spaces with rapid lease turnover, thus allowing the management of AIMCG spaces to be more streamlined and efficient and supporting the stability and consistency of AIMCG revenues.

	UD Town Project		72 Courtyard Project		Porto Chino Project		Noble Solo Project	
	Rental Area (sq.m.)	Proportion to each Project (%)	Rental Area (sq.m.)	Proportion to each Project (%)	Rental Area (sq.m.)	Proportion to each Project (%)	Rental Area (sq.m.)	Proportion to each Project (%)
(1) spaces leased to minor tenants	11,098.61	39.82	2,156.00	100.00	5,587.02	39.01	907.72	100.00
(2) spaces leased to the original property owners for which there are no tenants <sup>1/2</sup>	1,106.99	3.97	-	-	3,956.29 <sup>3</sup>	27.63 <sup>3</sup>	-	-
(3) spaces leased back to the original property owners <sup>1/4</sup>	15,666.00	56.21	-	-	4,778.00	33.36	-	-
<b>Total occupancy rate of each project (%)</b>	<b>100.00</b>		<b>100.00</b>		<b>100.00</b>		<b>100.00</b>	

**Remarks** <sup>1/1</sup> The information as of 31 December 2019.

<sup>1/2</sup> The spaces leased to the original property owners for which there are no tenants for a period of 5 years from the date of AIMCG's investment in said spaces.

<sup>1/3</sup> These include the area which is under renovation plan of the project and the co-investment between the well-known shops and the original property owners in order to additionally attract the customers.

<sup>1/4</sup> The spaces leased to the original property owners, such as small shop rental spaces, rental spaces with short-term lease agreements (not more than 1 year), or spaces that generate rental or income on a daily basis, including areas for public relations and sales promotion activities, whereby said lease agreement will have a term of 3 years from the date of AIMCG's investment in said spaces. AIMCG also retains the right to seek extension of the agreement by the contract parties up until the expiration of the investment term of the trust's leasehold rights for each individual project.

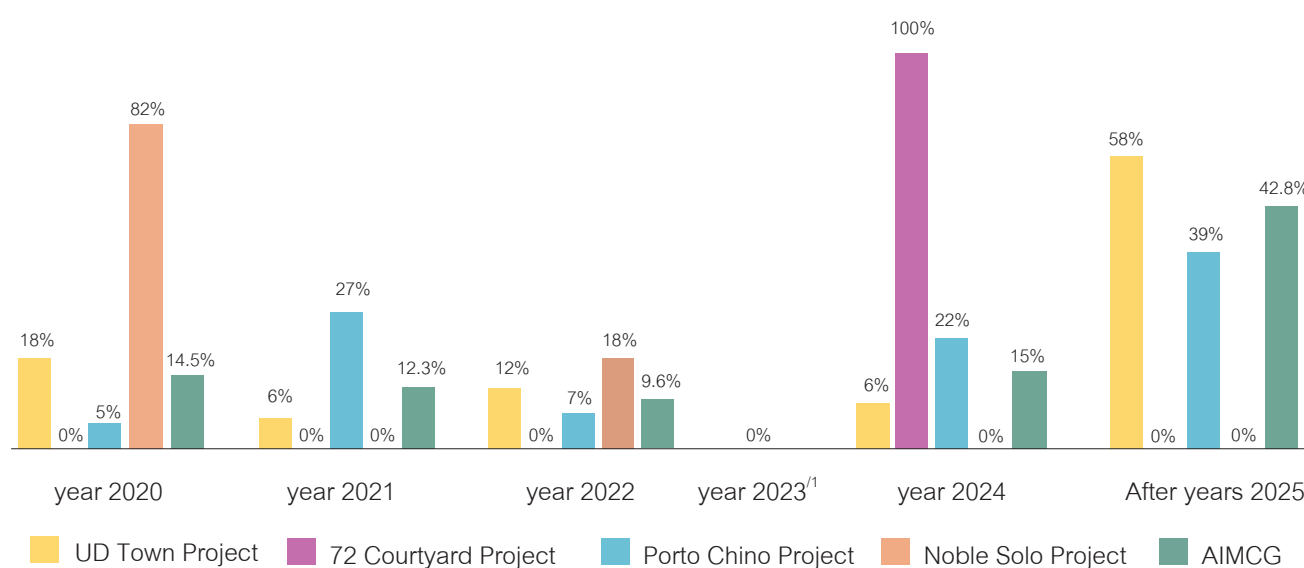
## Renewal and New Agreements

Project	Renewal and New Agreements <sup>1</sup>		
	Number of Agreements	Area (sq.m.)	Rental Area Proportion (%)
UD Town Project	42	9,904.02	21.88
72 Courtyard Project	-	-	-
Porto Chino Project	8	1,002.50	2.22
Noble Solo Project	-	-	-
<b>Total</b>	<b>50</b>	<b>10,905.52</b>	<b>24.10</b>

*Remark* <sup>1</sup> Since 5 July 2019 (the AIMCG's initial investment date) to 31 December 2019

## The agreements to be expired in each year as of 31 December 2019

The agreements to be expired in each year<sup>2</sup>



*Remarks* <sup>1</sup> No expired agreements in year 2023.

<sup>2</sup> The information as of 31 December 2019.

## Information regarding original property owners as lessees of spaces with no tenants and of leased-back spaces

In the case of spaces for which there were no tenants for a period of 5 years from the date of AIMCG's initial investment in said spaces, Udon Plaza, Membership, and D - Land - the property owners - agreed to lease these spaces with a lease contract term of 3 years from the date of AIMCG's investment, with a pledge to renew the lease agreement for another 2 years. The said lease agreement includes a monthly rental rate as agreed upon by the contract parties, and includes the payment of utilities, land and property taxes and/or other expenses related to tenantless areas within the project as well.

In the case of leaseback of spaces such as small shop rental spaces, rental spaces with short-term lease agreements (not more than 1 year), or spaces that generate rental or income on a daily basis, including areas for public relations and sales promotion activities, flea markets, food courts, food and beverage outlets, and other spaces with rapid lease turnover, Udon Plaza and D-Land, the original property owners, will lease back said areas for continued management, allowing the management of AIMCG spaces to be more streamlined and efficient and supporting the stability and consistency of AIMCG revenues. Said lease agreements shall have a term of 3 years from the date of AIMCG's investment in said spaces. AIMCG also retains the right to seek extension of the agreement by the contract parties up until the expiration of the investment term of the trust's leasehold rights for each individual project, with a monthly rental rate as agreed upon by the contract parties. Details of the 3 tenant companies are as follows:

Project	UD Town Project	72 Courtyard Project	Porto Chino Project
Tenants' Name	Udon Plaza Company Limited	Membership Company Limited	D-land Property Company Limited
Head Office	99/9 Tong Yai Road, Mak Khaeng Subdistrict, Muang Udonthani District, Udonthani Province.	27 RS Group Tower Building, 11th Floor, Prasertmanukitch Road, Senanikhom, Chatuchak Bangkok.	99/10-14 Moo 4 Ekkachai Road, Khokkham Subdistrict, Muang Samutsakorn District, Samutsakorn Province.
Company Registration Number	0415547000058	0105553140934	0745552003164
Telephone Number	042-932-998	02-513-0591	034-119-199
Registered Capital	390,000,000 Baht	50,000,000 Baht	150,000,000 Baht
Paid-Registered Capital	390,000,000 Baht	50,000,000 Baht	150,000,000 Baht

## Borrowing

As of 31 December 2019, AIMCG had the long-term loans from the financial institution in amount of 210.00 million Baht for facilitating real estate investment in accordance with the terms and conditions as specified in the below table.

Loan Objective	AIMCG's Real Estate Investment.
Interest Rate	MLR (Minimum Loan Rate) minus the rate minus specific rate stated in the loan agreement; the "MLR" refers to the loan rate applicable to large customer with good standing.
Interest Payment	Monthly.
Loan Term	Approximate 9 years
Principle Repayment	Installment Repayment on quarterly basis starting from the 3 <sup>rd</sup> quarter of 2020.
Loan Collateral	<ol style="list-style-type: none"> <li>1) Mortgage of a portion of lands and buildings belonging to the assets under the AIMCG's investment.</li> <li>2) Conditional assignment of right to receive money from lessees under the lease agreements exceeding 3 years (only as applicable to the collateral assets).</li> <li>3) Conditional assignment of insurance claims and endorsement to entitle the lender as the beneficiary (only as applicable to the collateral assets).</li> </ol>
Financial Covenants	<ol style="list-style-type: none"> <li>1) The borrower shall maintain the ratio of interest-bearing debt to total asset value within the limit of 20 percent.</li> <li>2) The borrower shall maintain the ratio of interest-bearing debt to total collateral asset value within the limit of 30 percent.</li> <li>3) The borrower shall maintain the ratio of interest-bearing debt to total EBITDA within the limit of 5.5 times.</li> </ol>

As of 31 December 2019, the AIMCG's loan to total assets ratio was 6.30 percent which was in accordance with relevant regulations and other covenants as specified in the loan agreement.



# Distribution Payment Policy

Distribution Payment Policy shall be followings :

1. REIT Manager will pay to unitholders the distributions of, in aggregate, at least 90 percent of the adjusted annual net profit in a given accounting year, consisting of a year-end distribution and an interim distribution in each quarter (where applicable). Distribution payments made by REIT Manager to trust unitholders are limited to a maximum of 4 (four) times per accounting year. However, in a given accounting year where a capital increase is made, AIMCG may pay distributions to trust unitholders more than 4 (four) times for the interest of the existing trust unitholders (A distribution payment will be first made in the first accounting period of AIMCG if its profit is adequate for such distribution payment).

The adjusted net profit as mentioned in the above paragraph means the profit after the following adjustments:

1.1 The deduction of the unrealized gains from the valuation or revaluation of AIMCG's assets and other adjusting entries in accordance with the guidelines of the SEC Office and in congruence with AIMCG's cash position.

1.2 The deduction of reserves for loan repayment or loan obligations of AIMCG according to the limits specified in, as applicable, the filing or the prospectus or the annual filing.

2. If AIMCG, based on the adjusted annual net profit specified in 1. above, records retained earnings in any accounting year, REIT Manager may pay distributions to trust unitholders from the retained earnings.

3. If AIMCG sustains accumulated losses, REIT Manager will not pay distribution to the trust unitholders.

4. For each distribution payment to the trust unitholders in each accounting period, REIT Manager will make an announcement of the distribution payment, arrange for the closure of the trust unitholders register to compile a list of trust unitholders entitled to the distribution, and proceed with the distribution payment to the trust unitholders. A year-end distribution will be paid by REIT Manager

within 90 (ninety) days from the end of accounting year while a quarterly interim distribution (if any) will be paid within 90 (ninety) days from the end of the accounting period of the quarter immediately preceding such distribution payment. The distribution rate shall be at the discretion of REIT Manager whereby if the distribution to be paid for a given period is equivalent to 0.10 Baht per unit or lower, REIT Manager reserves the right to withhold such distribution and carry it forward to a subsequent distribution payment.

5. In order to pay the distribution, the following criteria must be complied:

5.1 Trust unitholders entitled to receive the distribution shall be trust unitholders as listed in registration book of AIMCG at the book closing date for distribution payment based on portion of trust units holding by each trust unitholder. In the event that there is any individual or persons in the same group holds trust unit exceeding threshold as prescribed in the notification of SEC, such individual or persons in the same group shall not be entitled to receive the distribution of such exceeding trust units.

5.2 Trust unitholders entitled to receive the distribution shall be trust unitholders as listed in registration book of AIMCG at the book closing date for distribution payment based on portion of trust units holding by each trust unitholder. In the event that there is any individual or persons in the same group holds trust unit exceeding threshold as prescribed in the notification of SEC, such individual or persons in the same group shall not be entitled to receive the distribution of such exceeding trust units.

- Send the notices to trust unitholders as listed in registration book at the book closing date; or
- Post the announcement in the share spaces at all REIT Manager's office; or
- Announce via the website of REIT Manager and/or the website of AIMCG; or
- Publish at least 1 newspaper.

5.3 REIT Manager shall deduct withholding tax from the distribution amount as prescribed by laws depending on type of trust unitholders.

5.4 REIT Manager shall pay the distribution by cheque ordered to be paid to trust unitholder with stamp “A/C Payee Only”, and then send to the addresses as specified by trust unitholders in subscription via registered mails or money transfer to deposit accounts as informed by trust unitholders, whereas trust unitholders shall be responsible for fees and expenses occurring by such money transfer and also risk resulting from currency exchange rate (if any). REIT Manager shall deduct those fees and expenses from the distribution amount before transfer.

5.5 the event that trust unitholders ignore to claim or receive each and/or any distribution by the expiration date of prescription as stipulated in Thailand Civil and Commercial Code, it shall be deemed that such amount of money shall become to be owned by AIMCG whereas REIT Manager shall not utilize such distribution for other purposes besides those for benefits of AIMCG.

6. Distribution Payment Condition If trust unitholders or persons in the same group as the trust unitholders hold trust unitholders exceeding thresholds or do not comply with the criteria under the Notification No. TorJor. 49/2555, the Notification No. GorRor. 14/2555, and the Notification No. SorChor. 29/2555, as applicable, they shall be subject to the distribution restriction and their distribution entitlements shall be proportional to their holding percentage and subject to the rates specified by the Notification No. TorJor. 49/2555, the Notification No. GorRor. 14/2555, and the Notification No. SorChor. 29/2555, as applicable. In this regard, REIT Manager will arrange for the computation of the distribution entitlement of each unitholder in such group on a pro rata basis to identify the baseline for the distribution calculation.

Only if the SEC Office has issued rules, orders or waivers in otherwise for exception, such distribution that cannot be paid to the trust unitholders shall be given to other trust unitholders in proportion to their holding percentage whereby REIT Manager shall proceed with the distribution allocation of payment to the entitled trust unitholders.

## Distribution Payment Record

AIMCG has paid the distribution to the trust unitholders 2 times from the operating results of year 2019 in detail follows.

No.	Operation Period	Distribution Rate	Distribution Payment Date
1	3 July 2019 - 30 September 2019	0.1904	6 December 2019
2	1 October 2019 - 31 December 2019	0.2000	25 March 2020

# Risk Factors

To identify factors that may cause some risks against the operations, financial position and existence of AIMCG, the Company has studied on information of properties invested by AIMCG by examining relevant information, asset value appraisal report, and engineering report and also other aspects, for example, turnover forecast, amendment of related laws and government policies, etc. Those risk factors were already disclosed in the AIMCG prospectus for Initial Public Offering (IPO) dated 24 June 2019 as a part of REIT Manager's Opinion.

For AIMCG management in year 2019, the Company, as REIT Manager, considers the following risk factors may cause significant negative effect on AIMCG and the investors should be aware.

## Risks associated with AIMCG Operation

1. Risks from the fact that the performance of AIMCG depending on capability of the REIT Manager and the property manager in managing and procuring benefits from the core properties of AIMCG

2. Risks arising out of conflict of interest.

3. Revenue of AIMCG depending on financial status of tenants and renewal of lease and service agreements after the expiry of agreements.

4. Risks related to material improvements or repairs to properties.

5. Risk from Borrowing.

6. Risks arising from increased competition and consumer lifestyle changes.

## Risks associated with AIMCG Core Properties

1. Risk related to AIMCG investment in the UD Town Project.

2. Risk related AIMCG investment in the 72 Courtyard Project.

3. Risks related to rental contract requirements for certain projects, which give the right to small tenants to terminate the lease and the service contract before expiration of the rental term and/or limit the amount of damages small tenants are responsible for in the event that said tenants terminate the contract prematurely.

4. Risk of competition from shopping centers and other retailers within the same target group, which may affect the procurement of benefits and the operating results of AIMCG.

5. Risks associated with the cost of building demolition in the Porto Chino Project.

## Risk associated with Real Estate Investment

1. Risks arising from land expropriation.

2. Risks resulting from increase in expense related to the properties and operational expenses.

3. Risks associated with investment in leasehold in which the value decreases with the remaining lease period.

4. Risks associated with natural disasters, flood and sabotages.

## Risks associated with Investment in AIMCG Trust Units

1. Risks caused by decrease of trust unit price after offering

2. Risks associated with AIMCG to make distribution payment to trust unitholders and such distribution is less than turnover of AIMCG gained from its operation.

3. Risks associated with taxes and fees

The risks nature and countermeasures against each risk are explained in the Appendix (The nature of risk factors and countermeasure)

## Legal Dispute and Other Matters

AIMCG has no legal dispute that may significantly and adversely impact to AIMCG's business operation. In addition, AIMCG had no other significant information that may impact to the decision making of the trust unitholders.



# Legal Dispute and Other Matters

## Economic and Industry Overview

### 3.1 Economic Overview

Throughout the first 9 months of 2019, the Thai economy overall continued to grow, with the Gross Domestic Product (GDP) up by 2.5 percent compared to the same period of the previous year. This growth was driven significantly by the continued expansion of private consumption, which grew by 4.5 percent, and government spending, which grew by 2.1 percent due to sustained low levels of inflation and unemployment, as well as government subsidy measures for the care of low-income persons. In addition, total investment saw continued expansion of 2.6 percent, with private investment growing by 3.0 percent and government investment up by 1.7 percent following accelerated growth in investments in equipment and machinery, as well as the disbursement rate of capital expenditure budgets on the part of both the government and state enterprises. At the same time, industrial production saw a decrease in line with the decline in exports affected by the global economic slowdown and trade protection measures. However, the Office of the National Economic and Social Development Board predicted overall growth for the Thai economy in 2019 with an expansion of 2.6 percent.

As for the projected direction of the Thai economy in 2020, the Office of the National Economic and Social Development Board has said that the Thai economy is likely to see improvement from 2019 within the range of 2.6 – 3.7 percent. This is in line with the continued favorable growth trend seen in domestic demand due to a variety of positive factors. These include: household spending supported by low interest and inflation rates; private investment with additional support from the relocation of a number of international production bases;

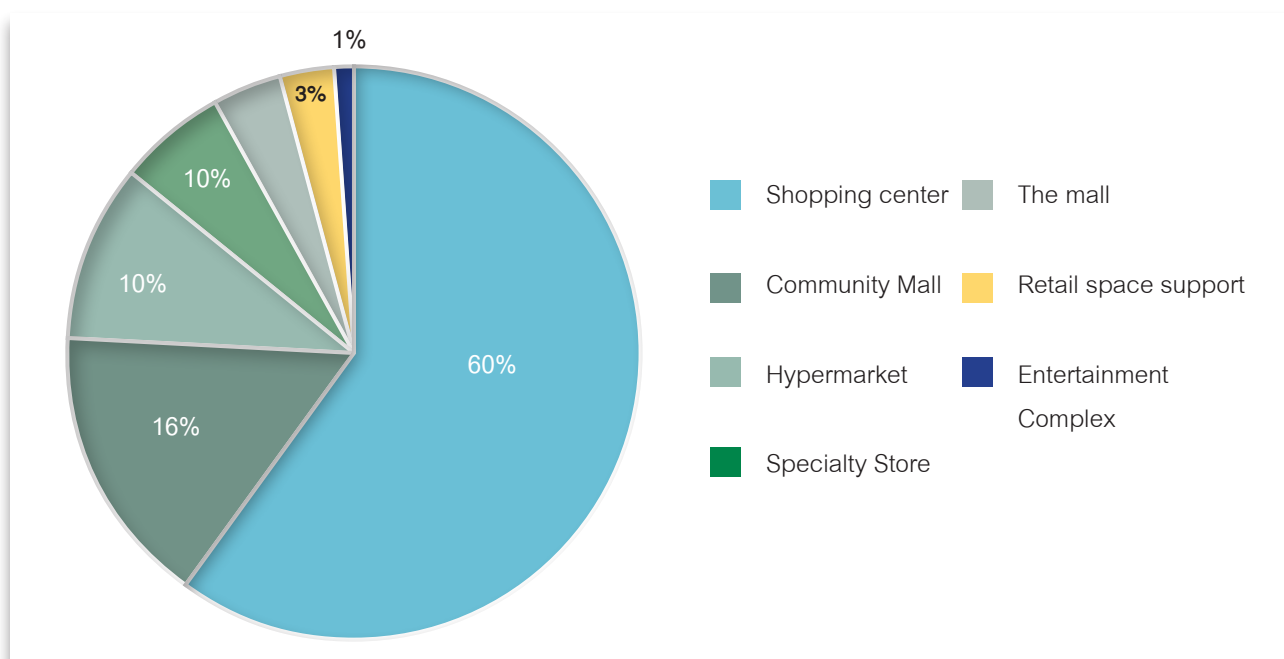
public investment likely to accelerate following disbursement for important infrastructure projects scheduled for completion and opening throughout 2020 – 2021; increase in capital expenditure budgets; improvements regarding trade protectionist measures and direction for international trade and investment; and a growth-driven tourism sector with tourist numbers constantly accelerating.

### 3.2 Business Competitiveness Overview

#### 3.2.1 Retail Business Overview

According to a study on retail market spaces carried out by Colliers International (Thailand) Co., Ltd., as of the third quarter of 2019, there was approximately 8,715,466 square meters of retail space in Bangkok and surrounding areas. Of these, shopping malls covered the highest proportion at 60 percent of the overall market. Community malls, with the second-largest proportion, accounted for 16 percent of the overall market. With smaller project sizes and changing customer behaviors that require greater convenience and flexibility, it is therefore becoming increasingly popular to shop near one's residence. As a result, the overall community mall market has expanded considerably over the past 10 years, with the majority of said projects located near residential or community areas that are convenient for consumers to access. Hypermarkets account for 10 percent of the overall market, as, due to the nature of said projects requiring a large amount of space, the majority of these are located on the outskirts of Bangkok, such as Nonthaburi Province, Pathum Thani Province, and Samutprakan Province. Specialty stores, department stores, and areas supporting retail, which are retail areas located in office buildings, held similar proportions of the overall market at 6 percent, 4 percent, and 3 percent respectively.

## Proportion of retail space classified by type as of the 3<sup>rd</sup> quarter of 2019



Source: Colliers International (Thailand) Company Limited

### Supply

As of the third quarter of 2019, there was approximately 8,715,466 square meters of retail space in Bangkok and surrounding areas, an increase of 103,500 square meters, or 1.2 percent, from the previous quarter. New projects were also completed in the third quarter, namely Samyan Mitrtown Project, which is located in the center of the city, and 3 other projects located on the outskirts of Bangkok. It is expected that during the last quarter of the year, there will be additional new supply areas of approximately 50,000 square meters due to the expansion of projects by business operators that are moving forward with the development of new shopping centers outside the Bangkok city center, a continuously expanding residential area.

### Demand

The overall demand for rental space as of the third quarter of the year remained stable, with an occupancy

rate of 97 percent. As the projects are sited in good locations near to diverse sources of residents, can be reached conveniently by various modes of travel, allow for easy access, and feature concepts that create new experiences and lifestyle options for consumers, there is high demand for space in said areas from tenants who are merchants and distributors of international brand name products. As a result, the occupancy rate of newly opened shopping centers in the third quarter of 2019 was at 100 percent, mainly due to the good locations and the development of project styles that are interesting and different from other surrounding projects.

### 3.2.2 Retail Business Trends

In 2020, the retail business is expected to grow by about 2.7-3.0 percent as a result of overall economic growth and continued domestic consumption, an increased number of foreign tourists, and the growth of second-tier cities or border cities connected with neighboring

countries. In the long-term, the retail business is expected to receive support from government policies and expenditures focused on driving economic growth through investment in transportation infrastructure and the development of the Eastern Economic Corridor (EEC) Project, which will help to attract large business operators, entrepreneurs and foreign investors to increase investment in Thailand and will, therefore, lead to more investment in related businesses. This will stimulate employment in many areas of the country, increase the purchasing power of customers, and help to support greater spending.

The continued growth of the tourism sector will also increase opportunities for the retail business, especially in tourist cities, major cities, towns near major cities, and along border areas in all regions of the country. At the same time, a variety of government plans to expand infrastructure preparedness to the outskirts of Bangkok and other provinces is causing yet further expansion of

urban society, resulting in the growth of the retail business by encouraging business operators to expand continuously with the opening of branches to cover the entire customer group throughout Bangkok and other provinces. In addition, government economic stimulus measures aimed at benefiting consumers, such as income control measures, as well as price fixing of products and cost of living, may provide additional avenues to help support the growth of the retail business.

