

(Translation)

**Part 1**  
**Executive Summary (Fact Sheet)**

The Executive Summary is part of the registration statement and prospectus. It only provides summary information on the offering, nature and characteristics of risks of the issuer (the “**Company**”). Therefore, investors are advised to study details of the offering from the complete version of the prospectus which can be obtained from the underwriter or the Company, or from the registration statement and prospectus submitted to the Office of the SEC at [www.sec.or.th](http://www.sec.or.th)

Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)

Issuer and REIT Manager: Dusit Thani Properties REIT Company Limited

Trustee: Krungthai Asset Management Public Company Limited

**Summary**

<b>Trust Name (Thai)</b>	ทรัสต์เพื่อการลงทุนในอสังหาริมทรัพย์และสิทธิการเช่าอสังหาริมทรัพย์
<b>Trust Name (English)</b>	Dusit Thani Freehold and Leasehold Real Estate Investment Trust
<b>Abbreviation</b>	DREIT
<b>Type</b>	Indefinite and Non-redeemable
<b>Paid-Up Capital</b>	THB 3,656,023,880.00
<b>REIT Manager</b>	Dusit Thani Properties REIT Company Limited
<b>Trustee</b>	Krungthai Asset Management Public Company Limited
<b>Financial Advisor</b>	CIMB Thai Bank Public Company Limited

**1.1 Details of the Offering of Trust Units**

<b>Issuer</b>	Dusit Thani Properties REIT Company Limited
<b>Type of Security</b>	Trust certificate evidencing the unitholder's right as a beneficiary of the trust unit
<b>Offering Units</b>	302,100,000 units
<b>Par Value</b>	THB 8.8552 <sup>1</sup>
<b>Offering Price</b>	The Maximum Offering Price equals to THB 5.90 per unit in which the final price will be announced on 12 September 2019 in the news section

<sup>1</sup> The par value of the Trust Units as of the initial offering date was THB 8.9302 per unit. However, on 26 July 2019 the REIT manager's Board of Directors approved the decreases of DREIT's paid-up capital by THB 0.0750 per unit. Following such decrease, the par value has become THB 8.8552 per unit.

	on the Stock Exchange of Thailand website ( <a href="http://www.set.or.th">www.set.or.th</a> ) and the Company's website ( <a href="http://www.dtcreit.com">www.dtcreit.com</a> )
<b>Characteristics of the Offer</b>	Rights Offer to existing trust unitholders and Public Offering
<b>Minimum Units for Subscription</b>	For Public Offering, the minimum units for subscription is 1,000 units with a multiple of 100 units
<b>Underwriters</b>	CIMB Thai Bank Public Company Limited

#### Offer Proportions of the Trust Units

Type of Investors	Offering Units (Unit)
<b>Portion 1: The Offer to Existing Trust Unitholders on a Rights Offering Basis</b>	Not more than 302,100,000 <sup>(1)</sup>
<b>Portion 2: Public Offering</b>	The remaining amount from Portion 1
(1) To Institutional Investors (2) To persons according to discretion of the Underwriter	The underwriter reserves the right to alter the trust unit allocated to each type of investor under discretion of the REIT manager. The allocation can be determined either increasing or decreasing trust unit sale proportion, considering several factors such as sale demand of trust unit of supporters of asset owners, financial institutions, any persons under discretion of underwriter for this trust unit offering to be successful as long as complying to prevailing securities A.C.T. and local laws.

Remarks : (1) Rights Offering Ratio is at minimum 1 existing trust unit per 0.7379 newly issued trust unit

## 1.2 Objective of the Fund Raising

To utilize the source of fund for the investment in the First Additional Asset Investment and/or for the use for DREIT's operation including capital expenditures and renovation of assets and/or to repay the existing loans. In this regard, the investment value for the First Additional Asset Investment Assets shall have the total value in the amount of not exceeding THB 2,385,600,000, (Two Thousand Three Hundred Eighty Five Million and Six Hundred Thousand Baht) or equivalent to USD 74,550,000 (Seventy Four Million Five Hundred and Fifty Hundred Thousand United States

Dollar) where reference is made under the exchange rate of THB 32.00 per 1 USD<sup>1</sup> (excluding any value added tax, as well as other relevant fees and expenses) and use the remain capital for daily operation of the REIT, including as capital expenditure and renovation expenditure of main assets of DREIT and/or repay the existing loan

### 1.3 Borrowing

In making additional investment during the first capital increase of DREIT, one of source of fund is through borrowing from financial institution(s) for the amount not more than THB 2,045,000,000. Please note that the lender could be a potential Related Party to DREIT and the currency could be either THB and / or Foreign Currencies. By entering into a loan agreement, there could be collateral involved in the future.

In addition to the asset acquisition, the borrowing specified above is meant to serve as another source of fund for the REIT to use in refinancing existing debt and / or renovation of current asset investment of DREIT and /or working capital in daily operations.

Terms and conditions related to such borrowings would be as specified in the Loan Agreement and official documents between the Trustee for DREIT and Potential Lender or other involving counter parties. A brief summary of such terms and conditions is presented in the table below.

<b>Borrower</b>	DREIT
<b>Lender</b>	Commercial Bank and/ or Financial Institution that may be persons related to the Trustee
<b>Credit Facility</b>	Not Exceeding THB 2,045 Million
<b>Objective</b>	To use as one of the source of fund for the investment in Additional Investment Assets No. 1 and/or for the use in DREIT's operation and/or to repay the existing loans in order to increase the source of income and increase the return to trust unitholders
<b>Interest Rate</b>	Fixed or float interest rate Referencing to current interest rate, the interest rate will not exceed 4.2 % per annum
<b>Tenor</b>	5 years from the first drawdown
<b>Principal Repayment</b>	Balloon payment at the end of this facility agreement
<b>Interest Payment</b>	By quarter
<b>Pledge</b>	May have or do not have. In case that there is a pledge, it may include all or partially of the assets that DREIT currently invested in and assets that DREIT will invest after the first capital increase

<sup>1</sup> In order to reduce the risk of exchange rate in the transaction, the REIT Manager, DTPP and MBK agree to pay the asset price for the Additional Investment Assets No. 1 in Thai Baht currency at the exchange rate of THB 32.00 per USD 1.

## **1.4 Details of Assets**

### **1.4.1 Current Investments Assets of DREIT**

Current investments assets of DREIT are assets that DREIT received from the conversion of DTCPF on 8 December 2017 consisting of

- (1) Dusit Thani Laguna Phuket Hotel Project
- (2) Dusit Thani Huahin Hotel Project
- (3) Dusit D2 Chiang Mai Hotel Project

Summary of the details are as follows

#### **1.4.1.1 Details of Current Investments Assets of DREIT**

##### **(1) Dusit Thani Laguna Phuket Hotel Project**

###### **(1.1) General Information**

Dusit Thani Laguna Phuket hotel project is a 5-star large hotel located in the heart of Laguna Phuket with the total area of approximately 33 rai 2 ngan 61.4 square wah. Dusit Thani Laguna Phuket hotel project consists of 226<sup>1</sup> guest rooms, 5 restaurants and bars, fitness center, spa, swimming pool, tennis court, conference room, laundry, business center with internet provided for 24 hours, and shops for instance.

###### **(1.2) Investment Scheme and Asset Details**

Invested in freehold assets of Dusit Thani Laguna Phuket Hotel Project consisting of

- (A) 6 parcels of land, with the total area of approximately 33 rai 2 ngan 61.4 square wah
- (B) Building and utilities system which includes but is not limited to three-storey building with approximately 16,605 square meters of useable area with 226<sup>1</sup> guest rooms and 15 other buildings. The hotel public utility system consists of 2 passenger elevators, an emergency power generation system and fire protection systems and sprinklers in the building and equipments
- (C) Furniture, fixtures and fittings, and equipment used for the operation of Dusit Thani Laguna Phuket Hotel Project

### (1.3) Revenue Structures and Past Performances

(THB Million)	2015	2016	2017	2018	2018	2019
	12 Months				First half	
Room Revenue	274.4	265.9	258.6	276.0	180.8	168.6
Food and Beverage Revenue	166.1	161.5	127.4	141.7	84.3	79.6
Other Income from Operation <sup>(1)</sup>	11.8	10.9	12.8	11.0	7.0	4.6
Total Income	452.3	438.3	398.8	428.7	272.1	252.8
Gross Profit	263.5	252.2	224.9	247.7	176.9	148.7
EBITDA	115.6	106.5	96.1	113.2	105.8	76.6
Occupancy Rate (%) <sup>(2)</sup>	67.33	73.15	63.17	68.96	79.52	79.18
Average Daily Rate (THB/Room/Night)	4,963	4,414	4,985	4,874	5,584	5,227

Remarks : (1) Other Income from Operation includes telephone charges, laundry, activities, souvenirs, shuttle bus, shop rental, and others income

(2) Calculated from 225 guest rooms by not including 1 rooms that is currently used as accommodation for hotel management executives

### (2) Dusit Thani Huahin Hotel Project

#### (2.1) General Information

Dusit Thani Huahin hotel project is a 5-star large hotel located between Cha-am District, Petchaburi Province and Huahin District, Prachuap Khiri Khan Province with the total area of approximately 63 rai 1 ngan 60 square wah. Dusit Thani Huahin Hotel Project consists of 296 guest rooms, conference room which is the largest in upper southern part of Thailand, tennis court, swimming pool, fitness center “DFit”, Devarana Spa, Dusit shop, bakery shops “Dusit Gourmet”, limousine service, tour service, money exchange service, day care service, beauty salon, Landry, and postal services for instance.

#### (2.2) Investment Scheme and Asset Details

Invested in leasehold rights (the remaining lease term is approximately 21 years, shall be expired in 2040) of Dusit Thani Huahin Hotel Project and in freehold assets consisting of

- (A) Leasehold rights in 5 parcels of land with the total area of approximately 63 rai 1 ngan 60 square wah (lease from DTPP, the ownership of the leasehold rights)
- (B) Leasehold rights in building and utilities system (lease from DTPP, the ownership of the leasehold rights) which includes but is not limited to seven-storey building with approximately 29,601 square meters of usable area with 296 guestrooms and 9 other buildings The hotel public utility system consists of 4 passenger elevators, an emergency power

generation system, water management system and fire protection systems and sprinklers in the building and equipments

(C) Ownership in FF&E of Dusit Thani Hua Hin

### (2.3) Revenue Structures and Past Performances

(THB million)	2015	2016	2017	2018	2018	2019
	12 Months				First half	
Income from Hotel Rooms	269.6	253.0	219.7	220.6	109.6	108.6
Income from Food and Beverages	158.1	143.0	142.4	152.6	75.2	64.9
Income from Other Operations <sup>(1)</sup>	22.5	23.4	19.2	17.5	9.0	9.5
Total Income	450.2	419.4	381.3	390.7	193.8	183.0
Gross profit	274.9	252.1	218.7	229.1	113.5	106.1
EBITDA (Earnings before depreciation and amortization, interest, and taxes)	119.8	99.2	71.1	85.0	39.1	40.7
Average Occupancy Rate๒ (percent)	67.63	65.42	64.47	67.71	66.99	61.89
Average Room Rate (THB/Room/Night)	3,690	3,567	3,155	3,015	3,053	3,277

Remarks : (1) Income from Other Operations consists of telephone service fees, laundry fee, activity fees, souvenir shop, shuttle service, rental and others

### (3) Dusit D2 Chiang Mai Hotel

#### (3.1) General Information

Dusit D2 Chiang Mai Hotel is a large 5-star hotel, situated in the center of Chiang Mai city on Chang Klan Road in the Night Bazaar area, one of Chiang Mai's important commercial and shopping quarters. This hotel targets on younger customers who seek exotic and modern experience. Dusit D2 Chiang Mai Hotel offers Deluxe Suite and D'Suite of total 130 rooms hotel building with a total usable area of approximately 11,697 square meters and 4 other buildings.

#### (3.2) Details of Assets Invested

DREIT invests in freehold of Dusit D2 Chiang Mai Hotel, the assets of which comprise the following:

- (a) A total of 7 land plots with the approximate total usable area of 2 rai, 2 ngan, and 65 square wah;
- (b) Structures, utilities system works and facilities which includes but is not limited to the eleven-storey building (including basement) with approximately 11,697 square meters of usable area with 130 guestrooms and 4 other buildings The hotel public utility system consists of 2 passenger elevators, 1 loading elevator, an emergency power generation system and fire protection systems and sprinklers in the building.

(c) Furniture, fixtures and fittings, and equipment used in the operation

**(3.3) Revenue Structures and Past Performances**

(THB mn)	2015	2016	2017	2018	2018	2019
	12 Months				First half	
Income from Hotel Rooms	111.9	112.8	105.6	100.3	47.8	43.7
Income from Food and Beverages	29.6	28.9	25.3	23.2	10.6	9.9
Income from Other Operations <sup>(1)</sup>	6.6	7.2	5.8	5.8	2.6	2.8
Total Income	148.1	148.9	136.7	129.3	61.0	56.4
Gross profit	86.6	90.1	82.5	78.7	35.9	33.2
EBITDA ( Earnings before depreciation and amortization, interest, and taxes)	35.2	38.0	33.4	32.0	12.8	10.1
Average Occupancy Rate% (percent)	84.12	81.54	78.58	80.77	75.31	74.61
Average Room Rate (THB/Room/Night)	2,803	2,908	2,832	2,617	2,695	2,488

Remarks : (1) Income from Other Operations consists of telephone service fees, laundry fee, activity fees, souvenir shop, shuttle service, rental and others

**1.4.1.2 Summary of Investment Value of DREIT's Initial Investment**

For the assets of DREIT's initial investment in 8 December 2019 , all 3 hotels properties has been transferred from DTCPF with details as following