However, technology and consumer behaviors continue to change quickly, causing retail business operators to accelerate changes accordingly in order to increase competitiveness, whether by introducing leading restaurant chains, new brand name stores, and a variety of other service businesses into existing projects, or with the development of new, modern areas that fulfill the lifestyle demands of the new generation and better meet the needs of consumers in innovative ways.

## Part 2

# AIMCG Management and Corporate Governance



# AIMCG Management

## REIT Manager

AIM Real Estate Management Company Limited, the REIT Manager, is a limited company incorporated in Thailand since 31 August 2018 owing specific objective to perform role and duty to manage REITs and obtained the approval from the SEC Office on 12 October 2018.

## Summary of the Company's important information

<b>Name of REIT Manager</b>	AIM Real Estate Management Company Limited
<b>Head Office</b>	62, The Millennia Tower, 16th Floor, Unit# 1601 Soi Langsuan, Lumpini, Pathumwan Bangkok 10330
<b>Company Registration Number</b>	0105561149881
<b>Telephone</b>	0 2254 0441-2
<b>Facsimile</b>	0 2254 0443
<b>Website</b>	www.aimcgreit.com
<b>Email</b>	info@aimrm.co.th
<b>Registered Capital</b>	10,000,000 Baht
<b>Issued and Paid-up Units</b>	100,000 Units
<b>Par Value</b>	100 Baht per Unit
<b>Nature and Scope of Business</b>	To provide service as the manager of real estate investment trusts (REIT Manager)
<b>Major Shareholder</b>	Eternal Sunshine Capital Company Limited (99.9 %)
<b>Directors</b>	Mr. Thanachai Santichaikul Mr. Paisit Kaenchan Mr. Supakorn Chantasasawat Mr. Amorn Chulaluksananukul Mr. Charasrit A.Voravudhi
<b>Directors with Signing Authority</b>	Co-signing between Mr. Amorn Chulaluksananukul and either Mr. Paisit Kaenchan or Mr. Charasrit A.Voravudhi, totaling two directors, with the company seal.
<b>Fiscal Year</b>	1 January – 31 December

Remark: Information as of 31 December 2019



## Shareholders Structure

The list of shareholders as of 31 December 2019

No.	Shareholders	Number of Shares	Percentage of Total Sold Shares (%)
1	Eternal Sunshine Capital Company Limited <sup>1/</sup>	99,997	99.997
2	Mr. Amorn Chulaluksananukul	1	0.001
3	Mr. Charasrit A.Voravudhi	1	0.001
4	Mr. Pongthon Sugeeraphan	1	0.001
Total		100,000	100.00

Remark: <sup>1/</sup> Eternal Sunshine Capital Company Limited operates investment advisory service and its shareholders as of 31 December 2018 are as listed below.

No.	Shareholders	Number of Shares	Percentage of Total Sold Shares (%)
1	Mr. Amorn Chulaluksananukul	9,900	49.50
2	Mr. Charasrit A.Voravudhi	9,900	49.50
3	Ms. Supanee Chantasasawat	100	0.50
4	Mr. Supakorn Chantasasawat	100	0.50
Total		20,000	100.00

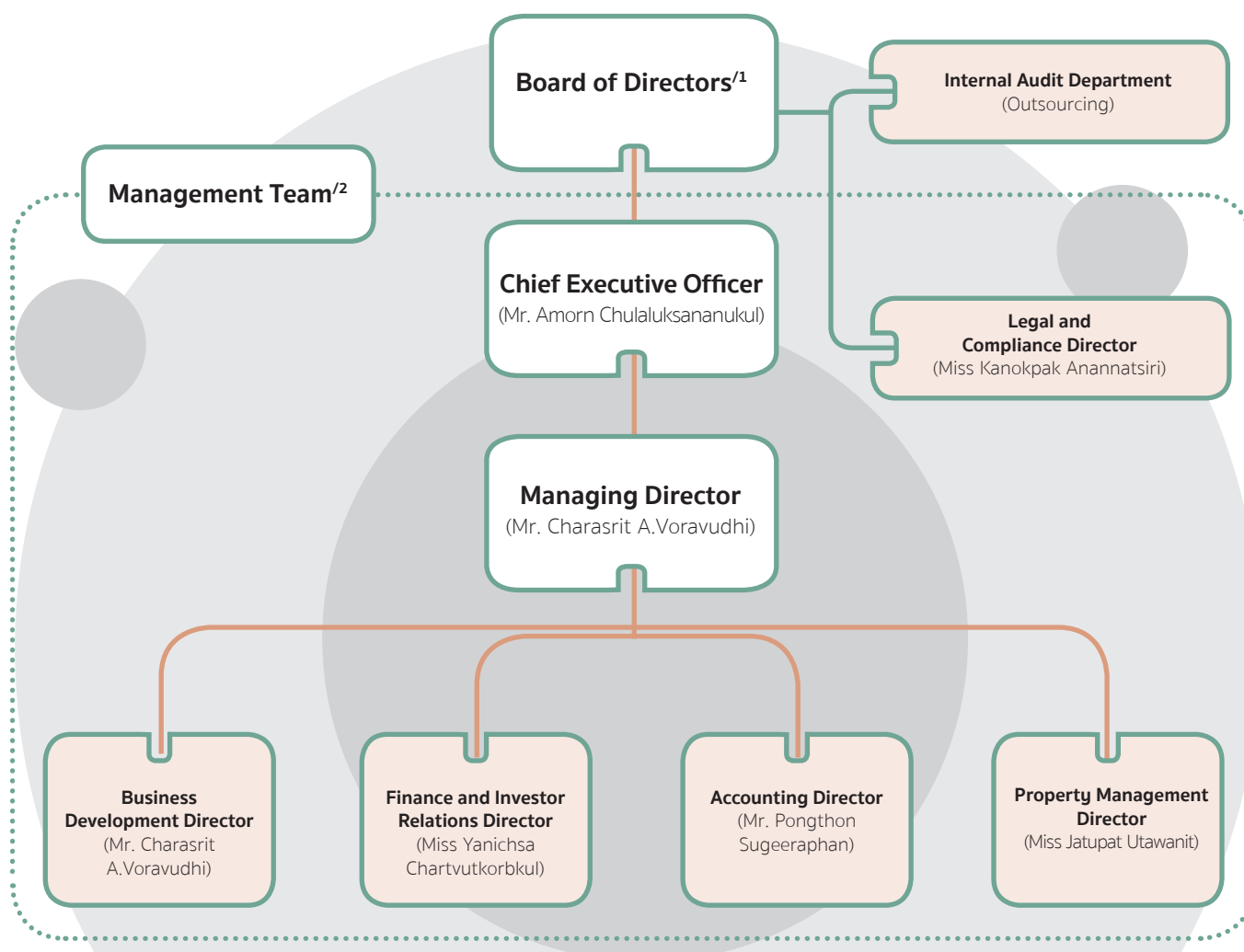
## Organizational Structure

In designing its organizational structure, REIT Manager aims to draw a clear line of roles and responsibilities of each functional unit and to enable each department to work independently and systematically based on the principles of trust and good corporate governance. Considerations are also given to: the control against the risks of frauds, and conflicts of interest with a view to ensuring that REIT Manager is able to fulfill its duty with loyalty, duty of good faith and duty of care and to give precedence to the interest of unitholders over REIT

Manager's interest; the prevention against data leak or illegal acts; and the type, size and complexity of the Company's business.

The organizational structure of REIT Manager is comprised of six departments, which are Business Development Department, Finance and Investor Relations Department, Accounting Department, Property Management Department, Legal & Compliance Department, and Internal Audit Department as illustrated below.

## Organization Chart



Remark:

<sup>/1</sup>Board of Directors

As of 31 December 2019, REIT Manager had only the Board of Directors which is comprised of five qualified members as named below.

No.	Shareholders	position
1.	Mr. Thanachai Santichaikul	Chairman of the Board and Independent Director
2.	Mr. Paisit Kaenchan Director	Director
3.	Mr. Supakorn Chantasasawat	Independent Director
4.	Mr. Amorn Chulaluksananukul	Director
5.	Mr. Charasrit A.Voravudhi	Director

Directors with signing authority: Two directors' co-signing by and between Mr. Amorn Chulaluksananukul and either Mr. Paisit Kaenchan or Mr. Charasrit A. Voravudhi together with the company seal.

<sup>/2</sup>The educational background and professional experiences of each member in management team is described in Appendix (Management Team).

The board of directors and independent directors have pivotal roles in monitoring and providing necessary advice to the Company in relation to its operation as REIT Manager for compliance with relevant rules, regulations and agreements.

## Duties and Responsibilities of the Board of Directors

The duties and responsibilities of the Board of Directors encompass two dimensions which are duties and responsibilities towards the Company, and duties and responsibilities towards AIMCG under management, as outlined below:

### Duties and Responsibilities towards the Company

1. To perform duties in accordance with law, the objectives, the Articles of Association of the Company and the resolutions passed by the shareholders meeting with loyalty, good faith and care to protect due interest and fulfil the responsibilities towards shareholders within a scope that does not conflict with the roles of REIT Manager.

2. To set policies and business directions of the Company and exercise oversight to ensure that the management effectively and efficiently operates businesses in accordance with the policies, rules, regulations and the corporate governance principles.

3. To make decisions on material matters such as the business plan, the management authority and other matters as specified by law.

4. To ensure that financial reports, internal control and internal audit are effective and reliable.

5. To exercise control and oversight to ensure that the management treats all stakeholders ethically and equally.

6. For independent directors and outside directors, to readily exercise their independent judgment on matters to the formulation of policies, the business management, the appointment of directors and the establishment of performance standards, and to independently raise their objections against the acts of other directors or the management where they have opposite opinions on matters that involve the equitable treatment of shareholders.

7. To consider, nominate and appoint directors to replace outgoing directors and new directors as well as screen and propose the nomination of new directors to the shareholders of the Company.

8. To report the “*Conflict of Interest Report of Directors and Executives Form*” to the Company in accordance with applicable rules.

### Duties and Responsibilities towards AIMCG under management

1. REIT Manager, as a professional fiduciary, shall fulfill its duty of loyalty, duty of good faith and duty of care in the best interest of the unitholders.

2. To manage AIMCG in accordance with the trust deed and relevant laws.

3. To determine the policy related to AIMCG management such as strategic and business direction, capital and investment structure and risk management system, etc.

4. To consider and approve asset acquisition and/or divestment transactions of AIMCG based on the due diligence on each new asset acquisition in accordance with the trust deed.

5. To consider and approve the financing for AIMCG, the sources of funds, amount, terms, and conditions.

6. To consider and approve the payments of distributions to trust unitholders.

7. To consider the annual budget of AIMCG.

8. To consider and approve the decision to convene a meeting of trust unitholders.

9. To consider and approve related transactions of AIMCG in accordance with applicable rules and regulations.

10. To exercise oversight to ensure compliance with the internal control system framework of AIMCG.

11. To select and nominate auditors of AIMCG, propose the auditor fees, and arrange meetings with auditors as appropriate.

12. To prepare and disclose correct and complete information about AIMCG within the timeframes specified by law.

13. To consider and resolve, by the recommendation of the management team, complaints or disputes concerning AIMCG that are raised by third parties.

14. To nominate the chief executive officer and managing director.

## Duties and Responsibilities of Independent Directors

1. To consider, monitor and provide necessary advice to the Company to ensure that the financial reports of the Company, as REIT Manager, contain correct, complete and reliable information and are prepared and disclosed in a timely manner.

2. To consider, monitor and provide necessary advice to the Company to ensure the Company maintains the internal control and operating systems that are appropriate for its operation as REIT Manager.

3. To consider and render opinions on related-party transactions or transactions involving potential conflicts of interest with AIMCG for compliance with relevant laws and

regulations and for assurance that such transactions are reasonable and in the best interests of AIMCGs.

4. To perform other duties as assigned by the Board of Directors and for the benefit of AIMCG.

Based on the mentioned-above scope of authority and duties of independent directors, relevant departments are required to regularly escalate the following matters including relevant and necessary advice to the independent directors: (a) Related transactions or transactions involving potential conflicts of interests with AIMCG and (b) Weakness and areas for improvement in connection with the internal control and operating systems of the Company for its operation as REIT Manager, including the progress of the improvements.

## Duties and Responsibilities of REIT Manager

### General Duties

In performing its duties, REIT Manager shall responsibly apply its professional knowledge and expertise with responsible, due care and loyalty, and treat unitholders fairly and act in the best interest of unitholders. REIT Manager shall also comply with relevant laws, trust deeds, REIT manager agreement, filing, prospectuses, AIMCG objectives, and additional obligations specified in documents disclosed to investors with respect of AIMCG offering, and the resolutions of the meetings of trust unitholders. In addition, REIT Manager shall not perform any acts that are in conflict with or against the interests of the trust unitholders and investors in general.

### Duties in accordance with REIT management business principles

1. To always maintain adequate capital for its business operations and liabilities that may arise from its operations as REIT Manager.

2. To make disclosure and provide opinions or

important and relevant information to investors adequately to support their investment decisions. Such information must be communicated in a clear, undistorted, and unbiased manner.

3. To not misuse information gained from its capacity as the REIT Manager for personal gains or in a manner that causes damages to or affect the interest of AIMCG.

4. To exercise prudence with a view to avoiding conflicts of interest and, where conflicts of interest arise, take measures to ensure fair and equitable treatment for investors. However, the REIT Manager must not have other benefits that may cause conflict with the best interests of AIMCG. If any possible conflict of interest exists, the REIT Manager must show proof of mechanisms in place to ensure that all management of the REIT will be carried out in the best interests of AIMCG and all unitholders. In such a case that the REIT Manager is also managing other REITs, the primary assets of the REIT requesting to sell trust units must not be of the same type as the core assets of other said REITs.

5. To comply with the Securities and Exchange Act, the Trust for Transactions in the Capital Market Act and other laws governing the trust business, including professional ethics and standards as set forth by associations or organizations that are related to the securities business and approved by the SEC Office, *mutatis mutandis*, and to not support, instruct, or cooperate with any persons in committing acts that may be in violation of such laws or requirements.

6. REIT Manager has the duty to provide cooperation in support of the duty performance of trustees, the SEC Office or SET, and to seek approval or endorsement or disclose information that may have material impact on AIMCG management including other information that should be reported to trustees, the SEC Office or SET, particularly in relation to the following:

6.1 To prepare and retain documents and evidence related to management, internal control, and disclosure of AIMCG information. Where a trustee initiates an examination, REIT Manager shall cooperate with the examination by providing the trustee with information, documents and evidence and facilitate the trustee's on-site inspection of real estate per the Trustee's request with an aim to assure through the trustee's inspection, that REIT Manager does not violate the laws or the provisions of trust deeds nor fails to protect the interests of unitholders.

6.2 REIT Manager must submit trustees the information and documents related to the structure of AIMCG, revenue sources and collection, expenses that can be charged to AIMCG, agreements which have been executed between AIMCG and REIT Manager and/or other parties, etc., in order to support trustees' planning of its supervision and monitoring of AIMCG management, internal control and disclosure in an effective manner.

6.3 REIT Manager shall arrange insurance to provide protection against liabilities that may arise from its business operation or actions in its capacity as REIT Manager, as well as the actions taken by its directors, executives and employees, throughout the terms of REIT Manager agreement.

## Duties on Doing Transaction with regard to AIMCG's Properties

In executing transactions related to real estate on behalf of AIMCG, REIT Manager shall adhere to the following:

1. Ensuring that the sale, disposal, and transfer of real estate or the execution of agreements related to real estate on behalf of AIMCG are valid and legal.

2. Ensuring that the real estate investments of AIMCG are properly undertaken and, as minimum requirements, the following procedures shall be undertaken:

2.1 Assessing readiness to manage the investment in such real estate prior to the acceptance of undertaking as REIT manager or prior to any additional investment in real estate on behalf of AIMCG, as the case may be.

2.2 Conducting analysis, feasibility study and due diligence on real estate in accordance with the criteria and guidelines for the management of property fund and trusts as prescribed by SEC or the SEC Office. REIT Manager shall also assess all potential risks associated with the investment in such real estate, inclusive of risks concerning the real estate development and construction (if any) such as risks from construction delay and the inability to obtain benefits from the invested real estate.

3. REIT Manager shall arrange the meetings of the unitholders as specified in trust deeds.

4. In the event of REIT Manager change, REIT Manager shall take actions and provide cooperation as deemed necessary for the successful handover to a new REIT manager.

5. In the event of the appointment of consultants to provide advice or suggestions on property investments and property management, REIT Manager shall proceed in accordance with the following:

5.1 Ensuring that the consultants report their conflicts of interest in matters in consideration.

5.2 Ensuring that the consultants are not engaged in the consideration of matters in which they have conflicts of interest, regardless of whether directly or indirectly.



6. REIT Manager shall prepare financial statements in accordance with the accounting standards stipulated by the laws governing the accounting professions and submit the financial statements to the SEC Office within three (3) months from the end of each fiscal year. The financial statements shall be audited and accompanied by the opinions of the auditors on the approved list of the SEC Office.

7. REIT Manager shall prepare and disclose the information of AIMCG, information per Section 56 and Section 57 of the Securities and Exchange Act, and any other information as specified in trust deeds and REIT manager agreement.

8. To prepare and disclose information of AIMCG to Trustees, the SEC Office, and trust unitholders in accordance with the Securities and Exchange Act, other applicable laws, and trust deeds; to submit annual reports of AIMCG and notices of annual general meetings to trust unitholders; and to disclose information that may have material impact on AIMCG management or other information that should be released. In addition, REIT Manager has the duty to provide explanations, documents or evidence, and to perform or omit acts per the instructions or the requests of the SEC Office.

9. To avoid situations which may create doubts of REIT Manager's independence, particularly in the selection, purchase, sale lease and sublease of any real estate, securities and other services for AIMCG. It is prohibited for the REIT Manager and its directors, executives, and employees to receive any commission/fee resulting from services providing or other benefits from the ex-owners of assets, sponsors, security sellers, service providers or security brokers for their own benefit.

10. REIT Manager has the duty to disclose conflicts of interest and benefit entitlements of REIT Manager and its connected persons in respect of transactions with entities or individuals being trade partners of AIMCG in prospectuses, filing, notices of meetings for transaction approvals, and annual reports of AIMCG in order to furnish investors and trustees with information useful for their assessment of the independence of REIT Manager in relation to transactions to be executed on behalf to AIMCG and the reasonableness of such transactions.

Conflicts of interest or benefit entitlements that must be disclosed are, for example, relationships as creditors, debtors and guarantors or obligors, cross-holding of shares, common shareholders, common management team, provision and receipt of services, trading activities and paying of expenses for each other.

11. In the event that the REIT Manager wishes to allow other persons to carry out work that falls under the REIT Manager's responsibility, said responsibilities must be specified clearly along with the specific duties of the REIT Manager in the selection of said person(s). That said, the terms of the delegated work or assignment must not contain any content that is inconsistent or at conflict with Notification No. Sor Chor 29/2555.

### **AIMCG Management Duties**

1. To efficiently and appropriately manage AIMCG as appointed by trustees, REIT Manager shall adopt quality systems and sufficient internal control that enable REIT Manager to properly handle all tasks under its responsibilities and comply with relevant laws and trust deed as well in order to protect the benefit of AIMCG and trust unitholders. At a minimum, such systems shall include:

1.1 Policies governing AIMCG management, capital structure, investment decision, and strategy to secure benefits from real estate to ensure that such investment shall be executed with due care and loyalty and compliance with the investment policy as mentioned in the trust deed, law and regulation to protect the benefit of AIMCG and trust unitholders.

1.2 Systems for managing risks associated with assigned management of AIMCG to prevent and manage risks efficiently.

1.3 Systems for managing conflicts of interest, especially between AIMCG and REIT Manager or connected persons of REIT Manager which include the countermeasures or guideline against the conflict of interest for the best benefit of AIMCG and trust unitholders.

1.4 Systems for the screening and selection of personnel and delegates for tasks related to AIMCG to ensure that they possess suitable qualifications for the tasks assigned to them.

1.5 Systems for monitoring and supervising compliance of REIT Manager and involved personnel with the Securities and Exchange Act, the Trust for Transactions in the Capital Market Act and notifications, rules or directives issued by the virtue of the aforesaid laws, including other laws governing the trust business.

1.6 Systems for disclosing sufficient information of AIMCG in accordance with trust deeds and rules under the Securities and Exchange Act, Trust Act and other laws and regulations associated with the operation of AIMCG.

1.7 Back office system

1.8 Audit and internal control systems

1.9 Systems for communicating with investors and handling complaints of investors.

1.10 Legal dispute management system.

In this regard, the REIT Manager may delegate other persons to conduct business related activities as deemed necessary by the REIT Manager in order to promote smooth and more efficient business operations, subject to the following criteria: (a) Said delegation must not have any characteristics that could affect the REIT Manager's efficiency or performance of duties; (b) Business continuity measures must be in place to support uninterrupted business operations in the event that said delegate(s) are unable to complete said duties; and (c) Any duties related to investments in other AIMCG assets may be delegated only to authorized parties within the scope permissible by law.

However, the delegation of works to other parties as specified above must not include any systems or tasks specified in items 1.1 to 1.4 and 1.8. In the case that the REIT Manager wishes to delegate to persons other than the property manager the task of carrying out works that fall under the responsibilities of the REIT Manager, for example, delegating management of assets other than the core assets of AIMCG, the REIT Manager must select said delegate(s) with prudence and care and must closely supervise and check the operations of said delegate(s).

2. To manage AIMCG in accordance with the provisions of trust deeds and protect the interest of trust unitholders.

3. To conduct due diligence on real estate in which AIMCG will invest with due care and prudence and maintain records, information, documents and evidence pertaining to the due diligence and the decisions to make or not to make investments in any real estate for AIMCG. In conducting such due diligence, REIT Manager shall comply with the criteria and guidelines for the trust and fund management investing in real estate.

4. To perform acts with a view to ensuring that the financial and economic values of AIMCG are professionally managed for the interests of trust unitholders. For example:

4.1 To formulate strategies and policies in relation to risk management and investment in conformity to the terms and conditions specified in trust deed.

4.2 To set the credit facility limits and control the limits within provisions specified in trust deed.

4.3 To invest in real estate that match the investment objectives of AIMCG.

4.4 To manage cash flow of AIMCG.

4.5 To consider the benefit distribution of AIMCG to trust unitholders.

4.6 To arrange insurance to provide protection against damages which may be inflicted upon real estate of AIMCG and against liabilities to third parties with appropriate and sufficient sum insured in order for AIMCG are able to gain same benefits from their assets.

4.7 To align the tenants and customers mix to the real estate of AIMCG.

4.8 To exercise supervision and control over tenants and customers compliance with terms and conditions as mentioned in the lease agreements, servicer agreements and related agreements.

4.9 To exercise supervision and control over compliance with rules and regulations applicable to freehold and leasehold over real estate in which AIMCG has invested and ensure that such real estate has not been used for the illegal business.

4.10 To manage rental space, including the supervision and control of leasing, negotiations with tenants regarding rental agreements, review of rental rates or prices, termination or renewal of leases, etc. However, in the case of lease agreements with leasing terms of more than 3 years, the REIT Manager must receive approval from the trustees first before proceeding. Rights of said trustee shall not be precluded in the claiming of damages incurred by the REIT if it appears that the REIT Manager has entered into said lease agreement without the trustees' approval.

4.11 To evaluate past rental operations in support of the determination of appropriate rental terms and conditions and the preparation of appropriate rental agreements. Examine rental collections in order to record allowance for doubtful accounts or bad debt write-offs or write-off reversal (where bad debts that have been written off are recovered).

4.12 To arrange for appropriate security and safety systems for buildings in which AIMCG have invested such as the fire alarm system, emergency communication system, and emergency management plan.

4.13 To formulate policies and action plans for the administration, maintenance and renovation of buildings in which AIMCG has invested in order to maintain the good condition of buildings comparing the industry's standard.