- (1) Investment in freehold right of land, buildings and structures including furnitures, fixture, fitting and equipment used for hotel operations of Dusit Thani Laguna Phuket Hotel with total investment of THB 2,869 million
- (2) Investment in leasehold right of land, leasehold right of buildings and structures and public utility systems useding for hotel operations of Dusit Thani Huahin Hotel with 30-year leased period starting 24 December 2010 to 23 December 2040 (leased period remain 21 years at present) as well as owning furniture , fixtures , equipment and improvement of total investment of THB 891 million
- (3) Investment in freehold right of land, buildings and structures including furnitures, fixture, fitting and equipment used for hotel operations of Dusit D2 Chiangmai Hotel with total investment of THB 401 million

**1.4.1.3 Summary of appraisal value of Current Investment Assets of DREIT**

Current Investment Asset of DREIT	Appraiser	Income Approach (THB mn)	Adjusted Fund Value (THB mn)	Appraisal Date
Dusit Thani Laguna Phuket	Siam City Appriasal Co., Ltd.	3,370.4 <sup>1</sup>	3,009.2 <sup>1</sup>	27 Sep 2018
Dusit Thani Hua Hin	Siam City Appriasal Co., Ltd.	1,060.1 <sup>2</sup>	909.5 <sup>2</sup>	26 Sep 2018
Dusit D2 Chiang Mai	Siam City Appriasal Co., Ltd.	431.4 <sup>3</sup>	406.9 <sup>3</sup>	7 Jan 2019

#### 1.4.1.4 Details on the Procurement of Benefit from the Current Investment Asset of DREIT

Currently, DREIT rented its Current Investment Asset of DREIT out to the DMCO, a subsidiary of DTC, under a Rental Agreement and Sub-Lease Agreement (where applicable). In running a daily operations, DMCO employed DTC under a hotel management contract to manage all 3 hotels and pay rental to DREIT as part of the rental / sub-lease agreement.

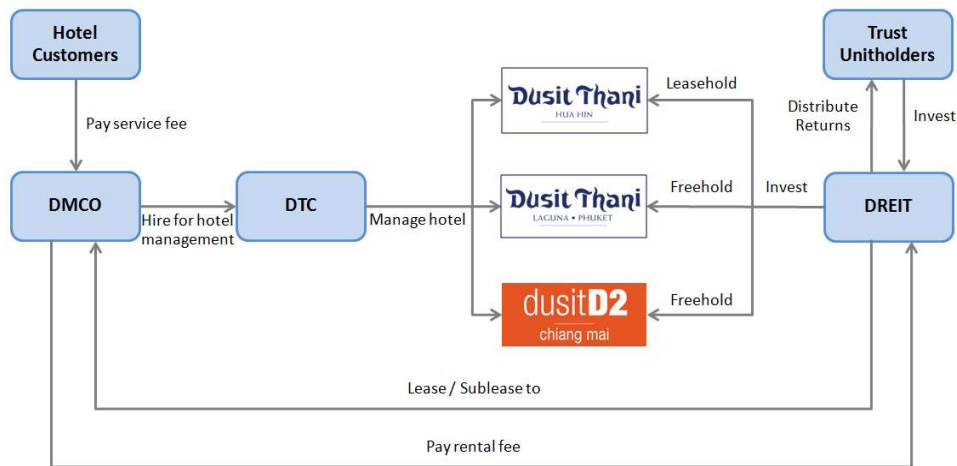


Diagram showing detail on the Procurement of Benefit from the Current Investment Asset of DREIT

Remark : Dusit Management Co., Ltd. ("DMCO")  
Dusit Thani Public Company Limited ("DTC")

To lease/sublease out the assets to DMCO, DREIT has accepted the assignment of rights and duties under the current lease/sublease agreements from DTCPF which will be expired in 2019.

<sup>1</sup> Appraised value by Siam City Appriasal Co., Ltd. per appraisal report dated 21 November 2018  
<sup>2</sup> Appraised value by Siam City Appriasal Co., Ltd. per appraisal report dated 21 November 2018  
<sup>3</sup> Appraised value by Siam City Appriasal Co., Ltd. per appraisal report dated 31 January 2019



After the assignment, DREIT could extend the lease period for another 4 times, for a period of 3 years each (the last year would be 2031). The terms and conditions would be the same as former lease/sublease agreements, except for the provisions in relation to the rental fee which would be as follows:

**1. Total Rent**

Total Rent = Fixed Rental plus Variable Rental

Equivalent to EBITDA plus Profit Sharing to Lessee<sup>(i)</sup> or minus Compensation from Lessee<sup>(ii)</sup>

Where

EBITDA means Earning Before Interest, Taxes, Depreciation and Amortization of the Additional Investment Asset No.1 as presented in the formula number 5 below.

- (i) Applicable only when EBITDA is more or equal to Initial Fixed Rent
- (ii) Applicable only when EBITDA is less than Initial Fixed Rent

**2. Fixed Rent**

Fixed Rent means Initial Fixed Rent or Final Fixed Rent, depending on years being considered where;

**2.1 Initial Fixed Rent**

(a) For the contract renewal year equal to THB 205,000,000 or 2/3 of the average Total Rent over the past 3 year, whichever is higher

(b) For years other than (a)

THB 205,000,000 or Previous year final Fixed Rent, whichever is higher

**2.2 Final Fixed Rent** equals to **Initial Fixed Rent** or  $\frac{2}{3}$  of that year Total Rent, whichever is higher

In any cases, Total rent shall not be less than 205,000,000 per year

Renter / Sub-Lessee agreed to pay rent to DREIT based on the monthly schedule breakdown below

Month	Proportion of Annual Initial Fixed Rent (%)
January	12.50
February	12.50
March	10.00
April	10.00
May	5.00
June	5.00
July	5.00

Month	Proportion of Annual Initial Fixed Rent (%)
August	5.00
September	5.00
October	7.50
November	10.00
December	12.50

For cases where the total Initial Fixed Rent of that particular year, payable by DMCO to DREIT, turns out to be less than the amount calculated and paid using the formula above; DMCO agrees to pay any remaining portion to DREIT within the next due date once the difference has been determined. Please note that the calculation will be based on Financial Statements reviewed / audited by a reputable SEC qualified auditors employed by DMCO.

### 3. Variable Rent

Variable Rent equals to EBITDA less Final Fixed Rent Less Profit Sharing to Lessee<sup>(i)</sup> or add Compensation from Lessee<sup>(ii)</sup> (only when applicable)

Where

EBITDA means Earning Before Interest, Taxes, Depreciation and Amortization of the Current Investment Assets of DREIT as presented in the formula number 5 below.

(i) Applicable only when EBITDA is more or equal to Initial Fixed Rent

(ii) Applicable only when EBITDA is less than Initial Fixed Rent

In determining Variable Rent for a given quarter, the EBITDA used is a Year-to-Date EBITDA and a Cumulated Initial Fixed Rent over the course of the given year.

However in case total variable rents that DMCO has paid to DREIT over the course of any quarter is more than the variable rent computed using the formula described above, based on quarterly statements prepared by DMCO or annual statements audited by DMCO's auditors (where applicable), the lessor agrees to pay any shortage rental paid to DREIT or DREIT agrees to settle any excess rental received with the rental DREIT is entitled within the next payment period after the recomputation of rental.

### 4. Profit Sharing to Lessee or Compensation from Lessee

4.1 Profit sharing to lessee is only applicable when EBITDA is more than Initial Fixed Rent

Profit sharing to lessee = EBITDA – Initial Fixed Rent or (EBITDA – THB 205,000,000<sup>1</sup>) x (1-a), whichever is lower

<sup>1</sup> Additional information is available in the Summary of the Draft Agreement for Procurement of Benefit of DREIT, Draft Agreement for Sublease of Land and Lease of Assets (Dusit Thani Maldives Hotel)

a = 85% from 1 January 2017 to 31 December 2022, and a = 80% from 80% onwards

4.2 Compensation from Lessee is only applicable when EBITDA is less than Initial Fixed Rent

Compensation from Lessee = Initial Fixed Rent less EBITDA

Where by the end of the year, Initial Fixed Rent means Final Fixed Rent

Notwithstanding that, when calculating Profit Sharing to Lessee or Compensation from Lessee, the calculation will be based either on Initial Fixed Rent or THB 205,000,000 multiplied by the "Proportion of Annual Initial Fixed Rent" presented in table under formula 2 above.

**5. Earning Before Interest, Taxes, Depreciation and Amortization of the Current Investment Assets of DREIT (EBITDA)**

Earning Before Interest, Taxes, Depreciation and Amortization of the Current Investment Assets of DREIT No.1 (EBITDA)	<p>EBITDA = (a – b – c – d)</p> <p>a = Total revenues from the hotel business operation (including but not limited to revenues with respect to the guest rooms, food and beverages, and other operations) during the quarter or during the year (as the case may be)</p> <p>b = Total costs from the hotel business operation (including but not limited to costs with respect to the guest rooms, food and beverages, and other operations) during the quarter or during the year (as the case may be)</p> <p>c = Total expenses incurred due to the sales and services from the hotel business operation during the quarter or during the year (as the case may be)</p> <p>d = Total expenses incurred due to the operations from the hotel business operation (including but not limited to property tax, hotel management fee, business interruption insurance premiums, and public liabilities insurance premium, etc.)</p>
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Remark: in the event where the term of the lease does not constitute a full month or calendar year (as the case may be), the contracting parties shall calculate the rental fees as provided above as daily rental fee

**1.4.2 The Additional Investment Assets No. 1**

**1.4.2.1 Details of the Additional Investment Assets No. 1**

**(1) General details**

Dusit Thani Maldives hotel project is a 5-star hotel, located in Mudhdhoo, Baa Atoll, the Republic of Maldives which it is the UNESCO World Biosphere Reserve and is approximately 125 Kilometres from Malé, the capital city of the Republic of Maldives. Dusit Thani Maldives hotel project comprises of 95<sup>1</sup> luxurious villas in various types, each villa

<sup>1</sup> Presently, one unit of the villas is utilized as a resident for the hotel manager.

having its own view of the Maldivian sea, as well as the facilitation area, the reception area, the restaurant and pool.

**(2) Investment characteristics and details**

For this additional investment, DREIT will invest in the Additional Investment Assets No. 1 by means of indirect investment through (1) share acquisition of Dusit Maldives Investment Private Limited (“DMS2”) (a company newly incorporated under laws of Republic of Maldives) (In which DREIT may directly hold shares in the investment company or indirectly through a newly incorporated under Thai laws, in the case of investing through a new Thai company, DREIT and a person appointed by DREIT will hold shares in such company not less than 100 percent) from Dusit Thai Properties Public Company Limited (“DTPP”) and MBK Hotels & Resort Company Limited (“MBK”) who will be the promoters and will initially hold 100 percent of shares in DMS2; and (2) providing shareholder loan to DMS2, whereby DMS2 will receive the transfer of the leasehold right and the ownership of the Additional Investment Assets No. 1 from DMS. The source of fund of DREIT to be used in the investment in the said Additional Investment Assets No. 1 shall have the total value in the amount of not exceeding THB 2,385,600,000, (Two Thousand Three Hundred Eighty Five Million and Six Hundred Thousand Baht) or equivalent to USD 74,550,000 (Seventy Four Million Five Hundred and Fifty Hundred Thousand United States Dollar) where reference is made to the exchange rate of THB 32.00 per 1 USD<sup>1</sup> (excluding any value added tax, as well as other relevant fees and expenses) (“Investment Value for the Additional Investment Assets No. 1”). The source of fund of DREIT to be used in the investment in the said Additional Investment Assets No. 1 will be obtained from the capital increase by means of issuance and offering for sale additional trust units and loans.

The asset details of Dusit Thani Maldives hotel project are as follows:

**(1) Land**

The land on which the Dusit Thani Maldives hotel project is situated is located on Mudhdhoo Island in Baa Atoll, the Republic of Maldives, of which DMS Property Investment Private Limited (“DMS”) (a company incorporated under laws of Republic of Maldives) has been granted with approximately 48-year leasehold right by the government of the Republic of Maldives. Presently, the remaining lease term is approximately at 40 years and 7 months (it is expected that on the date of DREIT’s investment, the remaining lease term will be approximately at 40 years)

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<sup>1</sup> In order to reduce the risk of exchange rate in the transaction, the REIT Manager, DTPP and MBK agree to pay the asset price for the Additional Investment Assets No. 1 in Thai Baht currency at the exchange rate of THB 32.00 per USD 1.

with the area as per the lease agreement of approximately 116 rai 2 ngan 40 square wah.

(2) Buildings and constructions

Any buildings and constructions built on the land where the Dusit Thani Maldives hotel project is located, owned by DMS, including but not limited to 95<sup>1</sup> luxurious villas as well as the facilitation area, the reception area, the restaurants and pool. This shall include all systems, fixed assets, facilities and component parts of such buildings as well as any other immovable properties owned by DMS and currently used in the operation of the Dusit Thani Maldives hotel project.

(3) Movable properties currently used in the operation of Dusit Thani Maldives hotel project

**(3) Historical Performance**

(USD million)	2015	2016	2017	2018	2018	2019
	12 Months				First Half	
Income from Hotel Rooms	14.1	13.3	13.7	15.2	8.0	8.0
Income from Food and Beverages	5.3	5.7	6.7	7.9	3.9	4.1
Income from Other Operations <sup>(1)</sup>	2.1	2.0	2.1	2.9	1.5	1.6
Total Income	21.5	21.0	22.5	26.0	13.4	13.7
Gross profit	15.6	15.1	15.4	18.2	9.5	9.8
EBITDA (Earnings before depreciation and amortization, interest, and taxes)	8.0	6.9	7.1	8.8	4.8	5.2
Rental of the Land which the Additional Investment Assets No. 1 is located <sup>(2)</sup>	1.0	1.0	1.0	1.0	0.5	0.5
EBITDA (Earnings before depreciation and amortization, interest, and taxes) that has been adjusted with the rental of land <sup>(3)</sup>	9.0	7.9	8.1	9.8	5.3	5.7
Average Occupancy Rate <sup>(4)</sup> (percent)	63.47	67.82	76.80	84.43	85.26	83.02
Average Day Rate (USD/Room/Night)	648.61	569.48	519.66	526.36	554.24	568.04

Source: DMS, details as of 26 July 2019

- Remarks :
- (1) Income from Other Operations consists of telephone service fees, laundry fee, activity fees, souvenir shop, shuttle service, rental and others
  - (2) After DMS2 has received the leasehold and ownership in the Additional Investment Assets No. 1 from DMS, DMS2 will be the one who is responsible to pay for the rental of the land where the Additional Investment Assets No. 1 is located to the Government of the Republic of Maldives approximately at 1 Million United States Dollar per year.