5. To ensure that AIMCG have proper ownerships and/or rights over the real estate in which they invest and that agreements and contracts that AIMCG enter into are legally valid and binding and the terms and conditions specified therein are enforceable.

6. To arrange systems for safekeeping all documents and evidence related to the operation of AIMCG, notices of trust unitholder meetings, filing, prospectuses, annual reports, financial statements, and evidence of compliance with rules and regulations applicable AIMCG and invested assets. These information and documents shall be completely and correctly filed and made available for examination for at least five years from the date of such information and documents are produced.

7. To prepare and release the complete and accurate annual financial statements and other information of AIMCG within the timeframes specified by law, trust deed, and regulations of SET.

REIT Manager, including its directors, executives, and property managers whose duties are related to the preparation and release of information about AIMCG shall be jointly responsible for the contents announced or disseminates to trust unitholders and general investors. As such, there shall be a mechanism to ensure that information disclosed in filing, prospectuses, notices of trust unitholder meetings, advertisements, brochures or any other disseminated publications have been properly audited; are correct and complete; do not lack important information; provide adequate information to support investment decision; and are in accordance with relevant law, notifications and regulations.

8. To ensure that unitholders receive correct, complete and adequate information before exercising their rights to vote on matters proposed for approval whereby such information shall be supplied to them in advance according to the timeframes specified in trust deed and regulations of SET.

9. To exercise supervision and control over AIMCG to comply with laws or guidelines issued by governmental agencies or other relevant regulators, regulations of SET.

10. To make distribution payment to unitholders not less than 90 percent of adjusted net profit of each fiscal year, which is generally defined as net profit with adjustment of the cash position of AIMCG and represents the AIMCG's cash available for distribution. This cash available for distribution shall be paid within 90 days from the end of a fiscal year or the end of an accounting period for such distribution payment, as applicable. Nevertheless, distribution payment shall not be made if AIMCG still have retained loss.

11. Define the scope of operations or yearly appraisal by the property appraiser to include examination of AIMCG asset conditions and status as compared to assets located nearby and that are similar to said AIMCG assets.

12. The REIT Manager may hire a broker to assist the property manager in the tenant recruitment process.

13. In asset investments other than core assets, the trustees shall assign the REIT Manager to be responsible for investments in said assets in accordance with the regulations outlined in Sor Ror 26/2555 and the trust deed. The said assignment, however, does not preclude nor limit the rights of the trustees in assigning others to manage investments in assets other than core assets.

### Management of Property Managers

1. Hire external property managers to manage properties invested in by the REIT. Said property management would include oversight of sales, marketing, and daily administration of properties. The REIT Manager shall, as a minimum, ensure that the following are carried out:

1.1 Assess and analyze the experience, reputation, and past works of the property manager, including ability to procure tenants and customers, debt collection, in-house maintenance, ability to maintain rental space management systems, ability to provide tenant care and support, and ability to maintain internal control systems to prevent revenue leakage and provide effective expense disbursement control, etc.

1.2 Review the suitability of the property manager compensation, which must be commensurate with their performance in order to provide incentive for property managers to boost the revenue of AIMCG. For example, compensation of property managers may be tied to actual rental revenue and/or actual collected service fees or to net profits from property rental, etc.

1.3 Establish a mechanism that allows AIMCG to change property managers if said property managers fail to comply with the terms and conditions specified in the property manager agreements or if their performance is unsatisfactory.

1.4 Establish a system for the regular monitoring and evaluation of internal control systems of property managers to ensure that their internal control systems remain effective and can easily prevent or detect fraud or noncompliance, for example, to require the property manager's auditor to evaluate the internal control system of the property manager during auditing and to report any

weaknesses or defects in said internal control system to the REIT Manager, etc.

The REIT Manager must review and specify in the property management agreement that the property manager shall be held liable for any damage to the interests of AIMCG if said loss is caused by the negligence of the property managers with regard to their internal control systems.

1.5 If the REIT Manager finds that property managers have acted or failed to act in such a way that said action or inaction causes them to lack credibility in the performance of the duties outlined in the property management agreement, the REIT Manager must terminate the contract of said property manager, thereby allowing the REIT Manager to take over the property management or to select new property managers as replacements. In the case, however, that the REIT has taken out a loan and the loan agreement prohibits the change of property manager, any change of property manager by virtue of the circumstances specified above may only be carried out with the approval of the lender.

2. Manage and supervise the operations of property managers for the best interests of AIMCG and all trust unitholders by ensuring that, as a minimum, the following are carried out:

2.1 Participate in the preparation or review and approval process of the property manager's annual budget plan clearly showing details of income and expenses so as to avoid unwanted expenses, set monthly and yearly revenue targets, and control and ensure revenue and expenses are in accordance with the budget plan. The annual budget plan of the property manager must be approved by the trustees.

2.2 Specify conditions that provide incentive for property managers to add value and boost AIMCG revenue as well as to reduce risk for trust unitholders.

2.3 participate in consideration or review of the property manager's strategic planning in order to increase revenue procurement, reduce risks related to fluctuations in rental income and/or service fees for AIMCG, and provide controls allowing the property manager to operate according to set strategies.

2.4 Participate in consideration or review of guidelines for the selection of tenants and Major Tenants and customers, or participate in property managers' allocation plans for tenants based on types of business in order to limit and control risks or fluctuations in rental income and/or service fees each year.

2.5 Review or participate in the determination of rental and/or service fee policies to ensure that rental and/or service fee rates are appropriate according to the prevailing market conditions for rental and service fees.

2.6 Carry out inspection of systems for the control of costs for maintenance or repair of equipment or buildings to ensure that properties are maintained at a condition comparable to current industry standards.

2.7 Assess the appropriateness of property managers' procurement control systems to ensure that AIMCG is receiving value for money in products and/or services.

2.8 Monitor and control revenue collection by the property manager to ensure that AIMCG receives complete rental and/or service fee revenue.

2.9 Stipulate the duties of the property manager for monitoring and supervision to ensure correct payment of taxes by tenants and clients as required by law.

2.10 Carry out inspection and assessment of property managers, including random checks, to identify any possible management irregularities.

2.11 The REIT Manager must aid in the selection and carry out assessment of property managers' internal control systems.

In addition, the REIT Manager must have a system for monitoring and supervision, including random inspections, in order to ensure that the property manager complies with the following: (a) applies complete and correct revenue collection and delivery to AIMCG; (b) refrains from charging excessive or unnecessary disbursement from AIMCG. Said charges or disbursement must be within the framework specified by the REIT Manager; and (c) provides adequate and appropriate supervision and maintenance of AIMCG assets to enable long-term, continuous benefits.

## Property Manager

REIT Manager has appointed the third parties as the property managers, in order to manage and procure benefits from properties invested by AIMCG. The table below shows the summary of each property manager.

Name of Property Manager	Udon Plaza Company Limited
Head Office	99/9 Thong Yai Road, Mak Khaeng Subdistrict, Muang Udonthani District, Udonthani Province.
Company Registration Number	0415547000058
Telephone	042 932 998

Name of Property Manager	Chetchot Company Limited
Head Office	27 RS Group Tower Building, 11th Floor, Prasertmanukitch Road, Senanikhom, Chatuchak Bangkok.
Company Registration Number	0105554038670
Telephone	02 938 5350



Name of Property Manager	D-land Property Company Limited
Head Office	99/10-14 Moo 4 Ekkachai Road, Khokkham Subdistrict, Muang Samutsakorn District, Samutsakorn Province.
Company Registration Number	0745552003164
Telephone	034 119 199

Name of Property Manager	Noble Development Public Company Limited
Head Office	1035 Noble Building, Ploenchit Road, Lumpini, Pathumwan, Bangkok.
Company Registration Number	0107538000312
Telephone	02 251 9955

## Duties and Responsibilities of Property Manager

### Duty of property management

1. To perform operations to be confident that income obtained from such property was gained from renting or other methods as well as manage and procure benefits from such property to be in accordance with trust deed.

2. To procure tenants for leasing the spaces in the property, coordinate, and negotiate with retail tenants on making lease agreements and service agreements or other agreements related to the property as well as manage works to meet with related agreements.

3. To collect and ask tenants to pay for rental fee, security, service charges, including but not limited to collection of fees, penalties, other related expenses, and debts (if any) as well as issue Tax Invoices, temporal receipts, and receipts on behalf of AIMCG before sending such money to REIT Manager by transferring to AIMCG account as defined by REIT Manager.

4. To perform operations to be confident that the tenants strictly comply with all agreements related to the property which those tenants enter to as the party.

5. To maintain the property to be in good condition and ready for leasing or selling including repairing, renovating, and developing the property to be in good condition and ready for utilization at any time.

6. To supervise, govern, and make the property all risks insurance for the property and public liability insurance to have sufficient coverage upon the quantity and value of the major property invested by AIMCG as well as specify AIMCG as the beneficiary whereas both insurances must be in accordance with details and scope of coverage as defined by REIT Manager.

7. To consider on and inspect condition of the property prior delivering to tenants or AIMCG as well as submit Property Inspection Report to REIT Manager in the event that of entering into any new lease agreement and service agreement, renewal of lease agreement and service agreement or termination of lease agreement or service agreement, as the case may be.

8. To gather, inspect, and deliver all information and documents related to the property or ownership or benefits in the property to REIT Manager and/or trustee including but not limited to agreements made by and between REIT Manager and/or trustee with outsiders related to the property for benefits of AIMCG.

9. To Inspect and pay for all expense related to property management or expenses related to agreements made with tenants or other agreements in relation to the property as well as other expenses of AIMCG in managing the property as approved by REIT Manager.

10. To prepare and propose monthly reports exhibiting incomes-expenses, accrued money, arrear, and monthly trial payment account related to property management and other related documents.

11. To prepare and propose quarterly reports on market conditions with details on movement of marketing condition and number of customers visiting the property in each quarter.

12. To make the annual action plan on property management and propose annual action plan of such property to REIT Manager.

#### **Duties on preparation of Accounts, Reports, Management Documents, and Internal Audit**

1. To prepare accounts and reports as assigned by REIT Manager including but not limited to Daily Settlement Report, Unpaid Receivables Report at the end of month, and other documents related to income obtained from overall operations of AIMCG and expenses in management for submitting such reports and documents to REIT Manager within the due date.

2. To manage petty cash as approved by REIT Manager as well as prepare miscellaneous expenses report for disbursing advance payment from REIT Manager.

3. To facilitate as prepare things for internal audit by REIT Manager as requested by REIT Manager.

#### **Duties on Marketing**

1. To provide suggestions to REIT Manager on property management and marketing as well as strategies and policies on investment in order to make such operations to meet with Trust Deed.

2. To do marketing and procure tenants including but not limited to facilitating property visit as requested, replying inquiries, providing information related to the property, and holding activities giving income obtained from the property.

3. To provide suggestions to REIT Manager on condition or tendency of property market as well as effects on AIMCG caused by such condition.

## **Trustee**

### **Summary of Trustee's Information**

Name of Trustee	SCB Asset Management Company Limited
Head Office	SCB Park Plaza 1, floor 7-8, No. 18 Ratchadapisek Road, Jatuchak, Bangkok 10900
Shareholders Structure	1) Siam Commercial Bank Public Company Limited at the ratio of shareholding 99 % 2) Free Float at the ratio of shareholding 0.01 %
Company Registration Number	0105535048398
Trustee's License	License from SEC Office dated 18 September 2013
Telephone	02-949-1500
Facsimile	02-949-1501
Website	www.scbam.com

### **Duties and Responsibilities of Trustee**

The Trustee has the duty to manage AIMCG with loyalty, integrity and care as a professional, to treat the trust unitholders fairly for the best interest of trust unitholders in general. The Trustee shall comply with relevant laws,

the trust deeds, the objectives of AIMCG, the resolutions passed by the meetings of the trust unitholders, and additional obligations to the trust unitholders (if any).

In performing the said duties, the Trustee may seek the advice and recommendations of professional independent consultants, as deemed appropriate by the Trustee. Moreover, in performing said duties, the Trustee shall refrain from any actions which are in conflict with the interests of AIMCG, whether said action is for the benefit of the Trustee or for the benefit of others. That is, except in cases of compensation for those acting on behalf of the Trustee, or of a transaction with appropriate measures or mechanisms in place to monitor and ensure balance and fairness of said transaction, whereby the Trustee is able to show proof that they have managed the REIT in a fair manner and have disclosed sufficient relevant information to the unitholders ahead of time, and to which said unitholders did not present any objection.

### Property Management Duties and Responsibilities

1. The Trustee must delegate REIT management to an REIT Manager approved by the SEC, except in the case of management of other assets which are not core assets of AIMCG and for which the Trustee may act on their own or assign another person(s) to act on their behalf.

2. Management of assets other than the core assets of AIMCG shall be the responsibility of the REIT manager, except in the case that the REIT Manager is unable to carry out said responsibilities, in which case the following rules and regulations apply:

- In the case the Trustee must carry out said duties, measures must be set in place to ensure agencies managing any investment in other said assets are separate from agencies that could cause a conflict of interest or conflict in performance of duties, as well as safeguarding inside information by keeping agencies and personnel responsible for managing said investments separate from agencies or personnel that could take the opportunity to utilize said information.

- In the case that a person other than the REIT Manager is assigned to carry out said duties or assignments, those persons must comply with criteria as defined in the Notification of the Capital Market Supervisory Board regarding the appointment of other persons for duties or responsibilities in connection with business operations, specifically in relation to allowing other persons to carry out duties related to fund investments, *mutatis mutandis*.

### Trustee Responsibilities in Organization of Work Systems

The Trustee is responsible for providing an appropriate work system in accordance with the Trust Act and as required by the Office of the SEC. The Trustee's work system must cover at least the following:

1. The Trustee shall keep AIMCG's assets separate from other private assets and accounts of the Trustee. In maintaining the assets, the REIT must be separated under the trust establishment agreement from the Trustee's own assets and other assets in the possession of the Trustee.

2. The REIT management must be inspected and monitored by the REIT Manager in accordance with the trust establishment agreement, the Trust Act, and other related laws.

3. Records must be kept of ownership or rights over AIMCG assets, revenue, expenses, and liabilities, as well as any accounts related to AIMCG.

4. Inspection and monitoring of the duties of the REIT Manager must be carried out for the benefit of AIMCG.

5. accordance with the Trust Deed and the Trust Act and any corruption in the management of the REIT must be prevented.

6. The Trustee shall prepare an account of the AIMCG's assets that separates the AIMCG's assets from other assets and accounts of the Trustee. Where the Trustee manages multiple trusts, the account of assets of each trust shall be separately prepared, ensuring that the entries in these accounts are correct, complete and up-to-date, and the trusts are separated from the Trustee's own assets and other assets in possession of the Trustee.

7. In the event that Trustee fails to perform operations as defined above causing AIMCG to be mixed with personal assets of Trustee without possibility of separation, it shall be assumed that:

- Those mixed assets are owned by AIMCG.
- Damages and debts caused by management of mixed assets shall be deemed as personal damages and debts of Trustee.
- Benefits obtained from management of mixed assets must be owned by AIMCG.

Mixed assets as defined in the first paragraph shall include assets that are transformed to other shapes or conditions.

8. In case the Trustee fails to comply with the duties as mentioned above and, as a consequence, the assets of trusts are commingled in the manner that it is unable to identify to which respective trust the assets belong, it shall be presumed that the commingled assets, including assets that are transformed into a different form or state, and any benefits or obligations incurred from the management of such commingled assets shall belong to each trust in proportion to the costs of commingled assets.

### **Duty on AIMCG Management**

1. The Trustee has the duty to attend every meeting of trust unitholders. Where the resolutions of the meetings of trust unitholders are required for any acts, the Trustee shall:

- Answer inquiries and render opinions on the compliance of such acts and matters that are proposed for the meeting's resolutions with the trust deeds or relevant laws.
- Raise objections and notify the trust unitholders that such acts and matters that are proposed for the meeting's resolutions cannot be executed if they are not in accordance with the trust deed or applicable laws.

In the event that the Trustee is the trust unitholder requiring any voting or operation as the trust unitholder, Trustee has to consider on and maintain the ultimate benefits of trust unitholders based on good faith and carefulness. In addition, Trustee shall not cause any conflict or impact against performances as the Trustee of AIMCG.

2. The Trustee has the duty to enforce the debt repayment or ensure the enforcement of the debt repayment for compliance with the agreements between the AIMCG and third parties.

3. The Trustee is not allowed to offset the debts arising beyond the performance in trusteeship owed by the Trustee to a third party against the debts arising from the management of trust owed to AIMCG by the third party. Violation of this clause shall be considered void.

4. Where the Trustee executes legal acts or transactions with third parties, the Trustee shall notify such third parties in writing upon the execution of the legal acts or transactions that they are performed in trusteeship.

5. Performance of duty in relation to AIMCG management is considered the Trustee's responsibility and shall not be delegated to other parties unless an exception has been granted, giving the Trustee the right to delegate said duties as stipulated in the trust establishment agreement regarding AIMCG management responsibilities and asset management duties.

6. Trustee shall be responsible for preparing registration book whereas Trustee may assign Thailand Securities Depository Company Limited (TSD) or licensed person to provide service as securities registrar under Securities and Exchange Act to perform such preparation. When assigning other persons as trust unit registrar, Trustee shall be responsible for governing such assigned person to comply with criteria as defined in Trust Deed and securities laws unless required evidence is prepared under system and regulations of TSD on securities registrar.

7. Trustee or trust unit registrar shall prepare the evidence to exhibit the right in trust units or trust certificate for giving to trust unitholder under criteria as defined in Trust Deed and securities laws.

8. In the event that trust unitholders ask the Trustee or trust unit registrar to issue the evidence on the right in new trust units or new trust certificate in lieu of lost or defected trust certificate, Trustee shall be responsible for issuing or performing operations to issue the evidence for exhibiting the right in new trust units or new trust certificate for trust unitholder within the proper duration.

9. The Trustee is responsible for providing assessment regarding the performance of the REIT Manager in the AIMCG annual report. The REIT Manager is responsible for preparing and presenting said report to the trust unitholders, whereby the Trustee must express his opinions and assessment of the REIT Manager's performance and operations in managing the REIT, in accordance with the terms of the trust establishment agreement, as well as any

laws, notifications, and other related or unrelated requirements. If the REIT Manager does not comply with the terms of the REIT establishment agreement or any other laws, notifications, and/or related regulations, such matters must be specified, along with corrective actions taken by the Trustee.

10. The Trustee is responsible for certifying reports of the net asset value of AIMCG and trust unit value on the last business day of each quarter in accordance with the relevant rules and regulations prescribed, allowing the REIT Manager to disclose the said report to the SEC within 45 (forty-five) days from the last day of each quarter.

In addition, when the REIT Manager issues the annual report for each period, publishing information regarding net asset value and net asset value per unit in the annual report of AIMCG, the Trustee is responsible for exercising prudence and caution regarding the REIT Manager's calculation of the net asset value (NAV) of AIMCG's assets per unit in accordance with the relevant rules and regulations prescribed. The REIT Manager must also submit information relating to the calculation of the net asset value, including but not limited to property valuation reports, and must certify the accuracy of all information submitted to the Trustee.

11. When the REIT has ended, the Trustee shall be allowed to continue to perform duties in the collection, distribution, and allocation of assets. All debts and expenses must be cleared at the time of termination of the REIT in the order specified in the Trust Act.

12. The Trustee shall separate the financial statements of AIMCG from the financial statements of other trusts or of the Trustee, taking into account the standards set forth by the laws governing accounting professions. All financial statements prepared must be examined and commented on by the auditor before submission to the SEC and disclosure to the public in accordance with the rules and regulations announced by the SEC. The said auditor must be approved by the SEC and must not be a director, officer, or employee of the Trustee

13. The Trustee shall refrain from exercising the right to receive monies or assets from the REIT for expenses paid to a third party.

## **Duty on Monitoring and Auditing for the Performance of REIT Manager**

1. Observe that AIMCG management is performed by REIT Manager that is approved by SEC Office during the existing of AIMCG.

2. Follow up and perform as necessary in order to supervise assignees to maintain the qualification and performance in compliance with the criteria as defined in Trust Deed and related laws as well as discharge former assignee and appoint new assignee.

3. Control and supervise AIMCG investment to be in accordance with Trust Deed and related laws.

4. Control and supervise information disclosure of AIMCG correctly and completely as defined in Trust Deed and related laws.

5. Provide opinion on operations or transactions for AIMCG by REIT Manager and other assignees (if any) for supporting the request for the resolution of the meeting of trust

6. In cases where necessary, for the benefit of AIMIRT and the trust unitholders overall, the Trustee may require the REIT Manager to take action as deemed appropriate and in such a way as not to place undue burden upon the REIT Manager beyond the duties specified in the trust establishment agreement or other related laws. As such, said issues or actions taken by the REIT Manager must not be in conflict with or contradict the Trust Deed or other laws, standards, rules, or regulations of relevant government agencies. If said issues place undue burden or expense upon the REIT Manager, the Trustee and REIT will discuss the matter further and come to agreement accordingly.

7. In the event that REIT Manager performs or suspends any operations and causes damages against AIMCG or fails to comply with trust deed or related laws, Trustee has duty to report to SEC Office within 5 (five) official days from the date of acknowledgement and remedy, amend, or inhibit damages occurred with AIMCG as proper.

8. Where no REIT Manager is appointed or REIT Manager cannot perform its duties due to any reasons, the



Trustee shall provisionally manage AIMCG until a new REIT Manager is appointed. Pursuant to the rules and regulations set forth by the Notification No. KorRor. 14/2555, the Trustee shall have the duty to, where necessary, manage AIMCG in order to prevent, deter or limit gross damages to AIMCG or the trust unitholders in general as well as to perform acts within the scope of authority and duties specified in the trust deeds and the Trust for Transactions in the Capital Market Act and may assign other parties to manage AIMCG during such period in accordance with the scope, rules, and conditions specified in the trust deed. The Trustee is also empowered to appoint a new REIT Manager in accordance with the scope of duties and authority permissible by the trust deed and the Trust for Transactions in the Capital Market Act.

## Duty on Trust Deed

1. Supervise amendment of Trust Deed to meet with methods and conditions as defined in Trust Deed and criteria as defined in related laws.

2. In the event that amendment of Trust Deed fails to meet with Item 19, Trustee shall perform its role under authorities and duties as defined in Trust Deed and Trust Act for maintaining overall benefits of trust unitholders.

3. In the event that the criteria on trust unit offering or REIT management issued under the Securities and Exchange Act and Trust Act are subsequently amended and Trust Deed consisted of provisions that are not under such criteria, Trustee shall perform its role to amend Trust Deed to meet with such criteria under the methods as defined in Trust Deed or as ordered by SEC Office under Section 21 of Trust Act.

## Information of Concerned Parties

### Auditor

Name of Auditor	Grant Thornton Company Limited
Head office	87/1 Capital Tower All Seasons Place Building Room No. S1101, S1102, 11th Floor Wireless Road, Lumpini, Pathumwan, Bangkok
Telephone	0 2205 8222

### Securities Registrar

Name of Securities Registrar	Thailand Securities Depository Company Limited
Head office	93 Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok
Telephone	0 2009 9999

### Appraiser

Name of Appraiser	SIMS Property Consultant Company Limited
Head office	2521/35-36 BIZ Town Ladprao Project Ladprao Road., Chaokhun Sing, Wangthonglang, Bangkok.
Telephone	0 2530 4333

Name of Appraiser	Grand Asset Advisory Company Limited
Head office	1350/279-283 Thai Narong Tower Pattanakarn Road., Suanluang, Suanluang, Bangkok.
Telephone	0 2030 5885

# AIMCG Corporate Governance

Since REIT Manager realizes on the importance to manage AIMCG to meet with laws, rules, regulations, and Trust Deed by performing duties with transparency, loyalty, good faith, and responsibility for the ultimate benefit of Trust Unit Holders, REIT Manager shall not perform any action that may be contrary to or cause any conflict with overall benefits of Trust Unit Holders and investors. To govern AIMCG, REIT Manager has to perform duties as follows:

1. To disclose important and related information sufficiently for decision making of investors whereas such information must be explicit without distortion and misunderstanding.