<sup>1</sup> Presently, one unit of the villas is utilized as a resident for the hotel manager.

- (3) Adjusted with the rental of the land where the Additional Investment Assets No. 1 is located to be able to show the past performance of the Additional Investment Assets No. 1 that will be used to calculate the rental that DMS3 will pay to DMS2
- (4) The average occupancy rate is based on 94 villas

The REIT manager and the financial advisor is of the opinion that the investment in the Additional Investment Asset No. 1 is for the best interest of the trust due to the following reasons;

- DREIT's rental income will be more stable through the asset diversification and reliance on any assets will be reduced.

Assets	EBITDA proportion of assets (%)	
	<u>Before</u> the 1 <sup>st</sup> additional investment	<u>After</u> the 1 <sup>st</sup> additional investment
Dusit Thani Laguna Phuket	49.18	20.86
Dusit Thani Hua Hin	36.92	15.66
Dusit D2 Chiang Mai	13.90	5.90
Dusit Thani Maldives	-	57.58

Source: Based on the operating results in 2018 from Dusit Thani Public Company Limited. EBITDA of Dusit Thani Maldives has adjusted with annual land rental of USD 1 million delivered to the Government of the Republic of Maldives.

- Customer base will be expended, especially Frequent Individual Transient (FIT). It is forecasted to improve from 75 percent of total customer to be 86 percent of total customer after the 1<sup>st</sup> additional investment. Furthermore, The full-year rental income of DREIT will be more stable due to the reduction of fluctuations from the seasonality, from the ratio of the first half of the year : the second half of the year at 68.48 percent : 31.52 percent, to 60.18 percent : 39.82 percent. Also, this additional investment will reduce dependence on Thai customer base.

Customer groups by nationality	<u>Before</u> the 1 <sup>st</sup> additional investment (percent of room revenue)	Customer groups by nationality	<u>After</u> the 1 <sup>st</sup> additional investment (percent of room revenue)
Thai	25.29	China	19.55
EU	21.22	EU	19.54
Russia	12.44	Thai	16.16
China	10.18	Russia	11.58
Other	30.87	Other	33.17

Source: Based on the operating results in 2018 from Dusit Thani Public Company Limited.

- It is an investment expansion for the trust to grow in the high quality property which will not reduce the cash distribution per unit (DPU) of the unit holders
- DREIT will have a higher total assets, not exceeding THB 6,985.6<sup>1</sup> mn, from this capital increase. The liquidity of the trust units is expected to be positive, as well as the ability to borrow and credit ratings.

#### **1.4.2.2 Summary of the investment value of the Additional Investment Asset No. 1 comparing to the Appraisal Report of the Appraisers**

The REIT Manager has appointed two appraisal companies which are Knight Frank Charter (Thailand) Company Limited (“Knight Frank”) and Bangkok Hospitality Consulting Services Company Limited (“HVS”) (by Nexus Property Consultant Company Limited (“Nexus”)) (collectively referred to as the “Appraisers”), and are the qualified appraisal companies pursuant to the regulations of the Office of the Securities and Exchange Commission (the “Office of the SEC”), to appraise the value of the Additional Investment Assets No. 1.

However, because the investment in the Additional Investment Assets No. 1 is considered as indirect investment through share acquisition of DMS2 and the provision of shareholder loan to DMS2, therefore, the appraised value from Appraisers might not be able to reflect the value that DREIT will receive from aforementioned investment. The REIT Manager and CIMB Thai Bank Public Company Limited (the “Financial Advisor”) has additionally adjusted the appraised value of Appraisers, under the assumptions of Appraisers, the appraised value of indirect investment through share acquisition of the investment company (Adjusted Appraised Value) by considering from the net cash flow from the Additional Investment Assets No. 1, taken into account the estimated initial tax liabilities, expenses and relevant fees and calculated into the present value with the discounted rate of Appraisers.

Whereby appraised value is in accordance to the income approach method of assets, the appraised value by income approach method according to DREIT’s structure and the appraised value of indirect investment through share acquisition of the investment company under the assumptions of Appraisers (Adjusted Appraised Value) can be summarized as follows:

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<sup>1</sup> Referring to the value of the initial assets of the trust, as of February 28, 2019, at THB 4,600 million and the investment price of the first additional investment assets in an amount not exceeding THB 2,385.6 million

Investment Value for the Additional Investment Assets No. 1 (Million United States Dollars)	Appraisers	Appraised Value by Income Approach Method of Asset (Million United States Dollars)	Appraised Value by Income Approach Method according to DREIT's Structure (Million United States Dollars)	Date of Appraisal	Appraised Value of Indirect Investment through Share Acquisition of the Investment Company under Assumptions of Appraisers (Adjusted Appraised Value)
Not exceeding 74.55 <sup>1</sup>	Knight Frank	74.5 <sup>2</sup>	71.0 <sup>2</sup>	12 Jul 61 <sup>3</sup>	Approximately 67.26 <sup>5</sup>
	HVS โดย Nexus	74.4 <sup>4</sup>	72.8 <sup>4</sup>	5 Jul 61 <sup>3</sup>	

In this regard, the estimation of net cash flow is based on the various assumptions of the Appraisers or the REIT Manager or the Financial Advisor that has been prepared under the factors of the environment of the business operation and economic conditions as of the date of appraisal. In this regard, the actual performance may be different from such assumptions and any changes that may occur in the future which may significantly affects such assumptions may result that the future performances of Additional Investment Assets No. 1 will not be as expected or may result in the change of various variables used in the appraisal which therefore, will affect the opinions of the REIT Manager and the Financial Advisor on the Investment Value for Additional Investment Assets No. 1 of DREIT to be changed as well.

The Investment Value for the Additional Investment Assets No. 1 of DREIT through share acquisition and provision of shareholder loan shall have the total value in the amount of not exceeding THB 2,385,600,000 (Two Thousand Three Hundred Eighty Five Million and Six Hundred Thousand Baht) or equivalent to USD 74,550,000 (Seventy Four Million Five Hundred and Fifty Hundred Thousand United States Dollar) where reference is made to the exchange rate of THB 32.00 per 1 USD16 (excluding any value added tax, as well as other relevant fees and expenses), which is a value that is higher than the lowest appraised value of the Additional Investment Asset No. 1 as assessed by the Appraisers by approximately 5 percent and is a value that is higher than the lowest

<sup>1</sup> In order to reduce the risk of exchange rate in the transaction, the REIT Manager, DTPP and MBK agree to pay the asset price for the Additional Investment Assets No. 1 in That Baht currency at the exchange rate of THB 32.00 per USD 1.

<sup>2</sup> The appraised value of asset of Knight Frank based on the appraisal report dated 14 November 2018.

<sup>3</sup> The independent appraisers used the assumptions of the estimated duration of approximately 41 years. However, DREIT expects that after the completion of the 1st additional investment, the remaining leasehold right period will be approximately 40 years. Therefore, the appraisal value according to the above table will be adjusted.

<sup>4</sup> The appraised value of asset of HVS by Nexus based on the appraisal report dated 29 November 2018.

<sup>5</sup> The REIT Manager and Financial Advisor adjusted the appraised value by using the appraised method of the indirect investment through share acquisition of the investment company under the assumptions of the Appraiser (Adjusted Appraised Value) by using the assumption of Knight Frank which is the Appraiser who appraised the lowest appraisal value of which is in accordance with the Notification of the Capital Market Supervisory Board No. Tor.Jor. 49/2555 Re: Issuance and Offer for Sale of Units of Real Estate Investment Trust (and its amendments).



appraised value of indirect investment through share acquisition of the investment company under the assumptions of the Appraiser (Adjusted Appraised Value) who has given the lowest appraised value by approximately 10.84 percent. The REIT Manager is of the opinion relating to the reasonableness of the highest value of the

Investment Value for the Additional Investment Assets No. 1 that such value is reasonable due to the following reasons:

- (1) The projected Dividend Yield according to the Projected Statement of Income and Details of Net Income for the Projection Period from 1 January 2020 to 31 December 2020 is at 8.07 percent<sup>1</sup> which cannot be guaranteed. Comparing to the property funds and REITs in the market, 8.07 percent yield seems to be attractive.

**(2) Distributions Per Unit and the Dividend Per Unit**

Property fund and REITs <sup>3</sup>	Distribution per Unit (%) <sup>4</sup>	Dividend per Unit (%) <sup>4</sup>
Strategic Hospitality Extendable Freehold and Leasehold Real Estate Investment Trust (SHREIT)	7.74	5.83
Centara Hotels & Resorts Leasehold Property Fund (CTARAF)	7.06	5.78
Luxury Real Estate Investment Fund (LUXF)	6.89	6.89
Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT) (After investment in the Additional Investment Asset No.1) <sup>2</sup>	8.07	8.07
Grande Hospitality Real Estate Investment Trust (GAHREIT)	6.52	6.52
Thailand Hospitality Property Fund (TLHPF)	6.32	6.32
Sri Panwa Hospitality Real Estate Investment Trust (SRIPANWA)	6.21	6.21
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund (QHHR)	6.06	6.06
Land and Houses Freehold and Leasehold Property Fund (LHPF)	5.73	5.73
LH Hotel Leasehold Real Estate Investment Trust (LHHOTEL)	5.50	5.50

<sup>1</sup> The calculation as mentioned above is only an example of a calculation from the issuance and offering of additional trust units in the amount of 302,100,000 trust units, the adjustment of loan and interest, and the estimated offering price at 5.90 per trust unit whereby the final offering price per unit will depend on the survey of the demand to purchase the securities of investors (Book Building) which may be less than the aforementioned offering price and may cause the gross yield to be higher or equivalent to the projected gross yield at 8.07 percent per unit for the period from 1 January 2020 until 31 December 2020 as presented above. Besides, the projected distribution per unit will not be less than the case that there is no investment in the Additional Investment Assets No. 1.

Property fund and REITs <sup>3</sup>	Distribution per Unit (%) <sup>4</sup>	Dividend per Unit (%) <sup>4</sup>
Gold Property Fund (Lease Hold) (GOLDPF)	5.23	5.23
Average	6.48	6.19

Source: SETSMART

Moreover, source of funds for this additional investment will come from borrowing not exceeding THB 800 million. Although the said borrowing may create risks associated with the borrowing, it will increase the distribute per unit trust because the cost of borrowing (loan interest rate) is lower than the payment rate to the unitholders. Details appear in the table below.

	Expected Distribution per Unit (THB per unit)	Expected Dividend Yield (Percent)
In the case of using borrowing not exceeding THB 800 million	0.4764 <sup>1</sup>	8.07 <sup>1</sup>
In case of no borrowing	0.4029 <sup>2</sup>	6.83 <sup>1</sup>

(3) It is close to the appraised value by income approach method prepared by the appraisers. Such appraised value is expected to be able to sell to other investors as the Additional Investment Asset No. 1 is a potential asset, located on a tourist destination.

(4) The Additional Investment Asset No. 1 has grown steadily from total revenue of USD 21.2 million in 2013, the first year that the Dusit Thani Maldives operated for a full year, to USD 26.0 million. This average annual growth rate is 4 percent which is higher than

<sup>1</sup> Calculated from projected statement of income and details of net income for the projection period from 1 January 2020 to 31 December 2020, reviewed by KPMG Phoomchai Audit Ltd. The REIT manager and the financial advisor has revised the assumption that total number of the issuance and offering for sale of the additional trust units is 302,100,000 trust units at maximum offering price of additional trust unit equals to THB 5.90 per trust unit, adjusted by the borrowing and interest expenses arising from the capital structure adjustment. In this regards, the final offering price may be lower or equal to the above assumption, depending on the Book Building of institutional investors. However, the final expected dividend yield, which cannot guarantee, will not be less than 8.07% and the expected distribution per trust unit will not be less than distribution in case of no additional investment.

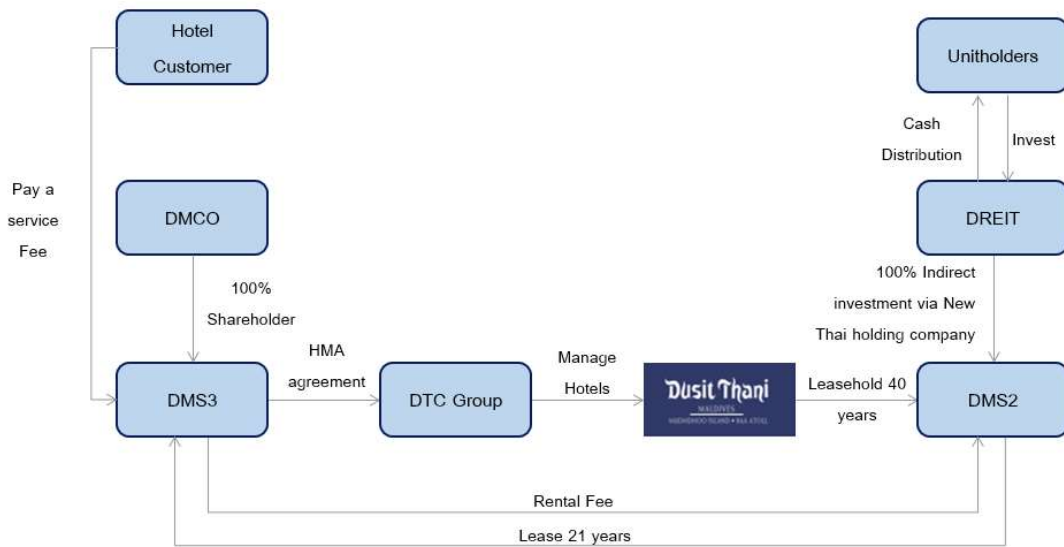
<sup>2</sup> In case of no borrowing for an investment in the Additional Investment Asset no. 1, by adjusting the assumption that the issuance and offering for sale of the additional trust units is 427,390,000 units at the offering price of THB 5.90 per unit and the adjustment of interest expenses arising from the capital restructuring.

the rate used by the appraisers in appraising the value of the additional investment assets.