2. To do not utilize information obtained from performing duties as REIT Manager for any improper and personal benefit or cause any damage or effect against overall benefits of AIMCG.

3. To perform operations carefully without causing any conflict of interest. In the event of any conflict, REIT Manager must take all actions to ensure that investors will be treated fairly and appropriately.

4. To cooperate in perform duties with Trustee, SEC or SET as well as request for approval or information disclosure that may affect to AIMCG management significantly.

5. To hold the Meeting of Trust Unit Holders as defined in Trust Deed or related laws in order to entitle Trust Unit Holders to attend the meeting and vote for all agendas in the Meeting of Trust Unit Holders based on their trust units.

## REIT Manager Meeting

### Calling a Meeting of the REIT Management Board of Directors

Any director may call a board meeting of the REIT Management Board of Directors by drafting and distributing an invitation letter specifying the location, date, time, agenda, and matters for proposal in the meeting, along with any appropriate regulations and details. It must be clearly specified in the letter whether said matters are to be proposed for acknowledgment, for approval, or for consideration, as the case may be. Delivery of notice and

invitation to the board meeting must be carried out as follows:

1. In general cases, the letter must be sent to the members of the board in advance of the proposed meeting date.

2. In the case of already prescribed specific guidelines regarding the timing of the delivery of the notice and invitation to a meeting, said letter should be delivered in accordance with the guidelines specified for that matter.

Board of Directors' Meetings are convened at least once per quarter and/or in the event of important issues requiring resolution or approval from the Board of Directors. Board members may call a meeting of the Board of Directors by complying with the above meeting guidelines.

### Event required for the Board of Directors' Approval

1. Acquisition or distribution of the major properties with the value from 10 (ten) percent of overall properties' value of AIMCG.

2. Holding of trust unitholders' meeting.

3. Considering and approving the AIMCG's financial statement.

4. Determination of the Board of Directors' remunerations.

5. Considering and approving the annual budget of AIMCG.

6. Changing and appointing of the auditors and their remunerations.

7. Amending the trust deed which may not affect trust unitholders significantly.

8. Appointment of specified advisors and experts with regard to the AIMCG's investment.

9. Distribution AIMCG's benefit.

10. Obtaining the loan create the encumbrances to the AIMCG's assets and repayment of loans.

11. Transactions made by and between REIT Manager and REIT Manager or persons in relation to REIT

Manager with the value from 1,000,000 Baht or over than 0.03 percent of the net value of AIMCG's properties, whichever is higher. The size of such transactions is subject to be changed by laws, rules, regulations, and related notifications.

12. Other matters considered by directors or executives as necessary or proper to propose to board of directors for considering and giving resolutions.

### The AIMCG Significant Transaction

(No.) Date	Details of Transaction
4 September 2019	- Approved the additional investment no. 1 of AIMCG and approved the entering into the long-term loan of AIMCG in the total amount not exceeding 250,000,000 Baht for acquisition the additional assets.
12 November 2019	- Approved AIMCG audited financial statement for the quarter 3/2019 ended 30 September 2019. - Approved the distribution payment to trust unitholders for the operating results during 5 July 2019 to 30 September 2019.
28 November 2019	- Signed on the sale and purchase agreement for condominium 6 units in Noble Solo Project and registered with the Department of Lands

### Use of Internal Information

For transparency of AIMCG management, REIT Manager establishes the policy to lay out a guideline for our directors, executives, and/or employees related to the internal information to prevent the improper and/or illegal information usage. All directors, executives and/or employee shall refrain from use or disclose any significant internal information of AIMCG to the public for their own benefit or other persons' advantages. Additionally, they are responsible for reporting the possession of trust unit in every trust unit trading or transfer to Legal and Compliance Department. In addition, REIT Manager shall inform the prohibition of trust trading or transfer via email within 30 (thirty) days prior publishing the quarterly and annual financial statements to SET or prior disclosure of significant internal information of AIMCG that may affect to trust unit price.

### Quorum and Voting

In every meeting of the board of directors, a quorum of a Board of Directors shall consist of more than half of total number of directors who attend the meeting themselves.

Each director has the right to vote for one vote. In the event that the number of votes is equal, the Chairman will have another vote to be the final decision.

### Investment Management

#### AIMCG Investment Management

Business Development Department has the major responsibility to procure and select quality assets for the AIMCG's investment as well as to meet with Investment Policy of AIMCG and related criteria in order to enable AIMCG to grow continuously and generate appropriate returns to trust unitholders. The important details can be concluded as follows:

1. Business Development Department will look for opportunities to invest in major assets and perform primary inspection in order to consider whether such investment meet with objectives and policy on investment of AIMCG, related laws, and criteria as defined in the notifications of SEC. Subsequently, primary investment report will be proposed to CEO for consideration and approval.

2. In the event that CEO approves primary investment report, Business Development Department will inspect and review details of assets (Due Diligence) thoroughly including information, title deeds, and related documents under criteria on assets investment as declared by SEC as well as assess possible risks caused by investment in such assets.

3. The value of invested assets must be assessed by independent valuator (outsourced) and report on such valuation must be mutually reviewed as defined in the notifications of SEC for using as the information for making decision on investment of such assets.

4. Such report must be proposed to the Board of Directors for consideration and approval. After being approved by the Board of Directors, Business Development Department will send information on investment of such assets to Trustee for consideration and approval based on the size of transaction and rules as defined by SEC (and as amended by SEC). (In the event of consideration on the first investment in assets, Trustee's approval is not required.)

5. Operations must be performed as defined in Trust Deed and other contracts in relation to investment in assets.

### Benefits Acquisition from AIMCG's Major Properties

1. REIT Manager will acquire benefits from major assets by renting, sub-leasing, and allowing the use of spaces with service charge, providing services in relation to renting or allowing the use of spaces. REIT Manager will not perform any action to utilize AIMCG for operating other businesses, for example, hotel business or hospital business, etc.

2. In the event that REIT Manager will rent the property to person who will use such property for operating any business that cannot be operated by AIMCG, for example, hotel business or hospital business, etc., the rental fee shall be agreed in a certain amount in advance. In the event of any reference to turnover of the tenant, the maximum rental fee referred to such turnover shall not be over than 50 (fifty) percent of the rental fee that is agreed in advance.

3. REIT Manager is prohibited from renting any property to any person with any proper suspicion to utilize

such property for operating any business that is immoral or illegal. For each renting, REIT Manager shall make the agreement on termination of such renting in the event that the tenant is appeared to utilize the property for operating such kind of business.

4. REIT Manager has to maintain the major properties to be in good order and ready for income acquisition. REIT Manager is responsible for making the property all risks insurance with sufficient and appropriate coverage as agreed by Trustee for restoring the properties of AIMCG in order to acquire benefits as usual during the term of investment in such properties. Such property all risks insurance must cover all kinds of disaster that may be occurred with the properties under the coverage that is not less than Full Replacement Cost. In addition, REIT Manager must make the public liability insurance for covering outsiders that may be damaged by the properties or all operations in the properties under sufficient and appropriate coverage. To consider on the coverage of such insurances that made by REIT Manager, Trustee will not deny preparation of such insurances and their coverage without proper reason.

5. In the event that AIMCG acquires the ownership of any property and REIT Manager intends to obtain benefits from such property through renting to the former owner, REIT Manager has to define the rental fee rate charged from the former owner that is in the manner of normal trading fee as if making general trading transaction with outsider.

### Selection of Property Manager

In the case where REIT Manager intends to assign property management duties to property managers, REIT Manager shall carefully select property managers with prudence, supervise and monitor the performance of property managers sufficiently to ensure that property managers are qualified in terms of their knowledge, capabilities, expertise and experience in managing the real estate of AIMCG. In addition, REIT Manager shall control and supervise performance of property managers to ensure compliance with trust deeds, REIT manager agreement, and applicable laws and notifications for the best interest of unitholders and investors in general. In

appointing property managers to manage the invested real estate of AIMCG in relation to, for example, day-to-day operations of such real estate, REIT Manager shall, at least, proceed with the following:

1. To assess and evaluate qualifications of property managers by taking into account their experience, reputation and track records in terms of, for example, tenant acquisition, debt collection, in-house building maintenance, rental space management, rental service delivery, internal control to prevent revenue leakage, effective expense disbursement control, mechanism to prevent conflicts of interest between property managers and AIMCG, and other important factors. This is to provide assurance that property managers will be able to effectively manage assets of AIMCG and add value to AIMCG and trust unitholders. In this regard, internal control systems of property managers shall meet the minimum requirements per the criteria and guidelines for the management of investment fund and trusts as prescribed by the SEC Office.

2. To review the suitability of the compensation of property managers which must be commensurate with their performance in order to motivate property managers to boost the revenue of AIMCG. For example, the compensation of property managers may be tied to actual rental revenue and service fee or net profit from property rental.

3. To establish mechanism that allows AIMCG to change their property managers if the property managers fail to comply with terms and conditions specified in property manager agreements or their performance is unsatisfactory.

4. To establish a process for regular monitoring and evaluation of the internal control system of property managers to ensure that their internal control systems remain effective and can prevent or easily detect frauds or noncompliance. For example, property managers may be required to submit reports on internal control system assessment (if any) conducted by auditors and internal auditors, only in relation to the AIMCG operation, to REIT Manager.

5. REIT Manager may specify in property management agreements that property managers are held liable for

benefit loss suffered by AIMCG where such loss is caused by the negligence of property managers in respect of their internal control systems which are vulnerable to frauds.

6. If REIT Manager finds that property managers perform or fail to perform acts and such action or inaction cause the property managers to lack credibility, based on the generally accepted duties, authority and professional standards of property managers, in terms of their ability to fulfil duties specified in property management agreements, REIT Manager shall arrange to terminate the property manager agreements in order for REIT Manager to either take over the property management or select new property managers as replacements.

## Property Managers' Performance Monitoring

To manage major properties of AIMCG, REIT Manager, by Property Management Department, will control and govern the outsourced property manager that is appointed by AIMCG to manage properties in order to achieve objectives and maintain the ultimate benefit of AIMCG and trust unitholders whereas REIT Manager has the system to perform operations, control, and supervise the outsourced property manager as follows:

### Monthly Monitoring

Property Management Department will control and supervise outstanding debt payment of tenants that will be audited from the report on outstanding debt payment made by the outsourced property manager every month. In addition, Property Management Department shall inspect whether the outsourced property manager makes required documents for debt collection correctly and completely.

### Quarterly Monitoring

1. Property Management Department will control and supervise tenant procurement process for renting the major properties of AIMCG. In every quarters, the marketing documents used by outsourced property manager for recruiting tenants will be inspected in order to ensure that such property manager performs the operations transparently without any conflict of interest. The inspection will be conducted, at least, on offering of properties for



renting in each location equally without emphasizing on the names of the owners as well as pricing of properties for renting whether it is beneficial for any owner specifically or not. Property Management Department will directly contact target customers to audit and verify (Surprise Check) that the property manager has performed his/her duties fairly without any benefit to any specific owner.

2. Property Management Department will hold the meeting with the property manager in order to listen to the report on major properties renting, competitive condition, and related industrial conditions.

### Yearly Monitoring

1. Property Management Department will mutually inspect properties with the property manager and the appraisal company to ensure that the major properties of AIMCG are completely existing without any addition beyond those as permitted by the Company as well as for the purpose of annual reappraisal for the properties.

2. Property Management Department will examine documents related to insurance of the major properties to ensure that all major properties have been insured correctly and completely.

### Property Repair

Regarding property repair, Property Management Department shall examine the reasonability of property repairing, as well as the vendors' experience performing the property repair and its expenses prior to giving the approval for repairing as requested by the outsourced property manager to ensure that such property manager will repair the property without any conflict of interest.

### Property Manager's Operating Control

1. REIT Manager executes the hiring agreement for property management and other related agreements.

2. After signing on the hiring agreement for property management and other related agreements, REIT Manager shall be authorized to examine and control the property management under aforementioned agreements.

3. After entering into the hiring agreement for property management and other related agreements, REIT Manager and Trustee will audit compliance with such agreements.

4. REIT Manager will control and audit performance of property manager as defined in agreements. In the event that it is found the property manager violates or omits any significant clause as well as any provision on approval authority, Property Management Department shall report such violation to CEO immediately in order to subsequently report to the Board of Directors. The Board of Directors and/or Trustee may have the resolution or establish the measures to manage such matter as proper as well as exercise the right of claim as defined in the agreements, case by case.

### REIT's Benefits Monitoring

REIT Manager shall monitor the performance of property managers appointed by REIT Manager. The Property Management Department has a role to supervise examine and control the property manager's performance closely in order to maintain benefits of trust unitholders and investors. In addition, REIT Manager is responsible for controlling and managing income and expenses of AIMCG in order to achieve its target as defined in Monitoring System on Operation of Property manager as follows:

1. Examine the report of rental fees and service fees collection.

2. Examine the report of procurement expenses for maintenance or repairing equipment or buildings by property manager.

3. Examine the correctness and accuracy of revenue collection and delivery to AIMCG.

4. Examine the report of outstanding (monthly, quarterly and/or annual) tax and insurance premium.

5. Discuss with the property manager regularly in order to evaluate the operation performance of AIMCG and find out the appropriate solution for any troubles that may occur in the AIMCG's operation.

## REIT Manager's Remunerations

### Base Management Fee

AIMCG agrees to pay the base management fee at the rate not exceeding 0.75 percent of the total asset value of AIMCG as of the last day of each month, but the minimum fee shall not be less than 5,000,000 Baht per year. AIMCG agrees to pay the base management fee to REIT Manager on a monthly basis.

### Performance-based Management Fee

AIMCG agrees to pay the performance-based management fee to REIT Manager on monthly basis at the rate 3 percent per annum of the total income from rental and services of AIMCG's core assets since date of each core asset acquisition.

### Incentive Fee

It refers to the extra compensation in addition to the performance-based management fee at the rate 3 percent per annum of the operating profit of AIMCG from the core assets since the date of each core asset acquisition. AIMCG agrees to pay the incentive fee to REIT Manager on a monthly basis.

### Commission for Rental and Service Agreement Renewal by Retail Tenants and Commission for Acquisition of New Retail Tenants for Unoccupied Assets

- If an existing retail tenant renews the rental and service agreement, AIMCG agrees to pay a commission to REIT Manager at the rate equivalent to 0.5 month's rental and service fees that AIMCG will receive from the retail tenant according to the rental and service agreement.

- If a new retail tenant enters into the rental and service agreement, AIMCG agrees to pay a commission to REIT Manager at the rate equivalent to 1 month's rental and service fees that AIMCG will receive from the retail tenant according to the rental and service agreement.

### Common Utility System Maintenance

Fee refers to the monthly fees payable to the common utility system maintenance service providers for the real estates of each project in which AIMCG has invested

(if any). The fee shall be at the actual fee rate charged by the service providers. In this regard, the increase in the common utility system maintenance fee shall not exceed 3 percent per year and AIMCG agrees to pay the common utility system maintenance fee to the REIT Manager on monthly basis.

### Assets Acquisition Fee and Disposal Fee

- Assets Acquisition Fee: Not exceeding 3 percent of the value of each acquired asset.

- Assets Disposal Fee: Not exceeding 3 percent of, whichever is lower between the value of each disposed asset, and the appraised value assessed by an appraiser on the approved list of the SEC Office.

## Information Disclosure

REIT Manager emphasizes on facilitating trust unitholders and general investors to access to information of AIMCG conveniently and equally by regularly disclosing correct, complete and timely information on finance, performance, and other important information in order to enable trust unitholders and investors to use such information for making decision on investment. Information was disclosed via various channels including the SEC Office, SET, and website of REIT Manager, whereas Legal and Compliance Department has to be responsible for preparing and/or governing, collecting information from related departments to disclose information of REIT Manager and AIMCG to meet with Trust Deed and related to rules. In addition, Legal and Compliance Department has to disclose information, coordinate, and mutually perform operations with Trustee under "*Memorandum of Understanding on Mutual Operations between REIT Manager and Trustee*" with the following systems for supporting information disclosure:

1. To gather rules and regulations in relation to important information disclosure including:

- 1.1 The Notification of Capital Market Supervisory re: Rules, Conditions and Procedures for Reporting of AIMCG's Financial Position and Operating Results;

1.2 The Regulations of SET on Information Acceptance and Disclosure and Trust Unit Revocation of AIMCG.

2. To prepare the check list for using as the guidelines for disclosing information correctly, completely, and timely.

3. To follow-up and update the above rules for publishing to executives and/or related departments regularly.

4. To disclose information to meet with the criteria as defined in related rules.

5. To disclose information to Trustee; Legal and Compliance Department shall disclose information, coordinate, and mutually performs operations with Trustee under *"Memorandum of Understanding on Mutual Operations between REIT Manager and Trustee"*. According to this MOU, AIMCG has to submit reports to Trustee under defined period or upon important events by gathering all relevant information, opinions, principles, reasons, and supporting documents from related internal departments in order to make the reports for submitting to Trustee.

## Trust Unitholders Meeting

### Event required for the Trust Unitholders' Approval

1. Acquisition or distribution of the major properties with the value from 30 (thirty) percent of overall properties' value of AIMCG.

2. Increase or Reduction of paid-up capital of AIMCG that is not early specified herein.

3. General Mandate of AIMCG

4. Transactions made by and between REIT Manager and REIT Manager or persons in relation to REIT Manager with the value from 20,000,000 (twenty million) Baht or over than 3 (three) percent of the net value of AIMCG's properties, whichever is higher. The size of such transactions is subject to be changed by laws, rules, regulations, and related notifications.

5. Changing of returns and return of investment to trust unitholders.

6. Replacement or discharge of Trustee.

7. Replacement or discharge of REIT Manager.

8. Amendment of Trust Deed on clauses that may significantly affect to the rights of trust unitholders.

9. Termination of AIMCG.

10. Other cases considered by Trustee or REIT Manager as necessary or proper to propose to Trust Unit Holders for considering and giving resolutions.

### Meeting of Trust Unitholders Arrangement

1. REIT Manager shall be responsible for holding the Annual General Meeting of Trust Unitholders within 4 (four) months from the end of accounting period of AIMCG.

2. In the event of any necessity to obtain the resolution from trust unitholders on any matter, the Extraordinary Meeting of Trust Unitholders must be held in order to be consistent with related laws and Trust Deed under the following matters or events:

2.1 When any trust unitholders holding mutual trust not less than 10 (ten) percent of all issued trust units mutually submit a joint letter requesting REIT Manager to call the Meeting of Trust Unitholders with explicit specification on the reasons of such meeting. When trust unitholders mutually submit a joint letter for calling the Meeting of Trust Unitholders, REIT Manager shall hold the Meeting of Trust Unitholders within 1 (one) month from the date of receiving such letter from trust unitholders.

2.2 When Trustee considers that is it necessary or proper to propose the agendas to the Meeting of Trust Unitholders for considering and giving the resolutions on such agendas, REIT Manager shall hold the Meeting of Trust Unitholders within 1 (one) month from the date of receiving the letter from Trustee. However, the right of Trustee on consulting with REIT Manager on such necessity shall not be deprived.

### Invitation of Trust Unitholders Meeting

To call the meeting of trust unitholders, REIT Manager shall make the invitation letter specifying venue, date, time, agendas, and proposals of the meeting with proper details

and methods. It is necessary to clearly specify that each agenda is for acknowledgement, approval, or consideration, as the case may be, including REIT Manager's opinion regarding agenda as aforementioned which may affect to trust unitholders. In this connection, REIT Manager shall send the invitation letter to trust unitholders by the following case:

1. In general case, the invitation letter must be sent to trust unitholders not less than 7 (seven) days in advance

2. In the case of already prescribed specific guidelines regarding the timing of the delivery of the notice and invitation to a meeting, said letter should be delivered in accordance with the guidelines specified for that matter.

In the event that the REIT Manager does not call the unitholders' meeting within a period of one (1) month from the date of receipt of the letter from the unitholders and/or the Trustee as specified in the trust establishment agreement, as the case may be, the Trustee may call a meeting of the unitholders by complying with the above meeting procedures mutatis mutandis. The Trustee also has the right to collect expenses incurred (if any) for the unitholders' meeting, in lieu of the REIT Manager.

### Quorum and Chairman of Trust Unitholders Meeting

The trust unitholders meeting must have present a minimum of 25 (twenty-five) members or not less than half of the total number of trust unitholders, and must count a total number of trust units not less than 1 in 3 (one in three) of the total number of trust units already sold in order to constitute a quorum.

In the event of any unitholders' meeting whereby 1 (one) hour after the appointed meeting time, it appears that the number of unitholders attending the meeting do not constitute a quorum as specified in the first paragraph, if the unitholders' meeting has been called due to a request by unitholders as specified in the trust establishment agreement, the meeting should be adjourned. If said unitholders' meeting is not per a request by unitholders as specified in the trust establishment agreement, a new meeting time shall be set and an invitation for said meeting shall be sent to unitholders not less than 7 (seven) days before the proposed meeting date. In the case of the latter meeting, a quorum is not required.

### Voting Rights

Each trust unitholder has 1 (one) vote per 1 (one) trust unit that they hold. However, the following unitholders have certain limitations on their voting rights in that they have the right to vote only in matters in which they do not have special interests.

1. Trust unitholders holding trust units exceeding the permitted rate or not in accordance with the criteria specified in Notification No. Tor Chor. 49/2555, Notification No. Kor Khor 14/2012, and Notification No. Sor Thor 29/2555, as the case may be, or in any other proportion as specified in SEC Notifications thus far or any future amendments. This is applicable only to the parts exceeding the permitted rate or that do not meet the said criteria.

2. Trust unitholders having special interests in the matter(s) requiring resolution.

### Resolution of Trust Unitholders

In the event that it is not otherwise defined by Trust Deed, the resolution of trust unitholders shall consist of the following votes:

1. In general cases, the resolution must be obtained from the majority votes of attended trust unitholders with voting right.

2. In the following cases, the votes must not be less than 3/4 (three-quarters) of total votes of attended trust unitholders with voting rights.

- 2.1 Acquisition or disposal of major assets with the value from 30% (thirty percent) of total assets of AIMCG.

- 2.2 Increase or reduction of paid-up capital of AIMCG that is not early specified herein Trust Deed.

- 2.3 General Mandate of AIMCG

- 2.4 Transactions made by and between REIT Manager or persons in relation to REIT Manager with the value from 20,000,000 (twenty) million Baht or over than 3 (three) percent of the net value of the AIMCG's properties, whichever is higher. The size of such transactions is subject to be changed by laws, rules, regulations, and related notifications.

2.5 Changing of returns and return of investment to trust unitholders.

2.6 Replacement or discharge of Trustee.

2.7 Amendment of Trust Deed on clauses that may significantly affect to the rights of trust unitholders.

2.8 Termination of AIMCG.

Moreover, any resolutions passed by trust unitholders that will result in the REIT or REIT Management being in contradiction of or inconsistent with the rules and regulations prescribed in Notification No. Sor Khor 26/2555 or any other criteria under the Securities Act or the Trust Act shall be considered null and void.

## Selection and Appointment of Directors and Top Executives

### Selection and Appointment of Directors and Top Executives

Directors and Top Executives Selection and Appointment System REIT Manager has to select and inspect whether the executives have qualifications as specified in the notification of the SEC Office as follows:

1. Have experience on investment management or acquisition for benefits from properties not less than 3 years within 5 years prior working with the Company.

2. Have no prohibited characteristic of person with authority on AIMCG management as defined in the Notification of the Capital Market Supervisory regarding Prohibited Characteristics of Personnel in Capital Market Business.

The Board of Directors or appointed person (as the case may be) will govern selection of Top Executives based on the above qualifications under cooperation of Legal and Compliance Department.

### Observing personnel in relation to operations of AIMCG System

REIT Manager has the system to observe personnel in relation to operations of AIMCG to have appropriate qualifications by assigning Legal and Compliance Department to perform the following actions:

1. When Director/Executive/Persons with authority on management of REIT Manager is appointed, Legal and Compliance Department will inform him or her on prohibited characteristics of Director/Executive/Persons with authority on management of REIT Manager.