**1.4.2.3 Details on the Procurement of Benefit from the Additional Investment Assets No. 1**

DREIT’s strategy in realizing the benefits from this Additional Investment No. 1 by having DMS2 (a holding company of the Trust) entering into a sub-lease agreement with the tenant; namely DMS3, a subsidiary of DMCO. DMS3 will engage with one of the subsidiaries of Dusit Thani Group, having the DTC hold directly and indirectly more than 90% of the registered and paid up capital, to manage the property.

Investment Structure of Additional Investment Asset No. 1



Note : Dusit Management Co., Ltd. (“DMCO”)  
 Dusit Maldives Investment Private Limited (“DMS2”)  
 Dusit Maldives Management Private Limited (“DMS3”)  
 Subsidiary of DTC which DTC hold directly and/or indirectly more than 90% of the registered and paid up capital (“Dusit Group”)

DMS2 will enter into a sub-lease agreement with DMS 3 for a period of 21 years, starting from the date the REIT has successfully invested in the property.

Summary of Rental Fee Structure:

**1. Total Rent**

Total Rent = Fixed Rental plus Variable Rental

Equivalent to EBITDA plus Profit Sharing to Lessee<sup>(i)</sup> or minus Compensation from Lessee<sup>(ii)</sup>

Where

EBITDA means Earning Before Interest, Taxes, Depreciation and Amortization of the Additional Investment Asset No.1 as presented in the formula number 5 below.

- (iii) Applicable only when EBITDA is more or equal to Initial Fixed Rent
- (iv) Applicable only when EBITDA is less than Initial Fixed Rent

## 2. Fixed Rent

Fixed Rent means Initial Fixed Rent or Final Fixed Rent, depending on years being considered where;

### 2.1 Initial Fixed Rent

- (a) For the year 2020 or every 3 years starting from 2020

USD 7,000,000<sup>1</sup> or  $\frac{2}{3}$  of the average total rent over the past 3 years, whichever is higher

- (b) For years other than (a)

USD 7,000,000<sup>1</sup> or Previous year final Fixed Rent, whichever is higher

### 2.2 Final Fixed Rent equals to Initial Fixed Rent or $\frac{2}{3}$ of that year Total Rent, whichever is higher

Renter / Sub-Leasee agreed to pay rent to DMS2 based on the monthly schedule breakdown below

Month	Proportion of Annual Initial Fixed Rent (%)
January	10.50
February	14.00
March	13.50
April	10.50
May	7.00
June	4.00
July	4.00
August	8.00
September	9.00
October	6.50
November	7.00
December	6.00

For cases where the total Initial Fixed Rent of that particular year, payable by DMS3 to DMS2, turns out to be less than the amount calculated and paid using the formula above; DMS3 agrees to pay any remaining portion to DMS2 within the next due date once the difference has

<sup>1</sup> Additional information is available in the Summary of the Draft Agreement for Procurement of Benefit of DREIT, Draft Agreement for Sublease of Land and Lease of Assets (Dusit Thani Maldives Hotel)

been determined. Please note that the calculation will be based on Financial Statements reviewed / audited by a reputable globally accepted auditors employed by DMS3.

### 3. Variable Rent

Variable Rent equals to EBITDA less Final Fixed Rent Less Profit Sharing to Lessee<sup>(i)</sup> or add Compensation from Lessee<sup>(ii)</sup> (only when applicable)

Where

EBITDA means Earning Before Interest, Taxes, Depreciation and Amortization of the Additional Investment Asset No.1 as presented in the formula number 5 below.

(iii) Applicable only when EBITDA is more or equal to Initial Fixed Rent

(iv) Applicable only when EBITDA is less than Initial Fixed Rent

In determining Variable Rent for a given quarter, the EBITDA used is a Year-to-Date EBITDA and a Cumulated Initial Fixed Rent over the course of the given year.

Note, for a given month(s), in case the Variable Rent that the Lessee paid to the Lessor is different than the Variable Rent per the above computation, based either on management account or that reviewed or audited by one of the globally accepted auditors, the lessee agrees to pay any remaining variable rent to the lessor. At the same time, the lessor agrees to offset the advanced variable rent received to the amount due that month.

However in case total variable rents that the lessee has paid to the lessor over the course of any quarter is more than the variable rent computed using the formula described above, based on quarterly statements prepared by management / reviewed by lessee or annual statements audited by reputable globally accepted auditors (where applicable), the lessor agrees to repay any excess rental received within 60 days from the end of that quarter.

### 4. Profit Sharing to Lessee or Compensation from Lessee

4.1 Profit sharing to lessee is only applicable when EBITDA is more than Initial Fixed Rent

Profit sharing to lessee =  $EBITDA - \text{Initial Fixed Rent or } (EBITDA - \text{USD } 7,000,000^1) \times (1-a)$ , whichever is lower

a = 90%

4.2 Compensation from Lessee is only applicable when EBITDA is less than Initial Fixed Rent

Compensation from Lessee = Initial Fixed Rent less EBITDA

Where by the end of the year, Initial Fixed Rent means Final Fixed Rent

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<sup>1</sup> Additional information is available in the Summary of the Draft Agreement for Procurement of Benefit of DREIT, Draft Agreement for Sublease of Land and Lease of Assets (Dusit Thani Maldives Hotel)

Notwithstanding that, when calculating Profit Sharing to Lessee or Compensation from Lessee, the calculation will be based either on Initial Fixed Rent or USD 7,000,000 multiplied by the “Proportion of Annual Initial Fixed Rent” presented in table under formula 2.2 above.