2. Legal and Compliance Department manages Director/ Executive/ Persons with authority on management to fill information and sign in *“Certificate of Profile of Director/ Executive/ Person with Authority on REIT Management for Investing in Property”* in order to certify that such person has no prohibited characteristics and *“Report on Interest of Director/Executive/ Person with Authority on REIT Management and Related Person”* in order to inform the Company on personal information and relationship with related persons of such person whereas the Company will use such information for auditing interest of such persons in making any transaction with AIMCG.

3. Legal and Compliance Department informs Director/ Executive/Persons with authority on management to prepare *“Certificate of Profile of Director/Executive/Persons with Authority on REIT Management”* and *“Report on Interest of Director/Executive/ Person with Authority on REIT Management and Related Person”* and submit to Legal and Compliance Department at least once a year or in the event of any data updating in those 2 reports.

4. In the event of any significant amendment, Legal and Compliance Department will report to the Board of Directors.

5. The Board of Directors reports the SEC Office in the event that such amendment is contrary to related laws.

### Selection of Independent Director

To select independent director of REIT Manager, independent directors shall have at least the following qualifications.

1. Hold shares not less than 1 (one) percent of total shares with voting right in REIT Manager, subsidiaries, associates, or persons that may have conflict of interest (included with related persons as defined by Securities and Exchange Act).

2. Have no participation in management and not being an employee, staff, or consultant who receives salary from



REIT Manager or subsidiaries, associates, persons that may have conflict of interest whereas such benefit or interest shall not be obtained for at least 2 (two) years.

3. Have no direct or indirect business relationship, benefit, or interest on finance and management of REIT Manager, subsidiaries, associates, or persons that may have conflict of interest in the manner that hinders independence.

4. Not being a close relative with any executive or major shareholder of REIT Manager, subsidiaries, associates, or persons that may have conflict of interest and not being a person appointed as the representative for maintaining benefits of any director or major trust unitholders.

5. Must not be a director appointed as a representative of Company directors, major shareholders, or any shareholders related or associated to major shareholders.

6. Must not be or have previously been an auditor of the REIT Manager or a significant shareholder, regulator, or partner of the auditing firm engaged by the REIT Manager, unless said persons have been free of the aforementioned responsibilities or characteristics for a period of no less than 2 (two) years.

7. Be ready to use personal discretion independently and in necessary cases for benefits of REIT Manager as well as be ready to argue on operations of other directors or management.

8. Be able to attend the Meeting of the Board of Directors for making decision on important activities of REIT Manager.

9. Must not be or have previously been a provider of any professional services, including legal or financial advisory services, having received service fees exceeding 2,000,000 (two) million Baht per year from the REIT Manager,

and must not be a significant shareholder, regulator, or partner of said service provider, unless said persons have been free of the aforementioned responsibilities or characteristics for a period of no less than 2 (two) years.

10. Must not operate a business of the same nature and/or in significant competition with the business of the REIT Manager and must not be a subsidiary, significant partner in a partnership, director participating in management, employee, member of staff, or consultant who receives a salary from the REIT Manager, or hold shares exceeding 1 (one) percent of the total number of voting shares of other companies/businesses operating with the same business nature and/or in significant competition with the business or subsidiaries of the REIT Manager

11. Have appropriate knowledge and experience or high and acceptable potential.

12. Not be listed by SET as a person who is inappropriate to be executive as defined by regulations of SET.

13. Not be sentenced to commit any offence against the securities law, the financial institution law, the non-life insurance law, the anti-money laundering law, or other similar laws governing financial businesses of Thailand or other countries by competent authorities of such jurisdictions in offences related to unfair securities trading or fraudulent or corrupt businesses management practices.

14. Have no other characteristics that may hinder independent opinion giving on operations of REIT Manager.

## Remuneration of the Auditor

AIMCG has appointed Grant Thornton Company Limited as the Auditor for the financial period ended 31 December 2019 with the auditing fee in total amount of 620,000 Baht.

# Corporate Social Responsibilities

The Company, as REIT Manager, mainly realizes on direct and indirect social responsibilities as well as considered on benefits of trust unitholders by emphasizing on correct and fair management as well as anti-corruption, respect for human rights, fair treatment of employees, corporate social responsibility, and environmental conservation.

## Business Operation Fairness

Business Operation Fairness is considered as business ethics emphasized and complied by REIT Manager for AIMCG management whereas REIT Manager strictly manages AIMCG under related laws including Securities and Exchange Act, Trusts for Transactions in Capital Market Act, rules of regulators, and Trust Deed. In addition, REIT Manager also attaches to the Good Governance and avoid any operation that may cause conflict of interest while promoting fair and free trade competition as well as fair dealing without any false advertisement or information disclosure that may cause confusion, misunderstanding, and damages against Trust Unit Holders and general investors in order to give fairness to other entrepreneurs, trust unitholders, related stakeholders, and to make investors feel confident in long term.

## Respect for Human Rights and Fair Treatment of Labors

REIT Manager emphasizes on basic rights of individuals including right to life and right of freedom. REIT Manager highly emphasizes that respect for human rights is the foundation of individual development with legal support on equality, freedom expression, definition of the rights of working under labor laws, the rights of social welfare, and selection of employees for equal operations without limitation on race, religion, and gender.

## Environmental Preservation

REIT Manager realizes and emphasizes on environmental preservation, conservation of natural resources, and reduction of environmental effects. It is considered that environmental preservation is the mutual duty of all people. Therefore, REIT Manager supports employees to use resources efficiently by selecting devices based on energy saving and promoting reuse of resources as well as campaigning energy saving and complying with environmental laws strictly.

# Internal Control and Risk Management

The internal auditor shall be appointed by the independent director of REIT Manager and has the duty to examine the operation of all departments to ensure that they perform in compliance with the relevant procedure as specified in the internal control system of REIT Manager. The independent director shall also monitor and control the internal audit activities.

The followings are the duties and responsibilities of the internal auditor.

1. Determine risk factors on business operation of REIT Manager as well as conduct risk assessment for establishing annual internal audit plan.

2. Establish annual internal audit plan.

3. Propose Annual Internal Audit Plan for approval of independent directors.

4. Conduct internal audit based on approved annual internal audit plan and propose internal audit report as well as report inconsistent operations or violation or issues found in internal audit to independent directors.

5. In the event of any violation, the internal auditor has to coordinate with Legal and Compliance Department for informing to units that violates rules and regulations in order to remedy such violation within the due date.

6. Follow up correction of operations that fail to meet with rules and regulations as well as to create the follow-up report on remedy and to propose to independent directors.

REIT Manager will hire third party to act as the internal auditor under close supervision of independent directors in order to supervise internal auditors to perform his/her duties under internal control system and internal audit of REIT Manager.

# Prevention of Conflict of Interest

REIT Manager has conflict of interest prevention system between AIMCG and persons that may cause conflict of which Department of Business Development and Legal and Compliance Department will mutually supervise transactions to meet with the following criteria:

1. It must be under Trust Deed and related laws and it shall not be contrary to rules as defined and declared by the SEC Office. Importantly, it must be for the ultimate benefit of AIMCG.

2. It must be reasonable and performed based on fair price and market conditions.

3. Expenses for performing transactions as charged from AIMCG (if any) must be fair and appropriate.

4. Stakeholders in transactions must not participate in approval on transactions.

Legal and Compliance Department will supervise and prevent conflict of interest between AIMCG and persons that may cause conflict through the following operations:

1. Gather name list of individuals or juristic persons that may be related parties and update information for submitting to Trustee every six (6) months for auditing related transactions of AIMCG and related parties.

2. Inspect whether any transaction is related to any stakeholder of AIMCG and whether it is necessary to apply for approval from Trustee or trust unitholders prior performing such transaction.

3. In the event of any transaction related to any stakeholder of AIMCG, Department of Business Development must propose such transaction to CEO for consideration and approval before proposing to the Board of Directors for approval. After obtaining approval from the Board of Directors, Legal and Compliance Department will perform operations to make Business Development Department to propose such transaction to Trustee for approval and consideration whether it meets with Trust Deed and related laws based on the size of transaction and rules as defined by the SEC Office (and as amended by the SEC Office).

In the event that REIT Manager also manages other REITs, the main property of REITs filing for permission of trust unit selling must not be under the same category of the main property of other AIMCGs under rules as defined by the SEC Office (and as amended by the SEC Office).

## Related Transactions

Transactions between AIMCG and REIT Manager or Related Persons of REIT Manager

1. Transactions between AIMCG and AIM Real Estate Management Company Limited which is the REIT Manager of AIMCG during the period between 3 July 2019 (Incorporation Date) and 31 December 2019 are as summarized below:

Description	Transaction Type	Transaction Value in 2019 (Million Baht)	Reason of Transaction
SCB Asset Management Company Limited, as the Trustee of AIMCG, appointed AIM Real Estate Management Company Limited as the REIT Manager with rights and duties as specified in the trust deed.	Base fee	8.38	<ul style="list-style-type: none"> <li>The appointment of the REIT Manager is considered reasonable as it is in the ordinary course of business of AIMCG because the Board of Director and Management Team of REIT Manager has the experience and expertise in real estate business especially community malls.</li> <li>The base fee rate is considered reasonable as it is comparable to the base fees charged by other REIT managers. The base fee is paid to REIT Manager on a monthly basis at the rate of not exceeding 0.75 percent of the total asset value of the REIT but not less than 5,000,000 Baht per year as specified in the trust deed. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>
	Performance - Based Management Fee	3.38	<ul style="list-style-type: none"> <li>The management of the AIMCG's core assets is considered reasonable as it is in the ordinary course of business of AIMCG.</li> <li>The performance fee rate is considered reasonable as it is comparable to the performance-based management fee of other trusts. The performance fee is paid to REIT Manager on a monthly basis at the rate of not exceeding 3 percent p.a. of the net revenue from the core asset rental and service agreements of AIMCG. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>



Description	Transaction Type	Transaction Value in 2019 (Million Baht)	Reason of Transaction
SCB Asset Management Company Limited, as the Trustee of AIMCG, appointed AIM Real Estate Management Company Limited as the REIT Manager with rights and duties as specified in the trust deed.	Incentive Fee	2.87	<ul style="list-style-type: none"> <li>This incentive fee is a special compensation offered to motivate REIT Manager and boost its asset management performance. The incentive fee is based on the operating profit of AIMCG. Therefore, the transaction is considered reasonable and in the interest of trust unitholders.</li> <li>The incentive fee rate is considered reasonable as it is agreed under the trust deed. The incentive fee is paid to REIT Manager on a monthly basis at the rate of not exceeding 3 percent p.a. of the operating profit of AIMCG from core assets. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>

2. A transaction between AIMCG and SCB Asset Management Company Limited which is the Trustee of AIMCG during the accounting period between 3 July 2019 (Incorporation Date) and 31 December 2019 is as summarized below:

Description	Transaction Type	Transaction Value in 2019 (Million Baht)	Reason of Transaction
Pursuant to the trust deed, SCB Asset Management Company Limited is appointed as the trustee of AIMCG.	Trustee fee	3.62	<ul style="list-style-type: none"> <li>The said appointment of the trustee is reasonable as it is in the ordinary course of business of AIMCG.</li> <li>The trustee fee rate is considered reasonable as it is comparable to the trustee fee of other trusts. The trustee fee is paid on a monthly basis at the rate of not exceeding 1.00 percent of the total asset value of the REIT but not less than 5,000,000 Baht per year as specified in the trust deed. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>

3. Transactions between AIMCG and Siam Commercial Bank Public Company Limited which is a major shareholder of the AIMCG's trustee during the accounting period between 3 July 2019 (Incorporation Date) and 31 December 2019 is as summarized below:

Description	Transaction Type	Transaction Value in 2019 (Million Baht)	Reason of Transaction
Deposit transactions of AIMCG with Siam Commercial Bank Public Company Limited.	Interest income	0.38	<ul style="list-style-type: none"> <li>Deposit transactions with Siam Commercial Bank are considered reasonable as they are ordinary banking transactions.</li> <li>The rate of return on deposits is equivalent to the deposit interest rate that is comparable to the deposit interest rates of large commercial banks in general. The opinion of the REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>

4. Transactions between AIMCG and D-land Property Company Limited, the property manager, during the accounting period between 3 July 2019 (Incorporation Date) and 31 December 2019 is as summarized below:

Description	Transaction Type	Transaction Value in 2019 (Million Baht)	Reason of Transaction
D-land leased partial area from AIMCG and REIT Manager appointed D-land to be the property manager of Porto Chino Project.	Income from rental and service fee	26.82	<ul style="list-style-type: none"> <li>Lease transactions with by D-land are considered reasonable as they are ordinary REIT business transactions and having the similar rental condition comparing with other lessees.</li> <li>The rate of rental fee and service fee are subject to agreement between AIMCG and D-land which is consistent to former operating result of properties of Porto Chino project. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>
	Operating Expenses (Management Fee, Rental, Common Utility System Maintenance Fee, Electric and Water Bill)	17.80	<ul style="list-style-type: none"> <li>The REIR Manager has opinion that D-land, as the original owner of Porto Chino Project prior to setting up AIMCG, had the experienced staffs and professional working team on working as a property manager for several years.</li> <li>Operating expenses are reasonable as the necessary expense for the business of the interest of the trust unitholders.</li> <li>The rate of management and common utility system maintenance fee is subject to agreement between AIMCG and D-land which is in line with the market price. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> <li>The rate of electric and water bill is the same rate collected by electric and water service providers. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>

5. Transactions between AIMCG and Udon Plaza Company Limited, the property manager, during the accounting period between 3 July 2019 (Incorporation Date) and 31 December 2019 is as summarized below:

Description	Transaction Type	Transaction Value in 2019 (Million Baht)	Reason of Transaction
Udon Plaza leased partial area from AIMCG and REIT Manager appointed Udon Plaza to be the property manager of Udon Plaza Project.	Income from rental and service fee	49.71	<ul style="list-style-type: none"> <li>Lease transactions with by Udon Plaza are considered reasonable as they are ordinary REIT business transactions and having the similar rental condition comparing with other lessees.</li> <li>The rate of rental fee and service fee are subject to agreement between AIMCG and Udon Plaza which is consistent to former operating result of properties of UD Town project. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>
	Operating Expenses (Management Fee, Rental, Common Utility System Maintenance Fee, Electric and Water Bill)	28.65	<ul style="list-style-type: none"> <li>The REIR Manager has opinion that Udon Plaza, as the original owner of UD Town Project prior to setting up AIMCG, had the experienced staffs and professional working team on working as a property manager for several years.</li> <li>Operating expenses are reasonable as the necessary expense for the business of the interest of the trust unitholders.</li> <li>The rate of management and common utility system maintenance fee is subject to agreement between AIMCG and Udon Plaza which is in line with the market price. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> <li>The rate of land rental is the same rate collected by SRT. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> <li>The rate of electric and water bill is the same rate collected by electric and water service providers. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>

6. Transactions between AIMCG and Membership Company Limited, who has the common shareholder with Chetchot Company Limited as the property manager, during the accounting period between 3 July 2019 (Incorporation Date) and 31 December 2019 is as summarized below:

Description	Transaction Type	Transaction Value in 2019 (Million Baht)	Reason of Transaction
Membership leased partial area from AIMCG and REIT Manager appointed Membership to be the property manager as well as maintenance the common of utility system in the 72 Courtyard Project.	Income from rental and service fee	31.72	<ul style="list-style-type: none"> <li>The rate of rental fee and service fee are subject to agreement between AIMCG and Membership which is consistent to former operating result of properties of 72 Courtyard project. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>
	Operating Expenses (Management Fee, Rental, Common Utility System Maintenance Fee, Electric and Water Bill)	3.78	<ul style="list-style-type: none"> <li>Operating expenses are reasonable as the necessary expense for the business of the interest of the trust unitholders.</li> <li>The rate of management and common utility system maintenance fee is subject to agreement between AIMCG and Membership which is in line with the market price. The opinion of REIT Manager that this transaction is reasonable and is for the interest of trust unitholders.</li> </ul>



## Part 3

## AIMCG Performance



## TRUSTEE REPORT

February 3, 2020

To: Trust Unitholders

AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust

SCB Asset Management Company Limited (the “Trustee”), as the Trustee of AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust (the “REIT”) which managed by AIM Real Estate Management Co., Ltd. (the “REIT Manager”), would like to inform you that for the period of July 2, 2019 to December 31, 2019, the REIT manager had managed the REIT properly and efficiently as well as in compliance with applicable laws, regulations and the trust deeds in a way that protects interests of the REIT and Trust unitholders as a whole.

Yours faithfully,

SCB Asset Management Company Limited



(Mrs. Tipaphan Puttarawigorm) (Miss Rassamee Ponsukcharoen)

Trustee

บริษัทหลักทรัพย์จัดการกองทุน ไทยพาณิชย์ จำกัด (สำนักงานใหญ่)  
ชั้น 7-8 อาคาร 1 ไทยพาณิชย์ปาร์ค พลาซ่า เลขที่ 18 ถนนรัชดาภิเษก แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10900  
โทรศัพท์ 0 2949 1500 โทรสาร 0 2949 1501

SCB Asset Management Co.,Ltd. (Head Office)  
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# INDEPENDENT AUDITOR'S REPORT

**To the Unitholders of AIM Commercial Growth Freehold and Leasehold Real Estate  
Investment Trust  
(Formerly “AIM Commercial Growth Leasehold Real Estate Investment Trust”)**

## *Opinion*

I have audited the financial statements of AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust (“the Trust”) which comprise the balance sheet and details of investments as at 31 December 2019, the statements of income, changes in net assets, cash flows and significant financial information for the period from 3 July 2019 (Registration Date) to 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2019, and its financial performance, changes in net assets, cash flows and significant financial information for the period from 3 July 2019 (Registration Date) to 31 December 2019 in accordance with Thai Financial Reporting Standards.

## *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 Federation of Accounting Professions' Code of Ethics for Professional Accountants that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 judgment, 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.

Key audit matter	How the matter was addressed in the audit
<p><i>Valuation of investment in properties</i></p> <p>As at 31 December 2019, the Trust's investments in properties was presented at fair value of Baht 3,115.98 million, and an unrealised loss from valuation of Baht 58.78 million was recognized in the statement of income for the period from 3 July 2019 (Registration Date) to 31 December 2019.</p> <p>The fair value is determined by an independent valuer by using the income approach method which is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market condition. The REIT Manager must make judgements and significant estimates in determining the fair value which includes:</p> <ul style="list-style-type: none"> <li>• growth rate of rental income;</li> <li>• occupancy rate; and</li> <li>• discount rate.</li> </ul> <p>Refer to Note 5 to the financial statements for critical accounting estimates, assumption and judgements and Note 7 to the financial statements for details of the investment in properties.</p>	<ul style="list-style-type: none"> <li>- Assessed the Trust's internal controls related to the measurement of the fair value of the investments in properties by inquiry with the responsible persons and gaining an understanding of the controls designed by the REIT Manager.</li> <li>- Assessed the competency, independence, and objectivity of the valuer firm and verified their qualifications</li> <li>- Discussions with REIT Manager and independent valuer to understand the basis and assumptions used for measurement of the valuation of investment properties.</li> <li>- Assessed the assumptions and checked the validity of the data used in the valuation of the investment in properties by evaluating a sample of inputs as follows: <ul style="list-style-type: none"> <li>• The growth rate of rental income and occupancy rate.</li> <li>• The estimated future net cash flows received which was estimated from rental and other income and expenses.</li> <li>• The discount rate.</li> </ul> </li> <li>- Recomputed the calculation of valuation of investment in properties.</li> </ul>

### *Other Information*

The REIT Manager is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and my auditor's report thereon. The annual report 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 will 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 identified above when it becomes available 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the REIT Manager and request them to revise the material 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 Thai Financial Reporting Standards, 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, 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 REIT Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

REIT Manager is responsible for overseeing the Trust's financial reporting process.

## *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 judgment 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.

กัญญา สรรatchaval

**Ms. Kanyanat Sriratchatchaval**

Certified Public Accountant

Registration No. 6549

Grant Thornton Limited

Bangkok

27 February 2020

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**(FORMERLY “AIM COMMERCIAL GROWTH LEASEHOLD REAL ESTATE INVESTMENT TRUST”)**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Notes	Baht
<b>ASSETS</b>		
Investment in properties - at fair value (At cost : Baht 3,058 million)	7, 18	3,115,982,674
Investment in securities - at fair value (At cost : Baht 92 million)	8, 18	92,490,147
Cash and cash equivalents	9	62,618,709
Receivables		
From rental and services	10	15,599,101
From interest		3,791
From Revenue Department		2,979,097
Unbilled revenue		142,165
Deferred expenses		39,450,405
Other assets		3,816,686
<b>TOTAL ASSETS</b>		<b>3,333,082,775</b>
<b>LIABILITIES</b>		
Payables		
From interest		160,193
Others		23,071,426
Accrued expenses		15,594,033
Deposits and rental guarantee		94,934,005
Long-term loans from bank	12	202,993,092
<b>TOTAL LIABILITIES</b>		<b>336,752,749</b>
<b>NET ASSETS</b>		<b>2,996,330,026</b>
<b>NET ASSETS</b>		
Trust registered		
288,000,000 units of Baht 10 each	13	2,880,000,000
Capital from unitholders		
288,000,000 units of Baht 10 each	13	2,880,000,000
Retained earnings	14	116,330,026
<b>NET ASSETS</b>		<b>2,996,330,026</b>

Net asset value per unit (Baht)	10.4039
Number of units issued at the end of period (Units)	288,000,000

The accompanying notes form an integral part of these financial statements.

AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST  
(FORMERLY "AIM COMMERCIAL GROWTH LEASEHOLD REAL ESTATE INVESTMENT TRUST")  
DETAILS OF INVESTMENTS  
AS AT 31 DECEMBER 2019

Details of investments classified by investment type						
Type of investments/ Land title deed			31 December 2019			
(Rai-Ngan-Sq. Wah)			Building no.	Cost (Baht)	Fair value (Baht)	Percentage of investments (%)
Investment in properties						
Leasehold Rights for Buildings and Movable assets - 72 Courtyard Project						
-	-	Soi Sukhumvit 55 (Soi Thong Lor), Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok	72	458,532,338	450,000,000	14.03
Leasehold Rights of Lands, Building and Movable assets - Porto Chino Project						
120935	10-2-19.3	Rama 2 Road, Na Di Subdistrict, Mueang Samut	99/120-124	915,105,164	920,000,000	28.67
117043	3-1-55.8	Sakhon District Samut Sakhon Province				
117042	0-0-84.9					
Land Sub-Lease Agreement and/or Buliding and Movable Assets Sub-Lease Agreement - UD Town Project						
907490226	23-1-69.9	Pho Si Road, Mak Khaeng Subdistrict,	99/9	1,458,173,130	1,520,000,000	47.37
901608085	0-3-81.7	Mueang Udon Thani District, Udon Thani Province				
907608086						
Ownership of Condominium for Commercial use						
988/1, 988/2, 988/3		Noble Solo Condominium	1	225,982,674	225,982,674	7.04
988/4, 988/5, 988/6		Soi Sukhumvit 55 (Soi Thong Lor), Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok				
Total investments in properties				3,057,793,306	3,115,982,674	97.11

The accompanying notes form an integral part of these financial statements.

AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST  
(FORMERLY "AIM COMMERCIAL GROWTH LEASEHOLD REAL ESTATE INVESTMENT TRUST")  
DETAILS OF INVESTMENTS (CONTINUED)  
AS AT 31 DECEMBER 2019

Details of investments classified by investment type

Details of investments classified by investment type	31 December 2019					
	Type of investments/Issuer	Maturity	Interest rate	Cost	Fair value	Percentage of investments
			(%)	(Baht)	(Baht)	(%)
Investment in securities						
Investment units						
TMB Thana Plus Fund		-	-	13,000,000	13,081,550	0.41
TMB Ultra – Short Bond Fund		-	-	12,000,000	12,084,262	0.38
TMB Aggregate Bond Fund		-	-	44,000,000	44,310,502	1.38
Krungsri Star Plus Fund		-	-	23,000,000	23,013,833	0.72
Total investment units				92,000,000	92,490,147	2.89
Total investment in securities				92,000,000	92,490,147	2.89
Total investments				3,149,793,306	3,208,472,821	100.00

The accompanying notes form an integral part of these financial statements.

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**(FORMERLY “AIM COMMERCIAL GROWTH LEASEHOLD REAL ESTATE INVESTMENT TRUST”)**  
**STATEMENT OF INCOME**  
**FOR THE PERIOD FROM 3 JULY 2019 (REGISTRATION DATE) TO 31 DECEMBER 2019**

	<b>Notes</b>	<b>Baht</b>
<b>INVESTMENT INCOME</b>		
Rental and service income	6	187,936,300
Interest income	6	382,639
<b>Total investment income</b>		<b>188,318,939</b>
<b>EXPENSES</b>		
REIT Manager fee	6, 16.1	8,382,593
Trustee fee	6, 16.2	3,617,772
Registrar fee	16.3	574,817
Trust's property management fee	6, 16.4	6,246,731
Operating expenses		50,520,870
Professional fee		862,312
Amortization of deferred expenses	11	4,169,242
Other expenses		1,257,661
Finance cost		957,021
<b>Total expenses</b>		<b>76,589,019</b>
<b>Net investment income</b>		<b>111,729,920</b>
<b>Gains on investments</b>		
Net realised gains on investment in securities		164,030
Net unrealised gains on investment in securities	8	490,147
Net unrealised gains on investment in properties	7	58,781,129
<b>Total gain on investments</b>		<b>59,435,306</b>
<b>Increase in net assets from operations</b>		<b>171,165,226</b>

The accompanying notes form an integral part of these financial statements.

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**(FORMERLY “AIM COMMERCIAL GROWTH LEASEHOLD REAL ESTATE INVESTMENT TRUST”)**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE PERIOD FROM 3 JULY 2019 (REGISTRATION DATE) TO 31 DECEMBER 2019**

	Notes	Baht
<b>Increase in net assets from operations for the period</b>		
Net investment income		111,729,920
Net realised gains on investment in securities		164,030
Net unrealised gains on investment in securities	8	490,147
Net unrealised gains on investment in properties	7	58,781,129
<b>Increase in net assets from operations</b>		<b>171,165,226</b>
Proceeds from issuance of investment trusts	13	2,880,000,000
Distribution to unitholders	14, 15	(54,835,200)
<b>Increase in net assets during period</b>		<b>2,996,330,026</b>
<b>Net assets at the beginning of period</b>		<b>-</b>
<b>Net assets at the end of period</b>		<b>2,996,330,026</b>

The accompanying notes form an integral part of these financial statements.



**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**(FORMERLY “AIM COMMERCIAL GROWTH LEASEHOLD REAL ESTATE INVESTMENT TRUST”)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 3 JULY 2019 (REGISTRATION DATE) TO 31 DECEMBER 2019**

	Baht
<b>Cash flows from operating activities</b>	
Increase in net assets from operations	171,165,226
<b>Adjustments to reconcile increase in net assets from operations to net cash provided by (used in) operating activities :</b>	
Purchase of investments in properties	(3,057,793,306)
Purchase of investment in securities	(157,000,000)
Sales of investment in securities	65,164,030
Finance cost	957,021
Increase in receivables from rental and services	(15,599,101)
Increase in receivables from interest	(3,791)
Increase in receivables from Revenue Department	(2,979,097)
Increase in unbilled revenue	(422,664)
Increase in deferred expenses	(39,450,405)
Increase in other assets	(3,816,686)
Increase in payables	23,071,426
Increase in accrued expenses	16,466,293
Increase in deposits and rental guarantee	94,934,005
Net realised gains on investment in securities	(164,030)
Net unrealised gains on investment in securities	(490,147)
Net unrealised gains on investment in properties	(58,781,129)
<b>Net cash flows used in operating activities</b>	<b>(2,964,742,355)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of investment trusts	2,880,000,000
Proceeds from long-term loans	202,993,092
Distribution to unitholders	(54,835,200)
Interest paid	(796,828)
<b>Net cash flows provided from financing activities</b>	<b>3,027,361,064</b>
<b>Net increase in cash and cash equivalents for the period</b>	<b>62,618,709</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>62,618,709</b>

The accompanying notes form an integral part of these financial statements.

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST**  
**(FORMERLY “AIM COMMERCIAL GROWTH LEASEHOLD REAL ESTATE INVESTMENT TRUST”)**  
**SIGNIFICANT FINANCIAL INFORMATION**  
**FOR THE PERIOD FROM 3 JULY 2019 (REGISTRATION DATE) TO 31 DECEMBER 2019**

	<b>Baht</b>
<b>Operating performance information (per unit)</b>	
Net asset value at the beginning of period	-
<b>Income from investing activities</b>	
Net investment income	0.3880
Net realised gains on investment in securities	0.0006
Net unrealised gains on investment in securities	0.0016
Net unrealised gains on investment in properties	0.2041
<b>Total income from investing activities</b>	0.5943
<u>Add</u> Increase in capital from unitholders	10.0000
<u>Less</u> Distribution to unitholders	(0.1904)
<b>Net assets at the beginning of period</b>	<b>10.4039</b>
Net assets at the end of period	
<b>Ratio of net increase in net assets from operations to</b>	
<b>average net assets during the period (%)</b>	5.794
<b>Significant financial ratios and additional significant information</b>	
Net assets at the end of period (Baht)	2,996,330,026
Ratio of total expenses to average net assets during the period (%)	2.59
Ratio of total investment income to average net assets during the period (%)	6.37
Ratio of weighted average investment purchases and sales during the period	100.74
to average net assets during the period (%)	
Average net assets during the period (Baht)	2,954,056,604

**Information**

The value of investment purchases and sales during the year does not include cash at bank and is calculated by a weighted average basis throughout the year.

The accompanying notes form an integral part of these financial statements.

**AIM COMMERCIAL GROWTH FREEHOLD AND LEASEHOLD REAL ESTATE INVESTMENT TRUST  
(FORMERLY “AIM COMMERCIAL GROWTH LEASEHOLD REAL ESTATE INVESTMENT TRUST”)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 3 JULY 2019 (REGISTRATION DATE) TO 31 DECEMBER 2019**

**1. GENERAL INFORMATION**

AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust (“the Trust”) is a real estate investment trust established under the Trust for Transaction in Capital Market Act, B.E.2550 in accordance with the Trust Deed signed on 3 July 2019 between AIM Real Estate Management Company Limited as the Trust Settlor and SCB Asset Management Company Limited as the Trustee. The Trust was established as a specific closed-end real estate investment trust with an indefinite term. The Trust’s objectives are to mobilize funds raised from investors and loans from financial institutions to invest in the freehold or leasehold right of the immovable assets (including sub-leasehold right of immovable assets) and movable assets which are component parts and equipment of aforesaid immovable assets.

The Stock Exchange of Thailand (“SET”) approved the listing of the Trust’s investment trusts and permitted their trading from 12 July 2019 onwards.

AIM Real Estate Management Company Limited acts as REIT Manager, SCB Asset Management Company Limited acts as Trustee and there are Property managers of each Project as follows :

A) Udon Plaza Co., Ltd.	For UD Town Project
B) Chetchot Co., Ltd.	For 72 Courtyard Project
C) D-Land Property Co., Ltd.	For Porto Chino Project
D) Noble Development Public Co., Ltd.	For Noble Solo Project

**2. DISTRIBUTION POLICY**

The Trust has a policy to pay distributions to unitholders as follows:

REIT Manager shall distribute to the Trust’s unitholders at least 90 % of the adjusted net profit for the accounting period, comprising the year-end distribution and the interim distribution (if any). REIT Manager shall pay distributions to the Trust’s unitholders not more than 4 times in each accounting period, except in the event of a capital increase, when the Trust may pay more than 4 distributions in an accounting period in the best interests of the unitholders holding trust units prior to the capital increase (the distribution shall be began to make in the first accounting period that the Trust has sufficient profits).

The adjusted net profit means the net profit adjusted by the following items:

- (1) Deduction of unrealized gain from appraisal or appraisal review of assets of the Trust including adjustment of other items as prescribed by the Securities and Exchange Commission to reflect the cash position of the Trust.
- (2) Deduction of the provision for payment for debt from borrowing or obligation arising from borrowing of the Trust under the limit stated in the registration statement and prospectus or annual report, as the case may be.
- (3) If the Trust has accumulated profit that is based on the adjusted annual net profit of the Trust, in accordance with the above information for any accounting period, REIT Manager may pay distributions to Trust's unitholders from such retained earnings.
- (4) If the Trust has accumulated losses, REIT Manager will not make any distributions to the Trust's unitholders.

With respect to distribution payment, if the amount of the distribution per unit to be paid is lower or equivalent to Baht 0.10, REIT Manager reserves the right not to pay a distribution at that time and to carry forward such distribution to be paid together with the following distribution.

### 3. BASIS OF FINANCIAL STATEMENTS PREPARATION

#### 3.1 Statement of compliance

The accompanying financial statements have been prepared in accordance with the Accounting Act B.E. 2543, Thai Financial Reporting Standards ("TFRS") issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. In addition, the financial statements have been prepared in accordance with Thai Accounting Standards No. 106 "Accounting for Investment of Companies". These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

### 3.2 New and revised financial reporting standards, interpretations and guidance

During the year, The Federation of Accounting Professions has revised and issued Thai Financial Reporting Standards (TFRS), interpretations and guidance as follow:

#### 3.2.1 Amendments and interpretations to the Standards that are effective from 1 January 2019

##### Thai Financial Reporting Standard No.15 “Revenue from Contract with Customers” (TFRS 15)

Thai Financial Reporting Standard No.15 (TFRS 15) presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 “Revenue” (“TAS 18”), Thai Accounting Standard No. 11 “Construction Contracts” (“TAS 11”), and several revenue-related Interpretations.

The Trust has initial applied TFRS 15 Revenue from Contract with Customers which no impact to the Trust’s financial statement and disclosed the detail of related accounting policies in note 4.

#### 3.2.2 Amendments and interpretations to the Standards that are effective from 1 January 2020

##### Thai Financial Reporting Standard No.16 “Leases” (TFRS 16)

TFRS 16, that describes the new principles for the recognition of leases, replacing Thai Accounting Standard No. 17 “Leases”, and several leases-related Interpretations. The new standard defines the requirements for leases will be recorded in the statement of financial position in the form of right-of-use asset and a lease liability except short-term leases agreement which period less than 12 months or low value of asset and provides additional guidance in many areas which are limited in detail under existing Thai Financial Reporting Standards.

Under the Thai Financial Reporting Standard No. 16 “Leases”, no significant changes to the accounting for lessors.

The Trust will adopt this new standard when they become effective, and the REIT manager assesses that it will impact to the financial statements. Therefore, the Trust must recognize the right-of-use assets and lease liabilities for the assets currently treated as operating leases including that the Trust must record the depreciation from the right-of-use assets and interest expense of lease liabilities instead of expenses from lease agreements.

## Thai Financial Reporting Standards related to Financial instruments

Thai Financial Reporting Standard No. 9 “Financial instruments” (TFRS 9) and group of Thai Financial Reporting standards related to financial instruments, present new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments which are currently effective.

These standards impact on the Trust’s financial statements as follows:

### 1. Classification

#### Financial assets

The Trust shall renew classification of financial assets as measured at amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) on the basis of the Trust’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The standard eliminates the existing classification of trading securities, available-for-sale securities, held-to-maturity debt securities, and general investment as specified by TAS 105 including eliminates existing principle and presentation format for the financial statements as specified in TAS 106 “Accounting for Investment business”. The current accounting policy relating to the expenses incurred in relation to the initial issue of trust units and the format of the presentation and disclosure of financial statements of the Trust have been prepared in accordance with the regulations and format specified in The Accounting Standard No. 106.

### 2. Impairment – Financial assets and contract assets

The Trust shall assess impairment of financial assets and contract assets by considering the lifetime expected credit losses on the financial instruments which no longer necessary for an indicator or credit event to have occurred and requires considerable judgement about how changes in economic factors affect expected credit losses, which will be determined on a probability-weighted basis. However, the new impairment model will apply only to financial assets measured at amortized cost and fair value through other comprehensive income (FVOCI).

The REIT manager is currently assessing the impact of these standards when adoption.



#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Revenues and expenses

Rental and services income from investment in properties is recognized in the statement of income on a straight-line basis over the term of the lease.

Interest income is recognized on an accrual basis based on the effective rate.

Expenses are recorded on an accrual basis.

##### 4.2 Measurement of investments

Investments are recognized as assets at cost on the date which the Trust has rights on investments.

Cost of investments comprises the purchase prices paid by the Trust in order to acquire such investments.

###### *Investment in properties*

Investment in properties are presented at fair value without depreciation.

REIT Manager determined their fair values of such investment as at the first accounting period using the acquisition cost of investments. Subsequently, fair value of such investments will be based on the appraisal value assessed by an independent appraiser approved by the Thai Valuers 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).

Gain or loss on measurement of such investments are presented as net unrealized gain or loss in the statement of income.

###### *Investments in securities*

Investments in unit trusts are presented at their fair value which is determined from their net asset value. Gains or losses on measurement of investments in unit trusts are presented as net unrealized gains or losses in the statement of income.

##### 4.3 Receivables from rental and services

Receivables from rental and services are stated at the net realizable value. The allowance for doubtful accounts is assessed primarily on analysis of payment histories, debtor aging and future expectations of customer payments.

#### 4.4 Related party transactions

Related parties of the Trust comprise individuals or enterprises that own 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 REIT Manager, Trustee and their related parties and included associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Trust that gives them significant influence over the Trust, key management personnel and directors of REIT Manager with authority in planning and directing the Trust's operations.

The relationships of related parties are as follows:

Related parties	Relationship
AIM Real Estate Management Company Limited	REIT Manager
D-Land Property Co., Ltd.	Property Manager of Porto Chino Project
Chetchot Co., Ltd.	Property Manager of 72 Courtyard Project
Udon Plaza Co., Ltd.	Property Manager of UD Town Project
Noble Development Public Co., Ltd.	Property Manager of Noble Solo Project
SCB Asset Management Company Limited	Trustee
The Siam Commercial Bank Public Company Limited	Parent company of Trustee

#### 4.5 Distribution to unitholders

A decrease in retained earnings is recognized as at the date a distribution is declared.

#### 4.6 Long-term leases

##### *Where the Trust is the lessee*

Leases of assets which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in statements of income on a straight line basis over the lease term.

##### *Where the Trust is the lessor*

Lease of assets which do not transfer substantially all the risks and rewards of ownership to lessee are classified as operating leases. The Trust as the lessor, receipts money under operating leases are charged to the income statement on a straight-line basis over the lease period.

#### 4.7 Income tax

The Trust has no corporate income tax liability since it is exempted from corporate income tax in Thailand.

#### 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 quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 unobservable inputs for the asset or liability

At the end of each reporting period, the Trust determines 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. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT

The preparation of financial statements in conformity with financial reporting standards at times requires REIT Manager 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:

### 5.1 Fair value of investments in properties

As at the balance sheet date, the Trust measured value of investments in properties at fair value. The fair value is estimated based on investment cost for the first period ended and appraisal value which appraised by independent appraiser and/or financial adviser for other subsequent years. The independent appraiser/financial adviser value the investments using the income approach because they are revenue generated assets and there is no direct market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are occupancy rate, discount rate, rental rate, return rate and rental's growth rate.

### 5.2 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the Trust Manager is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### 5.3 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, REIT Manager needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

## 6. TRANSACTIONS WITH RELATED COMPANIES

During the period, the Trust had significant business transactions with the following related parties. Such related parties transactions 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:

		Baht
		For the period from 3 July 2019 (Registration date) to 31 December 2019
	Pricing Policy	
<b>Transactions with related parties</b>		
Rental and services income	Contract price	108,247,150
Interest income	Market rate	377,068
REIT Manager fee-Base fee	As detailed in Note 16	8,382,593
Trustee fee	As detailed in Note 16	3,617,772
Trust's property management fee	As detailed in Note 16	3,378,477
Property management fee		
Incentive fee	As detailed in Note 16	2,868,253
Operating expenses	As detailed in Note 16	50,233,585

As at 31 December 2019, the Trust has the following significant outstanding balances with its related parties as follows:

	Baht
<b>Related companies</b>	
Cash and cash equivalents	40,126,301
Receivables from rental and services	3,828,914
Receivables from interest	2,020
Other payables	17,211,731
Accrued expenses	13,739,032
Deposit and rental guarantee	40,510,168

## 7. INVESTMENT IN PROPERTIES

The outstanding balances of investment in properties as at 31 December 2019 is as follows:

	Baht	
	Cost	Fair value
UD Town Project	1,458,173,130	1,520,000,000
72 Courtyard Project	458,532,338	450,000,000
Porto Chino Project	915,105,164	920,000,000
Noble Solo Project	225,982,674	225,982,674
<b>Total</b>	<b>3,057,793,306</b>	<b>3,115,982,674</b>

Reconciliation of book value of investment in properties are as follows:

	Baht
	2019
Fair value as at 3 July 2019 (Registration date)	-
Addition purchase	3,057,793,306
Unbilled revenue	(591,761)
<u>Add</u> Unrealised gain from revaluation during the year	58,781,129
Fair value as at 31 December 2019	3,115,982,674

As at 31 December 2019, the Trust estimated fair value of investment in properties which has determined based on appraisal value appraised by an accredited independent valuer, using the income approach. The main assumptions used in the valuation are occupancy rate, rental rate, growth rate, discount rate, return rate and other related expenses. For the fair value of additional investments in properties of Noble Solo project amounting to Baht 226 million, the Trust estimated its fair value equivalent to an acquisition cost on 28 November 2019. REIT Manager believed that this represented the best estimation of the fair value because it was the latest exchange transaction, which incurred close to the period end date.

Key assumption used in the valuation of assets assessed under income approach and their related impact to fair value of investment in properties when assumptions change are summarized below :

	Assumptions	Impact to fair value when there is an increase in assumption value
Occupancy rate (%)	92 - 100	Increase in fair value
Growth rate (%)	2 - 12	Increase in fair value
Discount rate (%)	10	Decrease in fair value

## 7.1 Information of investment in properties

On 5 July 2019, the Trust entered into the following lease and/or sublease agreements to acquire investment totaling Baht 2,832 million which consists of:

### a) UD Town Project

Located on Mak Khaeng Sub-district Mueang Udon Thani District Udon Thanni Province, the total areas of land is approximately 45,313 square meters, total usable area approximately 48,765 square meters. The Trust invested in (i) land sublease and leasehold right to building and system for a period of 20 years and 10 months (ii) leasehold right to land and sublease building and system for a period of 4 years with a total land area of 45,271 square meters and total usable area approximately 45,279 square meters.



b) 72 Courtyard Project

Located on Sukhumvit 55 road (Soi Thong Lor) Sukhumvit road, Klong Tan Nuea Sub-district, Wattana District, Bangkok, total area is approximately 1 rai 0 ngan 53 square wah, total usable area is approximately 5,019 square meters. The Trust invested leasehold right to building and system including facilities and parts of the land and building is period of 13 years with total usable area approximately 5,019 square meters.

c) Porto Chino Project

Located on Rama 2 road Na Di Sub-district Mueang Samut Sakhon District Samut Sakhon Province, the total area 15 rai 1 ngan 60 square wah, total usable area of approximately 43,814 square meters. The Trust invested leasehold right to land building and other asset as part of the land building and utilities system for a period approximately 30 years and total area 14 rai 0 ngan 60 square wah, total usable area approximately 33,694 square meters.

On 28 November 2019, the Trust entered into condominium units sale agreement of Noble Solo project for commercial purpose total amount Baht 226 million, located on Klong Tan Nuea Sub-district, Wattana District, Bangkok, total area is approximately 1,424 square meters.

Investment in properties has amounted to Baht 3,058 million which were 104% of average net assets during the period of the financial statements. The investment in properties is the proceeds from the distribution of trust units in the amount of Baht 2,880 million and loans of Baht 210 million.

The Trust has mortgaged its land and/or buildings and the conditional assignment of proceed claims under the rental agreement with the term of longer than three (3) years (only Noble Solo Project and Porto Chino Project) as collateral against credit facilities received from financial institution as described in Note 12.

## 8. INVESTMENT IN SECURITIES

	Baht		
	31 December 2019		
	Amortized cost	Unrealized loss from changes in value of	
		investments	Fair value
TMB Thana Plus Fund	13,000,000	81,550	13,081,550
TMB Ultra – Short Bond Fund	12,000,000	84,262	12,084,262
TMB Aggregate Bond Fund	44,000,000	310,502	44,310,502
Krungsri Star Plus Fund	23,000,000	13,833	23,013,833
<b>Total</b>	<b>92,000,000</b>	<b>490,147</b>	<b>92,490,147</b>

## 9. CASH AND CASH EQUIVALENTS

As at 31 December 2019, the Trust has the details of cash and cash equivalents as follows:

	Interest rate (% per annum)	Baht
Cash at Banks - Savings accounts		
The Siam Commercial Bank Public Company Limited	0.375	40,126,301
Kasikornbank Public Company Limited	0.22 - 0.50	22,492,408
<b>Total</b>		<b>62,618,709</b>

As at 31 December 2019, the Trust's deposit of Baht 10.00 million. The restricted for usage from the pledge as collaterals for loan from a commercial bank as mention in Note 12.

## 10. RECEIVABLES FROM RENTAL AND SERVICES

The outstanding balances of receivables as at 31 December 2019 is aged on the basis of due dates as follows:

	Baht 2019
<u>Aged on the basis of due dates</u>	
Not yet due	9,751,173
Past due :	
Less than 3 months	5,590,864
Less than 6 months	257,064
<b>Total</b>	<b>15,599,101</b>
 11. <u>DEFERRED EXPENSE</u>	
	Baht
	31 December 2019
Deferred expenses – beginning of period	-
<u>Add</u> Increase during the period	43,619,647
<u>Less</u> Amortised during the period	(4,169,242)
<b>Deferred expenses – end of period</b>	<b>39,450,405</b>

## 12. LONG-TERM LOANS FROM BANK

	Baht
	31 December 2019
Long-term loans from bank	210,000,000
<u>Less</u> Deferred loan contract fees	(7,006,908)
<b>Total Long-term loans from bank</b>	<b>202,993,092</b>

On 28 November 2019, the Trust has drawn down long-term loans from a financial institute, amounting to Baht 210 million for investment in property. The loan principal will be paid within 9 years and interest will be paid every month, with interest rate at MLR minus certain rates per annum and the principal will be started repayment within 3<sup>rd</sup> quarter of 2020. The loans are secured by the followings:

- 1) Secured by mortgaging The Noble Solo Project for commercial purpose (Note 7).
- 2) The transferring right to withdrawn in bank account and conditional assignment of proceed claims under the rental agreement with the term of longer than three (3) years (only Noble Solo Project and Porto Chino Project).
- 3) Conditional assignment of insurance claims and endorsement to entitle the lender as the beneficiary and joined insured (only Noble Solo Project and Porto Chino Project).

The loan agreements contain several covenants which, among other things, require the Trust to maintain interest bearing debt to total assets ratio (Debt to Total Assets Ratio) and interest bearing debt to profit from operations before interest expense and finance cost, tax, depreciation, amortisation and non-cash expenses ratio (Debt to EBITDA Ratio) at the rate prescribed in the agreement.

## 13. UNITHOLDERS' EQUITY

On 3 July 2019, REIT Manager established the Trust with a registered capital of Baht 2,880 million, consisting of 288 million units with a par value of Baht 10 each. The Trust called up and received payment for all of these trust units.

#### 14. RETAINED EARNINGS

	Baht
	For the period from 3 July 2019 (Registration date) to 31 December 2019
Retained earnings at the beginning of period	-
<u>Add</u> Increase in net assets resulting from operations	111,729,920
Net realised gains on investments in securities	164,030
Net unrealised gains on investments in securities	490,147
Net unrealised gains on investments in properties	58,781,129
<u>Less</u> Distribution to unitholders (Note 15)	(54,835,200)
Retained earnings at the end of period	116,330,026

#### 15. DISTRIBUTIONS TO UNITHOLDERS

Distribution paid during the period from 3 July 2019 (Registration Date) to 31 December 2019, as follows:

Approved date	The operation for the period	Per unit	(Unit: Baht) Total
12 November 2019	Retained earnings from 3 July 2019 (Registration date) to 30 September 2019	0.1904	54,835,200

#### 16. EXPENSES

##### 16.1 REIT Manager fee

REIT Manager is entitled to REIT Manager's fee (exclusive of value added tax or any other similar taxes) from the Trust, as detailed below:

- (1) A base fee, paid monthly and calculated at a rate not exceeding 0.75% per annum on the Trust's total asset value, as specified in the agreement.

- (2) An acquisition fee which is calculated at a rate not exceeding 3.00 % on the total asset value acquired by the Trust in each period and a disposal fee which is calculated at a rate not exceeding 3.00% on lower of the total asset value disposed by the Trust in each period and the appraisal value assessed by an independent appraiser approved by the Securities and Exchange Commission.

#### 16.2 Trustee's fee

The Trustee is entitled to monthly remuneration at a rate not exceeding 1.00% per annum (exclusive of value added tax or any other similar taxes) of the Trust's total asset value, as calculated by the REIT Manager and verified by the Trustee.

#### 16.3 Registrar's fee

Operating expenses of the Trust Unit Registrar is monthly charged based on actual cost incurred.

#### 16.4 Trust's property management fee

REIT Manager is entitled to Trust's property management fee (exclusive of value added tax or any other similar taxes) from the Trust, as detailed below:

- (1) A property management fee, paid monthly and calculated at a rate not exceeding 3.00% per annum on the Trust's net revenue from rental and service.
- (2) A incentive fee, paid monthly and calculated at a rate not exceeding 3.00% per annum on profit from operation of core assets of the Trust.
- (3) A commission fee from renewal of the rental and service agreement by retail tenants and provision of new retail tenants for vacant units, calculated not exceeding 1 month rental and service fee as specified in the rental and services agreement receivable from retail tenants.

#### 16.5 Operating expenses

Operating expenses of the Trust include common area fee, insurance expense and property tax.

### 17. INFORMATION ON INVESTMENT PURCHASE AND SALE TRANSACTIONS

The Trust's investment purchases and sale transactions for the period, excluding investments in cash at bank, amounted to Baht 3,280 million which is 111% of the average net asset values during the period.

## 18. FAIR VALUE MEASUREMENT

The following table present assets that are measured at fair value as at 31 December 2019.

	Baht			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Investment in properties	-	3,115,982,674	-	3,115,982,674
Investment in securities	92,490,147	-	-	92,490,147
<b>Total</b>	<b>92,490,147</b>	<b>3,115,982,674</b>	<b>-</b>	<b>3,208,472,821</b>

## 19. COMMITMENTS

- 19.1 The Trust is committed to pay fees to counterparties under the terms and conditions as described in Note 16.
- 19.2 As at 31 December 2019, the Trust has commitments under three service and property management agreement of Baht 35.30 million for a period of 1 year and the service rate will increase by 1.50% per annum for the next year.
- 19.3 As at 31 December 2019, the Trust has commitments in respect of payments in accordance with the land lease agreement as follows:

	Baht
Within 1 year	5,914,379
2 – 5 years	19,554,040
more than 5 years	91,962,945
<b>Total</b>	<b>117,431,364</b>

## 20. SEGMENT REPORTING

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Trust operates in only a business segment which leases of property investment and the single geographical area of its operations is Thailand.



## 21. FINANCIAL INSTRUMENTS

### 21.1 Financial risk management policies

The Trust has no policy to issue derivative financial instruments for speculative or trading purposes.

### 21.2 Interest rate risk

Interest rate risk arises from changes in the market interest rates which impact on the interest income in the current year and in the future years for bank deposits and investments in securities of the Trust.

### 21.3 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Trust as and when they fall due. The Trust has no concentrations of credit risk due to the Trust having a large number of tenants in various businesses. Additionally, the Trust has a policy to collect in advance the rental deposits from customers as collateral in case of default. The REIT manager is of the opinion that the Trust does not have significant credit risk.

## 22. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors Meeting of REIT Manager No. 1/2020 held on 27 February 2020, the Board of Directors has passed resolutions approving the appropriation of distribution of Baht 0.20 per unit which will be paid from operation period for the period as from 1 October 2019 to 31 December 2019. The distribution will be paid on 25 March 2020.

## 23. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by REIT Manager's Board of Directors on 27 February 2020.

# Management Discussion and Analysis

## Operating Results

For the operating results of the accounting period from July 3, 2019 (the date of establishment of AIMCG) to December 31, 2019, AIMCG had a total net investment income of 111.73 million Baht, with a total revenue of 188.32 million Baht and total expenses of 76.59 million Baht.

### Revenue

Total revenue consists of:

1. Rental and service revenue in the amount of 187.94 million Baht or 99.80 percent of the total revenue, which includes the UD Town Project at 100.06 million Baht or 53.13 percent of total revenue; the Porto Chino Project at 55.00 million or 29.21 percent of total revenue; and the 72 Courtyard Project at 31.72 million Baht or 16.85 percent of total revenue. Additionally, AIMCG has rental and service revenue from the Noble Solo Project, invested in by AIMCG on November 28, 2019, which amounts to 1.16 million Baht or 0.61 percent of total revenue. Throughout the operating period of 2019, all assets invested in by AIMCG had an average occupancy rate of 100 percent. This included rental of spaces to minor tenants as well as areas leased to the original property owners or their affiliate companies, along with small shop rental spaces, rental areas with short-term lease agreements (not more than 1 year), and areas generating rent or income on a daily basis, such as for public relations and promotional activities, food and drink stalls, etc., as these have quick lease turnover, all of which allow for greater flexibility and efficiency of lease management in said areas and help support a stable, consistent revenue for AIMCG.

2. Interest revenue of 0.38 million Baht or 0.20 percent of total revenue.

### Expense

The total expenses of AIMCG were 76.59 million Baht, mainly consisting of project operating expenses in the amount of 50.52 million Baht or 26.83 percent of total revenue. Additionally, AIMCG also has expenses in the form of trust manager fees, property management fees, trustee fees, registrar fees, professional fees, etc. The financial costs of AIMCG totaled 0.96 million Baht, which was interest paid on long-term loans from financial institutions in the amount of 210.00 million Baht or 0.51 percent of total revenue.

However, AIMCG also still has realized and unrealized net profits from investments in securities in the amount of 0.65 million Baht due to AIMCG's management of excess liquidity by investing in investment units, as well as unrealized net profits from real estate investments in the amount of 58.78 million Baht from the annual valuation of assets of AIMCG. As a result, AIMCG had an increase in net assets from operations of 171.17 million Baht.

## Financial Status

### Assets

As of December 31, 2019, AIMCG had total assets in the amount of 3,333.08 million Baht, consisting mainly of real estate investment at fair value of 3,115.98 million Baht or 93.49 percent of total assets. This includes the assets of the Noble Solo Project invested in by AIMCG on November 28, 2019, with a fair value of 225.98 million Baht.

## Liabilities

As of December 31, 2019, AIMCG had total liabilities in the amount of 336.75 million Baht, consisting mainly of long-term loans from financial institutions totaling 210.00 million Baht or 6.29 percent of total liabilities in order to support investment in additional assets of the Noble Solo Project. Said long-term loans carry an interest at the MLR rate, minus the rate specified in the loan agreements.

The loan to assets ratio of AIMCG as of December 31, 2019, is equal to 6.30 percent of total asset value. This still meets relevant criteria, which states that AIMCG may

borrow no more than 35 percent of the total asset value or not more than 60 percent of the total asset value in the case that AIMCG has an Investment Grade credit rating.

## Net Assets

As of December 31, 2019, AIMCG had total net assets of 2,996.33 million Baht, consisting of capital received from trust unitholders totaling 2,880.00 million Baht and retained earnings of 116.33 million Baht, with net assets per unit equal to 10.4039 Baht.

## Appendix

# Nature of Risk Factors and Countermeasures



# Nature of Risk Factors and Countermeasures

## Risks associated with AIMCG Operation

### 1. Risks due to the fact that the performance of AIMIRT depends upon the capabilities of the REIT Manager and the property manager in managing and procuring benefits from the core assets of AIMRT.

The REIT Manager is responsible for setting forth the marketing policy and management strategy of the REIT as specified in the trust deed, assigning said policies to the property manager in the management of major assets invested in by the REIT in accordance with the property management agreement that the REIT Manager has entered into with each individual property manager. The operations of the REIT Manager are under the supervision and control of the Trustee. If the property manager is unable to manage the strategies appropriately according to the policies handed down by the REIT Manager, or if there is a change in property manager or the key personnel of the property manager, this may adversely affect the value of the major assets and/or revenue expected by the REIT, which would therefore also affect operational results and the ability to pay benefits to trust unitholders, including repayments of due debt.

The Company has established measures to reduce such risks by carrying out careful performance appraisals of the property managers on an annual basis throughout their entire period of employment. In addition, the Company has a system in place for the regular monitoring and evaluation of said property managers' internal control systems. This is done in order to provide assurances for all trust unitholders that the property managers are conscientious and responsible in the efficient management of the core assets of AIMCG. In the event that another property manager must be appointed in place of the original property manager, the REIT Manager will carefully consider the qualifications of the new property manager to ensure that they are well-suited to the job before any such appointment.

### 2. Risks arising out of conflict of interest.

#### 2.1 Conflict of Interest due to property owners leasing back and/or subleasing portions of AIMCG properties

After AIMCG invested in its core assets at the UD Town Project, 72 Courtyard, and Porto Chino Project, the owners of these projects, namely Udon Plaza, Membership, and D-Land, respectively, leased back space in these properties. This could cause conflicts of interest between these property owners and AIMCG, especially in cases whereby the property owners or those in the same group as the property owners are acting as property managers. This is because the property owners may be incentivized to offer spaces leased back from AIMCG to other tenants rather than presenting available AIMCG spaces, which could result in the loss of opportunity and benefit to AIMCG and thus affect the revenue and performance of AIMCG.

In order to prevent potential conflicts of interest due to the property owners leasing back and/or subleasing portions of spaces leased from AIMCG, AIMCG has received an agreement from all three property owners stipulating that in order for the property owners to sublet a property or portion of a property, it may only be subleased in the already ongoing or preexisting manner and/or under the same characteristics as on the day said core assets were invested in by AIMCG. Additionally, in the case that the property owner as lessee of the property from AIMCG acts to lease the said property or areas to a third party in any manner other than those specified above, this must be approved first by the REIT Manager and may not be subleased to any lessee operating business types that are prohibited under relevant laws or regulations. AIMCG also reserves the right to prohibit the lessee from subleasing said properties to a third party if AIMCG is of the opinion that the said sublease will negatively affect, conflict with, or be in competition with the business and procurement of benefits by AIMCG for core assets originally invested in by AIMCG.

#### 2.2 Conflict of interest due to additional projects carried out by property owners or property managers

After investing in its core assets at UD Town Project and Porto Chino Project, the REIT Manager hired Udon Plaza and D-Land to manage those core assets respectively, according to the strategies and policies stipulated by the REIT Manager



However, Udon Plaza, or those within the same group as Udon Plaza, then invested in a convention center project with a total rental area of approximately 800 square meters located on land just opposite the core assets of AIMCG, and D-Land invested in the Porto Go Project, which is a center for shops and restaurants catering to and accommodating onward travelers heading to tourist destinations such as Petchaburi, Hua Hin, etc., with an area of 3,000 square meters and a distance of just approximately 15 kilometers from the Porto Chino Project. Thus, said projects may cause conflicts of interest with AIMCG, both due to the nature of the business being similar to that of AIMCG in the rental of spaces for shops and businesses, and due to new tenant procurement.

In order, therefore, to prevent potential conflicts of interest, it has been stipulated that for the duration that Udon Plaza and D-Land perform the duties of property manager for assets of AIMCG, Udon Plaza, D-Land, and/or any parties in the same group as Udon Plaza and D-Land will not engage in competition with the businesses or business interests of AIMCG. Additionally, if Udon Plaza, D-Land, and/or any parties in the same group as Udon Plaza and D-Land wish to carry out distribution, disbursement, transfer, or leasing of any area in a manner not considered normal commercial space rental for general customers, Udon Plaza and D-Land must notify the REIT Manager first and AIMCG reserves the right to refuse to invest in said additional projects.

### 3. Revenue of AIMCG depending on financial status of tenants and renewal of lease and service agreements after the expiry of agreements.

Rental fees receiving from the tenants under lease and service agreements will be the sources of major income of AIMCG. Therefore, AIMCG may have some risks depending on financial status and ability to pay for rental fee of the tenants. In the event that any or numerous major tenants of AIMCG have degraded financial status, they may delay or default of rental fee payment and consequently lead to inability of debts payment of the tenants.

Moreover, although properties invested by AIMCG are currently rented by the tenants fully, there may be the case that any tenant has no intention to renew the lease and service agreement after expiration or may renew agreement with less favorable and does not benefit to AIMCG than current conditions. This may negatively affect to financial status, performance, and ability on distribution payment of AIMCG significantly.

In this regard, the Company has established measures to mitigate the above risks by requiring agreement by Udon Plaza, Membership, and D-Land regarding any areas invested in by AIMCG in the UD Town Project, 72 Courtyard Project, and Porto Chino Project (as the case may be), that if there are any areas or portions of areas invested in by AIMCG without tenants on the date of said investment, Udon Plaza, Membership, D-Land, and/or any persons designated by Udon Plaza, Membership, and D-Land agree to lease said tenantless areas within the above projects from AIMCG at the specified rental rate for a period of 5 years from the date of investment by AIMCG. This includes payment of utilities, land and house taxes, and/or any other expenses related to tenantless areas within the above projects

### 4. Risks related to material improvements or repairs to properties

At present, assets invested in by AIMCG are in good condition and have been continuously renovated and received repairs and improvement as necessary as for suitability of use. Said renovations have not had any impact on the procurement of major assets originally invested in by AIMCG. However, in the future, AIMCG may have to consider material improvements or repairs and/or work system changes for major assets originally invested in by AIMCG, including changes in appearance and/or important system changes for major assets originally invested in by AIMCG. This is to ensure said major assets remain up-to-date and suitable for the benefit of customers in said projects, as well as to attract more tenants for major properties and assets invested in by AIMCG. The aforementioned major renovations and/or repairs may require temporarily closing some areas or portions of these major assets of AIMCG, which may affect the use of said assets or result in tenants' termination of contracts or inability to renew leases. Therefore, if core assets invested in by AIMCG require major renovation or repairs, this may cause a material adverse effect on the financial status and operating results of AIMCG.

That said, in regard to major renovations or repairs, the property manager shall assess said plans on an annual basis and send these to AIMCG and the Trustee for approval respectively. Plans for major renovations or repairs may be improved by closure of areas one at a time in order to minimize any impact on the procurement of core assets invested in by AIMCG, as well as to continue to make available for use the areas surrounding the space under maintenance or renovation. Additionally,

the REIT Manager may consider estimates and prepare a plan for gradual provision or disbursement of maintenance and renovation fees according to the expected renovation timeframe in order to ensure that major assets invested in by AIMCG are in good condition and are suitable for use. In the future, however, there may be a risk that the reserve fund for said major property renovations is not sufficient to cover the cost of repairs, property improvement or image enhancement to maintain competitiveness. Such an event could have a negative impact on the operating results, financial status, and ability to pay compensation to trust unitholders.

## **5. Risk associated with non-performance by contractual parties which causes a difficulty to utilize the properties and/or obtain the common service and facility.**

For AIMCG investment and management, AIMCG shall enter into property sale and purchase agreement, property lease for business operation agreement, and undertaking for investing in major properties of AIMCG agreement with the owners of those properties as well as other agreements related to investment and management of AIMCG for provision for benefits of AIMCG and binding the parties to comply with terms and conditions of the agreements.

However, although their duties are mentioned in the agreements clearly, the parties may default or there may be any event causing termination or default against the agreements. In such case, though AIMCG is entitled to terminate the agreements and claim for indemnity, such default may hinder AIMCG from receiving benefits or enforcing such agreements. For example, AIMCG may be unable to enforce the parties to comply with conditions of the agreements or the parties may be unable to pay for damages as claimed by AIMCG. Therefore, AIMCG may enter into justice process by exercising the right to file the case to the Court. Therefore, the Company is unable to foresee the duration of litigation process as well as unable to predict the amount of money that will be compensated to AIMCG which depending on the Judge's sole discretion. Addition, even if AIMCG overcomes the case, AIMCG may encounter with difficulty on enforcement to meet with the judgment of the court. Therefore, trust unitholders still have the risks not to obtain benefits within the duration as expected.

## **6. Risk from Borrowing**

AIMCG borrowed a long-term loan with the credit limit as a capital source for investing in target properties.

Therefore, AIMCG may have some risks from such borrowing due to fluctuation of economic condition and the change of loan interest rate (floating basis) during the term of loan agreement. These will negatively effect to AIMCG's operation and consequently causes insufficient liquidity to pay back interest and principal as well as affects to the ability of AIMCG to pay distribution to trust unitholders. Moreover, in the event that AIMCG fails to pay back any interest and/or principal as agreed, the lender may take any legal action against AIMCG or exercise its right to claim compensation for any damages caused by failure to comply with loan agreement, and may also enforce the mortgage of the properties of AIMCG that are placed as loan collateral.

REIT Manager well recognizes such risk and manage AIMCG with care by monitoring performance of AIMCG and observing the external factors as well as trend of interest rate on regularly basis. Moreover, REIT Manager may consider to apply for other financial instruments to reduce such risk, for example, interest rate swap. Alternately, REIT Manager may also negotiate or request the lender for other solutions, such as extending the due date of debt payment, indulgence of conditions that may obstruct management of AIMCG, etc. provided that such requested actions are in compliance with related laws or regulations and for the ultimate benefits of trust unitholders.

## **7. Risks arising from increased competition and consumer lifestyle changes**

AIMCG's performance could be affected by increased competition due to the opening and renovating of shopping centers and malls by both existing and new operators, as well as due to consumer lifestyle changes, combined with technological advances. The latter especially is resulting in challenges due to the growth of the online marketplace which is able to meet the needs and lifestyles of the new generation and which presents strong competition in terms of product variety and convenience, in turn leading to retail businesses (which comprises the major tenants of the UD Town Project and the Porto Chino Project, as well as shopping mall operators) needing to adapt and adjust their strategic plans constantly to keep up with the changing environment.

Therefore, the REIT Manager shall collaborate with the property manager in taking necessary steps and action under the scope of power and responsibility of the REIT



Manager and as specified in the trust establishment agreement, REIT Manager agreement, property manager agreement, and any other relevant agreements, including related regulations. Said actions would be carried out under the supervision of the Trustee of the operation in order to increase the competitiveness of the major assets invested in by AIMCG, focusing on the development and improvement of said properties and thus increasing the efficiency of asset procurement and utilization of space,

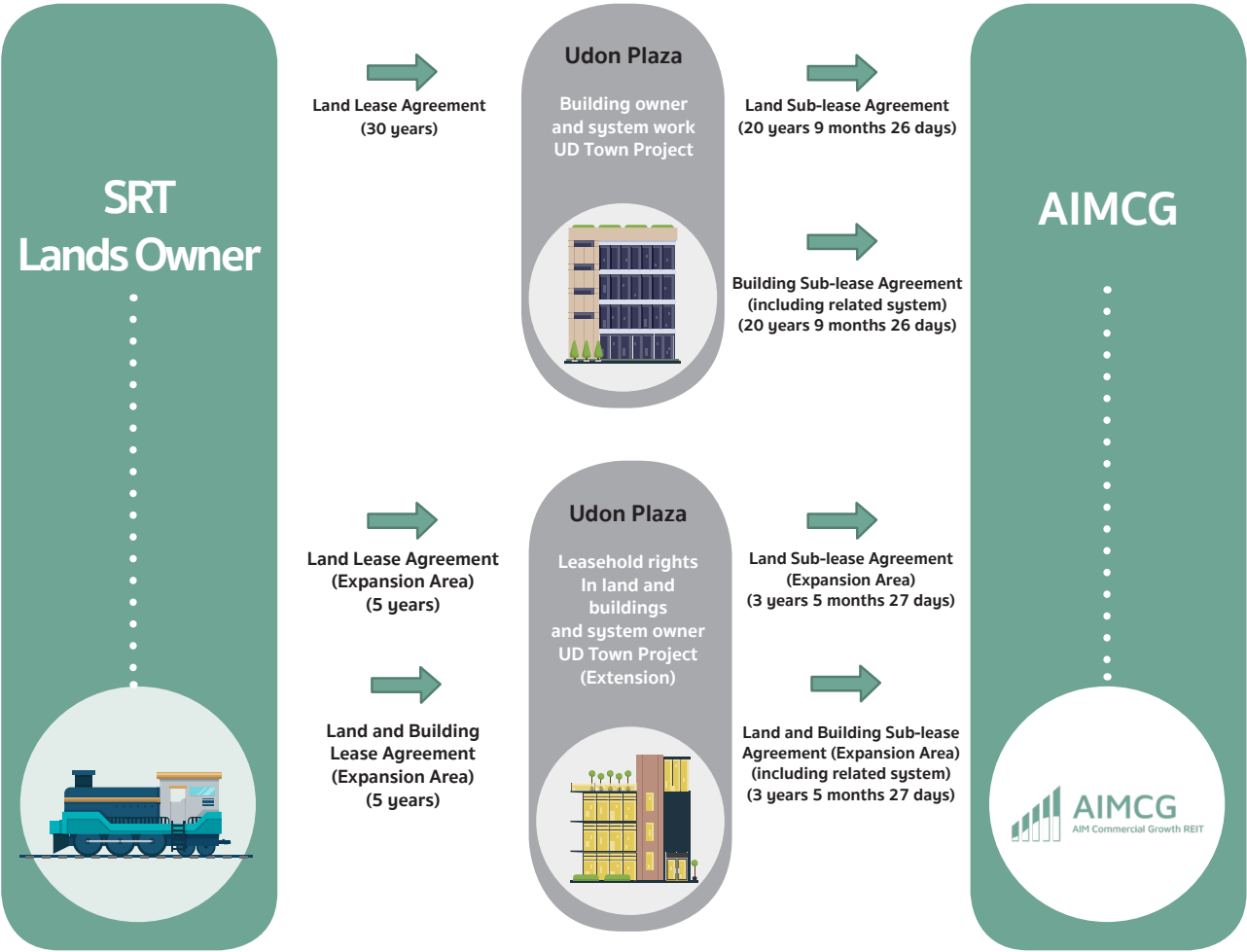
as well as maintaining modernity and a positive image, especially in regard to retail and shopping centers. Said strategies and measures will be planned jointly by the above parties to ensure continued development and improvement of those shopping centers, making them both unique and acceptable to the public, while incorporating new concepts in line with the current lifestyles of today's consumers to create an impressive customer experience overall.

## Risks associated with AIMCG Core Properties

### 1. Risks related to AIMCG investment in the UD Town Project.

1.1 Risks related to AIMCG investment in leasehold rights and sublease rights in the UD Town Project, in which said leasehold and/or sublease rights may be terminated or end before the expiration dates, thus resulting in AIMCG losing the rights to use said leased and/or subleased properties.

The UD Town Project is located on land belonging to SRT, for which Udon Plaza has the leasehold rights. For investment in major assets by AIMCG, AIMCG will enter into a lease and sublease agreement with Udon Plaza in order to utilize said leased and subleased properties according to the investment objectives of AIMCG. Details of this investment appear in the diagram below.



However, even though any said investment by AIMCG in leasehold rights and sublease rights per the land sublease agreement, building lease agreement, sublease agreement (extension) and sublease of land and buildings agreement (extension) shall be correct and/or registered with relevant authorities, there is still a risk for AIMCG due to the possibility of leasehold rights and sublease rights under said agreements being terminated or ending before the relevant lease or sublease period. This would result in loss of opportunity, use, and/or benefit from leased or subleased assets by AIMCG, thus affecting AIMCG's procurement of benefits and revenue.

In the event that any termination of said contracts/agreements was a result of breach of contract by Udon Plaza as the lessor, AIMCG retains the right to claim for damages from Udon Plaza and/or to terminate the contract immediately. In such a case, Udon Plaza must pay the remaining leasing fees to AIMCG, along with any revenue or any other benefits received by the sub-lessor in the name of AIMCG. Said payments must be commensurate with the remaining lease or sublease terms, including any lack of benefit to AIMCG due to inability to utilize leased assets for the remaining lease or sublease terms. This does not, however, preclude the rights of AIMCG in claiming damages and/or any other expenses arising from the breach of contract.

Additionally, in regard to leasehold rights to land and buildings invested in by AIMCG, there is a risk to AIMCG if Udon Plaza, as a contract party with SRT in land lease agreements, land lease agreements (extension), and land and building lease agreements (extension), violates or is in breach of any of the material conditions in the main lease contract to the extent that it could cause said lease contract to be ended. Said breach would be including, but not limited to, default on payment of annual rent, which Udon Plaza is still obligated to pay under the contract. In such a case, this could affect enforcement of the sublease agreement and result in inability by AIMCG to utilize the subleased property according to the objectives specified in the sublease agreement. Additionally, in the event that said main contract is terminated for any other reason, this too could cause AIMCG to lose the rights to utilize the subleased property under the sublease agreement. Risks due to such an event could have a significant impact on the business, performance, and financial status of AIMCG

In the case of the sublease for the UD Town Project, however, AIMCG has made an agreement with Udon Plaza whereby AIMCG agrees to pay rent directly to the State Railway of Thailand so as to prevent any risk of Udon Plaza breaching said obligation. Additionally, AIMCG has received an undertaking agreement from Udon Plaza, the leased property owner, providing guarantees and agreement regarding various duties, the core of which specifies that throughout the sublease term, Udon Plaza shall strictly comply with all duties stipulated in the main lease agreement and shall not distribute, transfer, or place any obligations on leasehold rights on subleased land, except with the prior written consent of AIMCG. This includes Udon Plaza's agreement that it shall not terminate or amend the main lease agreement for any reason and/or regardless of any period of time without the prior written consent of AIMCG. In the event that Udon Plaza breaches any of the clauses stipulated in the main lease agreement, Udon Plaza agrees to notify AIMCG of said breach of contract in writing, thus giving AIMCG the right to amend said contract without delay, or to agree to request consent from the State Railway of Thailand to transfer the rights and responsibilities of Udon Plaza as the lessee under the main lease agreement.

**1.2 Risk related to land lease agreement (extension) and sublease of land and buildings agreement (extension) still in process of leasehold right registration, under which there remains a provision allowing the State Railway of Thailand to terminate the contract or request return of space.**

Regarding investment by AIMCG in major assets, AIMCG entered into the said land sublease agreement (expansion area) and land and buildings sublease agreement (extension) for the UD Town Project (expansion area) from Udon Plaza, the owner of the leasehold rights for land and buildings (expansion area) from the State Railway of Thailand, in order to sublease said property according to the investment objectives of AIMCG.

However, the current term of the land lease agreement (expansion area) and the land and buildings lease agreement (extension) between SRT and Udon Plaza is 5 years (beginning on January 1, 2018), and Udon Plaza has not yet registered the leasehold rights. Therefore, investment by AIMCG in the UD Town Project (expansion area), even when investment in sublease rights by AIMCG under the

land and building sub-lease agreement (extension area) is completely correct, there is still a measure of possible risk to AIMCG if the leasehold rights under said agreements may be terminated or ended before the rental period expires. This is due to the property lease agreement having a rental period of more than 3 years but having not yet been registered, which means that if the 3-year period has elapsed and the contract parties continue to comply with said lease agreement, it will be considered a lease with an undetermined time period. This means any party wishing to terminate said rental agreement with an undetermined time period may send advance notice of at least 1 rental period to the other parties, and if the land lease agreement (expansion area) and/or land and buildings lease agreement (expansion area) are ended, the land sub-lease agreement and the land and buildings sub-lease agreement (expansion area) that was entered into by AIMCG with Udon Plaza would also end. This would result in a lack of use and/or benefit from said subleased assets to AIMCG, which could affect the procurement of benefits and revenue to AIMCG.

To alleviate the effects of the above risks related to investment in major assets by AIMCG in the UD Town Project (extension), AIMCG has received an undertaking agreement from Udon Plaza under the sublease agreement (extension) and the land and buildings sublease agreement (extension) that will allow AIMCG to fully utilize said leased property according to the spirit and purpose of the contract/agreement, free of any liability, obligation, or action taken against it. Additionally, in the event of any breach by Udon Plaza of the land lease agreement (extension) and/or land and buildings lease agreement (extension) between SRT and Udon Plaza, resulting in said contract being terminated or ending for any reason other than dereliction of or negligence in duties or a failure to perform duties by AIMCG as specified in the contract, AIMCG retains the right to claim for damages from Udon Plaza for the said incident and/or to terminate the contract immediately. In such a case, Udon Plaza must pay the remaining leasing fees to AIMCG, along with any revenue or any other benefits received by Udon Plaza in the name of AIMCG. Said payments must be commensurate with the remaining rental terms, including any lack of benefit to AIMCG due to an inability to utilize the leased assets for the remaining sublease term specified in the lease

agreement. This does not, however, preclude the rights of AIMCG in claiming damages and/or any other expenses arising from the breach of contract.

## 2. Risks due to AIMCG investment in the 72 Courtyard Project

The 72 Courtyard Project is located on land belonging to an individual for which Membership holds the leasehold rights for the construction of buildings and other structures under a special reciprocal agreement, which takes precedence over lease agreements, allowing them to conduct business in the 72 Courtyard Project and retain ownership of 72 Courtyard Project Buildings. For investment in major assets by AIMCG, AIMCG will enter into a building lease agreement with Membership for said 72 Courtyard Project in order to utilize constructed buildings, which are leased assets according to the investment objectives of AIMCG. In this regard, even if investment in leasehold rights by AIMCG is completely correct and registration has been carried out with the relevant authorities, there is still a possible risk to AIMCG due to the fact that the leasehold rights for the land on which the 72 Courtyard Project is located according to the special reciprocal agreement, which holds precedence over the lease between Membership and the land owner of the 72 Courtyard Project, have not been registered at the relevant land office and thus may be terminated or ended before the rental term is complete. However, entering a special reciprocal agreement (which takes precedence over a lease agreement) would have a special effect between contract parties, whereby the legal principles which under the Civil and Commercial Code both in writing and registration may not be applied. That is, contract parties may sue to enforce the case, even if the lease said case has a lease term of more than 3 years and has not been registered with relevant authorities.

In the event that the owner of the land on which the 72 Courtyard Project is located transfers ownership of said land to a third party, the judgment of the Supreme Court is that the special reciprocal agreement (which takes precedence over the normal lease agreement) shall be personal rights enforceable only between the contract parties and are not binding upon the third party transferee, that is, unless the transferee agrees to be bound by

said agreement and except in the case of rights and responsibilities under the contract of inheritance. Therefore, if the owner of the land on which the 72 Courtyard Project is located transfers ownership of said land to a third party, and if said third party does not agree to allow the property invested in by AIMCG to remain on the land for which said ownership has been transferred, thus affecting the building lease agreement for the 72 Courtyard Project between Membership and AIMCG, this would result in a lack of use and/or benefit from the 72 Courtyard Project building (which is a leased asset) to AIMCG, which could affect the procurement of benefits and revenue to AIMCG.

However, in regard to the special reciprocal agreement (which takes precedence over the normal lease agreement) between the landowners of the 72 Courtyard Project and Membership, it is stipulated in the contract that if the owner of the 72 Courtyard Project wishes to sell or transfer ownership of the land on which the 72 Courtyard Project is located (which is an asset leased according to the special reciprocal agreement which takes precedence over the normal lease agreement) to a third party, Membership must be notified of the price for which said property would be sold and Membership must be given first buyer's rights. Additionally, in regard to major assets invested in by AIMCG in the 72 Courtyard Project, AIMCG has received an agreement from Membership that AIMCG will be allowed to utilize fully the leased property in accordance with the spirit and purpose of the contract, free of any liability, obligation, or action taken against it. In addition, throughout the entire lease term, Membership agrees not to transfer the rights and obligations under the special reciprocal lease agreement with the landowners of the 72 Courtyard Project property to any other third party or to sell, transfer, or place any obligations on buildings in the 72 Courtyard Project for others, except with the prior written consent of AIMCG. Also, in the event of a breach of contract by Membership due to the special reciprocal agreement (which takes precedence over the normal lease agreement) for any reason whatsoever, including but not limited to a change in ownership of the land on which the 72 Courtyard Project is located, thus causing AIMCG to be unable to utilize the leased property, and if said event was not the result of AIMCG's dereliction of or negligence in duties or failure to fulfill obligations under the contract, AIMCG reserves the right to claim damages from Membership

due to said incident and/or to terminate the contract immediately. In such a case, Membership must pay the remaining leasing fees to AIMCG, along with any revenue or any other benefits received by Membership in the name of AIMCG. Said payments must be paid commensurate with the remaining rental terms, including any lack of benefit to AIMCG due to an inability to utilize leased property for the remaining lease term. This does not, however, preclude the rights of AIMCG in claiming damages and/or any other expenses arising from the breach of contract.

### **3. Risks related to rental contract requirements for certain projects, which give the right to small tenants to terminate the lease and the service contract before expiration of the rental term and/or limit the amount of damages small tenants are responsible for in the event that said tenants terminate the contract prematurely**

The lease agreement and/or service agreement with some of the tenants in the UD Town Project includes the right for said tenants to terminate the lease and service agreements before the expiration date of the lease term without constituting a breach of contract, as well as clauses limiting the amount of damages said tenants are responsible for in the event of termination of the lease agreement before the expiration of the contract term. Additionally, certain clauses in said contracts restrict the use of certain parts of the UD Town Project for certain types of businesses only, including hypermarket businesses, supermarkets, or department store businesses. Therefore, there may be a risk to AIMCG if said tenants terminate the lease and/or service agreement before the expiration of the contract term and AIMCG is unable to procure new tenants to replace said tenants within a reasonable timeframe, or is unable to find new tenants, or if new tenants agree to a shorter rental period than the previous tenants. Also, in such a case, AIMCG may not receive full compensation based on actual damages, and may be subject to limitations on finding new tenants, such as certain rental spaces permitted for rental only to tenants operating certain types of businesses as outlined above. In any of these cases, said events and limitations could have a direct impact on the performance of AIMCG.

#### 4. Risk of competition from shopping centers and other retailers within the same target group, which may affect the procurement of benefits and the operating results of AIMCG

Because the major assets invested in by AIMCG, such as the UD Town Project, Porto Chino Project, and the 72 Courtyard Project, are a major source of revenue for AIMCG due to the space rental business within the community and lifestyle mall categories, when considering same or similar business types in nearby areas, it is clear that AIMCG may face increased competition due to other operators also running shopping center businesses in a similar manner, and these operators also having developed, renovated, and decorated said retail spaces or having succeeded in attracting consumers.

In addition, the property rental operators of AIMCG must face continually changing customer needs, including lifestyle and consumption behavior changes among customers making purchases or receiving services. This has caused increased competition in the procuring of new tenants, the contract renewal of existing tenants, and the reduction of rental rates to attract tenants, all of which may have a significant impact on the procurement of benefits and the performance results of AIMCG.

That said, all three aforementioned projects and major assets invested in by AIMCG are in appropriate locations convenient for travel and transportation and have achieved suitable market positioning with clear target customer groups, as well as having concepts and designs that are different from other shopping centers in the same area. These are considered important factors helping to enhance the potential of AIMCG assets allowing competitiveness against other operators without significantly affecting the procurement of benefits and performance of AIMCG.

#### 5. Risks associated with the cost of building demolition in the Porto Chino Project

At present, there are some areas within the Porto Chino Project that are adjacent to a public canal. D-Land,

which is the current owner of the project, received permission from the Marine Department on January 9, 2017, to construct drain type protrusions into waterways per the Navigation in the Thai Waters Act, B.E. 2456 (1913), for the purpose of drainage into said public canals. However, according to the permit for construction of protrusions into waterways received by D-Land, there is a clause which specifies that in the case that the government wishes to use said areas for important benefit to the government or the general public, said protrusions into waterways may be required to be demolished within a reasonable timeframe without any damages or expenses being claimed from the government.

Therefore, although D-Land has at present received permission from the Marine Department for the construction of sewers which are protrusions into waterways in the Project area, nonetheless, in the investment of AIMCG in major assets in the Porto Chino Project, AIMCG may still be at risk in the event that the Marine Department acts upon its right to require the owner of the property as the authorized party or the occupant of the property to demolish said protrusions into waterways. This is due to demolition costs and other related expenses, as well as possible impact on project management and use of real estate invested in by AIMCG in the Porto Chino Project.

However, the Company has examined the letter of notification regarding protrusions into water ways by the Marine Office, Samutsongkhram Branch, which is the relevant department, as well as the permission request for the construction of said waterway protrusions, which is the relevant documentation, in which it is specified that inspection of the area determined the fact that due to the current condition of the aforementioned public canal, it is a waterway that cannot be navigated or developed for navigation, and that, additionally, the laying of said drains will not obstruct the flow of water in the canal. The risk that the Marine Department would require demolition of said drains is therefore quite low.



## Risk associated with Real Estate Investment

### 1. Risks arising from land expropriation.

AIMCG may have the risks in the event that any property invested by AIMCG is expropriated by any government agency hindering AIMIRT from utilizing the invested properties for benefits on business operation. Moreover, In the event of such expropriation, AIMCG may not receive compensation from such expropriation or receive compensation that is less than the value of the invested properties. In addition, such compensation may not cover the expected distribution and capital invested by trust unitholder because the amount of compensation is based on conditions as specified in related agreements and remaining duration of lease term after expropriation. Therefore, the Company is unable to estimate opportunities on expropriation because it depends on policy and necessity of area utilization of the government in the future.

### 2. Risks resulting from increase in expense related to the properties and operational expenses.

The ability of AIMIRT to made the distribution payment to trust unitholders may be negatively affected if expenses related to the properties and operational expenses are increased whereas incomes are not increased to be consistent with those expenses. Many factors may increase expenses on the properties and operational expenses, such as, expenses on properties maintenance, taxes and fees related to the properties, expenses of public utilities, service fees of sub-contractors, inflation, and insurance premiums, etc.

### 3. Risks related to the value of leasehold rights for properties invested in by AIMCG, which may be reduced with the remaining rental term period and thus would result in the value of AIMCG trust units decreasing accordingly as well.

AIMCG will invest in leasehold rights to real estate for which the value of said leasehold rights may decrease per the remaining lease period according to the valuation of an independent appraisal and/or any other factors beyond the control of the REIT Manager. Therefore, when the leasehold rights have expired, if AIMCG does not have any additional investments in major assets, the value of the net assets of the trust unit would be equal to zero. In such a case, AIMCG would not have reserve funds for the return of investment in leasehold rights to trust unitholders but would gradually pay back said investment to trust unitholders by the reduction of registered capital.

In addition, the trust unit value could also decrease as a result of appraisal of leasehold rights, changes in occupancy rates and/or rental rates and/or utility fees, or due to any other reason beyond the control of AIMCG. As such, a change in value of said leasehold rights may have a significant impact on the net asset value of AIMCG, trust unit value, and/or final remunerations of AIMCG.

### 4. Risks associated with natural disasters, flood, and sabotage.

The major properties of AIMIRT may be damaged by any natural disaster such as flood and/or sabotage. Therefore, AIMCG shall maintain the insurance for those properties covering all lease term and renewal period in order to relieve any damages against the major properties of AIMCG and loss of life and properties of the related tenants with the best conditions of insurance. Such insurance shall be consistent with insurance standard for the similar buildings to the major properties of AIMCG in both aspects of building nature and usage, for example, all risk insurance and public liability insurance.



## Risks associated with Investment in AIMIRT Trust Units

### 1. Risks caused by decrease of trust unit price after offering.

Offering price of trust unit is based on various factors that may be changed in the future, for example, business and investment opportunities of AIMCG, condition of property market in Thailand under the perspective of investors, estimation of investors and analysts, market value of properties of AIMIRT, attraction of trust units compared with other equity instruments, balance between sellers and purchasers of trust units, size and liquidity of REIT unit investment market in Thailand in the future, amendment of related rules and regulations, foreign currency exchange, interest rate, and fluctuation of the capital market.

With those factors, trust unit may be sold and purchased with higher or lower price than unit net asset value. Although AIMCG has cash flow for investment as the reserve for operations or for others, this capital may increase the value of assets but it may not increase market price of trust unit. If AIMCG is unable to perform operations as per the expectation of market whether in aspect of future income or distribution payment to trust unitholders, the market price of trust unit may be affected negatively.

Moreover, trust units are not financial products with protection of investment amount. The nature of investment in trust units is not entering into loan agreement or guaranty that trust unitholders will get return of invested money. Therefore, the investors may have the risks not get back a whole or partial amount of invested money.

### 2. Risks associated with AIMCG to make distribution payment to trust unitholders and such distribution is less than turnover of AIMCG gained from its operation.

AIMCG incomes obtained from properties investment depend on several factors as well as the amount of

rental fee and expenses rate related to properties and occurring operational expenses. If AIMCG properties generate insufficient income, cash flow of AIMCG and ability on distribution payment may be negatively affected. The Company is unable to promise whether AIMCG will make the distribution payment or maintain stable and/or higher distribution rate in the future. In addition, there is not warranty that the rate of rental fee as specified in the current lease agreement will increase or generate the additional rental fee based on expansion areas of properties or new assets those will boost up income of AIMCG and enable AIMCG to pay distribution to trust unitholders in the higher amount.

To determine the amount of distribution for trust unitholders, AIMCG has to take many factors into account, not only the turnover received by AIMCG from properties renting, but also the income after deduction of operational expenses. Such operational expense includes expenses on management, payment of due loan, other obligations, etc., with considering of cash flow as well as other expenses of AIMCG. Therefore, the distribution amount paid to the trust unitholders is less than the turnover that AIMCG received from operations of properties investment.

### 3. Risks associated with taxes and fees.

In case of amendment of tax laws and regulations or laws and regulations, the trust unitholders may have burdens on taxes related to purchasing or investment of trust units i.e., pay for taxes with higher rate or in the event that the distribution is paid to foreign investors, the withholding tax with different rate shall be applied.

Also, AIMCG's taxes and fees burdens may also change from current rate, for example, the properties transaction of sale and purchasing or ownership transfer may have some revised scheme of taxes and fees in the future that cause additional taxes or fees that AIMIRT may be binding to pay for it as a whole or partial.

## Appendix

## Management Team



## Mr. Amorn Chulaluksananukul

Chief Executive Officer and Director

### Educational Background

- Master of Business Administration - Management, Ashland University, Ohio, U.S.A.
- Bachelor of Economics - International Economics, Faculty of Economics, Chulalongkorn University.

### Current Position

2019 – Present	Independent Director and Member of Audit Committee. Build Land Public Company Limited.
2018 – Present	Chief Executive Officer and Director. AIM Real Estate Management Company Limited.
2016 – Present	Chief Executive Officer and Director. AIM REIT Management Company Limited.

### Experiences

2014 – 2016	Managing Director. TICON Management Company Limited.
2003 – 2014	Senior Vice President. Bank Thai Public Company Limited and CIMB Thai Public Company Limited.
2001 – 2003	Finance Senior Executive. Digital Onpa Public Company Limited.

## Mr. Charasrit A.Voravudhi

Managing Director, Director and Business Development Director

### Educational Background

- Master of Business Administration - Financial Management, Lubin School of Business, Pace University, New York, U.S.A.
- Diploma in Finance University of California Berkeley U.S.A.
- Bachelor of Business Administration - Finance and Banking, Faculty of Commerce and Accountancy, Thammasat University.

### Current Position

2018 – Present	Managing Director, Director and Business Development Director. AIM Real Estate Management Company Limited.
2017 – Present	Managing Director, Director and Business Development Director. AIM REIT Management Company Limited.

### Experiences

2015 – 2016	General Manager and Head of Business Development. TICON Management Company Limited.
2013 – 2015	Vice President - Relationship Manager, Wholesale Banking Group. Siam Commercial Bank Public Company Limited.
2009 – 2013	Vice President - Relationship Manager, Non-Japanese Corporate Banking Department. Sumitomo Mitsui Banking Corporation.

## Miss Yanichsa Chartvutkorkkul

Finance & Investor Relations Director

### Educational Background

- Master of Finance, University of Massachusetts Boston, U.S.A.
- Master of Business Administration (MBA) - Accounting and International Management, University of Massachusetts Boston, U.S.A.
- Bachelor of Business Administrative in Finance and Banking, Thammasat University.

### Current Position

2018 – Present	Finance & Investment Relations Director. AIM Real Estate Management Company Limited.
2016 – Present	Finance & Investment Relations Director. AIM REIT Management Company Limited.

### Experiences

Jan. 2016 – Aug. 2016	Finance & Investment Relations Director. TICON Management Company Limited.
Apr. 2015 – Jan. 2016	Vice President - Senior Credit Analyst. Sumitomo Mitsui Banking Corporation.
Sep. 2014 – Apr. 2015	Credit Underwriting Manager RHB Bank Berhad
Feb. 2014 – Sep. 2014	Assistant Vice President - Relationship Manager Siam Commercial Bank Public Company Limited
Jun. 2011 – Feb. 2014	Assistant Vice President - Relationship Manager Kasikorn Bank Public Company Limited

## Mr. Pongthon Sugeeraphan

Accounting Director

### Educational Background

- Master of Corporate Governance, Chulalongkorn University.
- Bachelor of Business Administration (Account), Nakhon Si Thammarat Rajabhat University.

### Current Position

2018 – Present	Accounting Director AIM Real-Estate Management Company Limited
2016 – Present	Accounting Director AIM REIT Management Company Limited

### Experiences

Sep. 2015 – Sep. 2016	Accounting Director. TICON Management Company Limited.
Apr. 2014 – Aug. 2015	Accounting and Finance Manager. Aramex (Thailand) Company Limited.
Oct. 2001 – Feb. 2011	Accounting Senior Officer. Akara Mining Company Limited.

## Miss Jatupat Utawanit

Property Management Director

### Educational Background

- Master of Economics and Finance, Curtin University of Technology, Australia.
- Bachelor of Economics (Finance and International trading), Thammasat University.

### Current Positions

2018 – Present	Property Management Director AIM REIT Management Company Limited
2018 – Present	Property Management Director AIM Real Estate Management Company Limited

### Experiences

Oct. 2004 – Oct. 2017	First Vice President - Relationship Manager. Sumitomo Mitsui Banking Corporation.
Jan. 2002 – Oct. 2004	Senior Relationship Manager. United Overseas Bank.

## Miss Kanokpak Anannatsiri

Legal and Compliance Director

### Educational Background

- Master of Business Economics, Kasetsart University.
- Certificate of Thai Bar, The Thai Bar.
- Bachelor of Law, Thammasat University.

### Current Positions

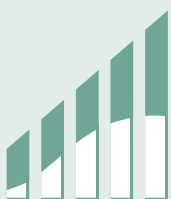
2019 – Present	Legal and Compliance Director AIM REIT Management Company Limited
2019 – Present	Legal and Compliance Director AIM Real-Estate Management Company Limited

### Experiences

Oct. 2018 – Feb. 2019	Senior Specialist - Business Operation Risk Management - Retail Banking. TMB Bank Public Company Limited.
Sep. 2017 – Sep. 2019	Vice President - Corporate Compliance and Risk Management. ACS Servicing (Thailand) Company Limited.
Jan. 2016 – Mar. 2017	Deputy General Manager - Risk Management Department. Isuzu Motors Company (Thailand) Limited.
Dec. 2014 – Apr. 2016	Contract Management Manager. United Telecom Sales and Services Company Limited.







**AIMCG**

**AIM Commercial Growth (AIMCG)**

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