**5. Earning Before Interest, Taxes, Depreciation and Amortization of the Additional Investment Asset No.1 (EBITDA)**

Earning Before Interest, Taxes, Depreciation and Amortization of the Additional Investment Asset No.1 (EBITDA)	<p>EBITDA = (a – b – c – d)</p> <p>a = Total revenues from the hotel business operation (including but not limited to revenues with respect to the guest rooms, food and beverages, and other operations) during the quarter or during the year (as the case may be)</p> <p>b = Total costs from the hotel business operation (including but not limited to costs with respect to the guest rooms, food and beverages, and other operations) during the quarter or during the year (as the case may be)</p> <p>c = Total expenses incurred due to the sales and services from the hotel business operation during the quarter or during the year (as the case may be)</p> <p>d = Total expenses incurred due to the operations from the hotel business operation (including but not limited to property tax, hotel management fee, business interruption insurance premiums, and public liabilities insurance premium, etc.)</p>
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Remark: in the event where the term of the lease does not constitute a full month or calendar year (as the case may be), the contracting parties shall calculate the rental fees as provided above as daily rental fee

**1.5 Projected Statement of Income and Details of Net Income for the Projection Period from 1 January 2020 to 31 December 2020**

	The Existing Assets	The Assets after Additional Investment No.1
<b>Income</b>		
Rental income	267,840	560,874
Interest income	107	170
Other income	400	400
<b>Total income</b>	<b>268,347</b>	<b>561,444</b>
<b>Expenses</b>		
Management fees	(8,498)	(11,295)
Trustee fee	(6,610)	(8,785)
Registrar fee	(1,485)	(1,765)
Professional fee	(1,466)	(3,214)
Insurance expenses	(2,440)	(6,822)
Income tax expense	-	(16,686)
Other expenses	(3,638)	(10,992)
Amortisation of issuance and offering costs	(440)	(19,640)
Finance cost	(48,856)	(110,800)
<b>Total expenses</b>	<b>(73,433)</b>	<b>(189,999)</b>
<b>Net income</b>	<b>194,914</b>	<b>371,445</b>
Add Amortisation of issuance and offering costs	440	19,640
Add Amortisation of front end fee	421	1,261
Less difference between depreciation of right-of-use asset plus interest expense on lease liability and actual rental payment	-	(6,173)
Less Reserve for loan interest payment	(12,634)	(21,453)
<b>Net cash available for distributions of benefits</b>	<b>183,141</b>	<b>364,720</b>
Projected distribution of benefits (%) <sup>1</sup>	97.3	92.4
Trust units (million units)	409.4	774.4
<b>Projected distribution of benefit</b>	<b>178,253</b>	<b>337,174</b>
Distribution of benefits per unit (THB)	0.4354	0.4354

*Remark : From the projected statement of income and details of net income for the projection period from 1 January 2020 to 31 December 2020, by KPMG Phoomchai Audit Ltd., the certified auditor did not find any reason to believe that the assumptions used in the preparation of the projected income statement is not reasonable. This projection is correct, in consistent with the accounting policies and accounting standards that trust has to comply with. However, investors should consider those assumptions. In this regards, Please consider additional details in Attachment 3 "Projected Statement of Income and Details of Net Income for the Projection Period from 1 January 2020 to 31 December 2020 and Report of Certified Public Accountant" of the Prospectus*

The information contained in this document is the forward-looking Statement based on assumptions stated in Attachment 3 "Projected Statement of Income and Details of Net Income for the Projection Period from 1 January 2020 to 31 December 2020", under risks and uncertainties

<sup>1</sup> If calculated distribution of benefits per unit from the adjusted net profit as announced in SorRor. 26/2555, it will be equal to 97.8 percent and 98.1 percent, in case of The Existing Assets and in case of The Assets after Additional Investment No.1 respectively.

which may result in significantly different of actual performance. In this regards, the REIT manager and the financial advisor cannot endorse or guarantee the information in this section, and expectations under the assumptions specified in the projection. Investors should consider assumptions, including projected statement of income and evaluate the performance in the future by oneself.

#### 1.6 Fee and Expenses Collected from the Trust

No.	Fee and Expenses	Celling % of NAV or each of any new transaction	Collection Period
1.	REIT Manager Fee	Not exceeding 2.00% per year of Net Asset Value of DREIT or not less than Baht 2,000,000 per year *	Monthly
2.	Acquisition or Disposal Fee	<p><b>Acquisition Fee</b></p> <p><u>In case of related persons of the cost of the main assets of the REIT Manager</u></p> <p>- Not over 0.75% of value of the acquired assets</p> <p><u>Other cases</u></p> <p>- Not over 1.00% of value of the acquired assets</p> <p><b>Disposal Fee</b></p> <p>- Not over 0.50% of value of the assets sold</p>	
3.	Trustee Fee	Not exceeding 2.00% per year of Net Asset Value of DREIT or not less than Baht 5,000,000 per year	Monthly
4.	Registrar Fee	As specified by the register of the trust unitholders	Monthly
5.	Advisory Fee For any purchase, distribute or transfer of the main assets i.e. legal fee, lawyer fee, project management fee, engineering fee, and/or quality control audit fee.	Actual amount	Per actual expense
6.	Financial Advisory Fee	In case of Initial Public Offering: Not over 0.50% of the amount of fund raised or the value of trust unit converted In case of Capital Increases:	Per actual expense



No.	Fee and Expenses	Ceiling % of NAV or each of any new transaction	Collection Period
		Not over 3.00% of the amount of fund raised.  Other cases: As actual amount paid	
7.	Distribution Fee of trust unit for initial public offering and any case of capital increase of the Trust	Not over 3.00% of the amount of fund raised	Per actual expense
8.	Other expenses	As specified by the Stock Exchange of Thailand or actual expenses not over 8% Net Asset Value	Yearly and/or Per actual expense

Remarks:<sup>1</sup> For year 2018 and 2019, the REIT Manager Fee is calculated not over 0.15% of total asset value or not less than THB 2,000,000 per year.

#### 1.7 Condition to cancel the first capital increase of DREIT

The REIT Manager will entirely cancel the offer for sale of units which is in accordance with the Notification of the Capital Market Supervisory Board No. Tor Jor. 49/2555, if there appears any of the following cases:

- 1) The value of the subscribed units combined with the money reserved by the REIT for investing in real estate and the money borrowed from other persons (if any) are insufficient to invest in the real estate as specified in the registration statement and the prospectus. In this regard, the offer for sale of all units shall be cancelled
- 2) The allocation of units to any person, associated persons, settlor, trustee, the REIT manager or foreign investors which causes the unitholding of such person or such group of persons when combined with units already held (if any), does not conform to the rates or rules as specified in this Division. In this regard, the offer for sale shall be cancelled only for the part in excess of the specified rates or rules
- 3) In case there is any force mature, material adverse change of law and regulation, finance, economic, stock market, and/or political both domestic and global and/or any other material adverse change in which effect to The First Additional Investment Assets
- 4) In any case if the Office of Securities and Exchange Commission and/or related government sectors cease or desist the offering trust units or not be able to deliver the trust unit sold.
- 5) Other reasons as specified in the Termination Clause of the Underwriting Agreement

## 1.8 Risk relating to investment in Trust Unit of DREIT

By investing in the Trust Units of DREIT, investors are suggested to carefully study the Risk Factor prior to making investment decisions. In this regard, this part only provides an overview summary of the important risks relating to the investment in Trust Units of DREIT, full disclosures of the same are available in Part 2 – 5 of the prospectus.

1. Risk relating to the investment in the main assets of DREIT
  - 1.1 General risks relating to investments in immovable properties
  - 1.2 Risks relating to the concentration of main assets comparing to other REITs and Property Funds
  - 1.3 Risks concerning investments in rights of leasehold Immovable Properties that their value will reduce in proportion to the remaining lease period
  - 1.4 Risks concerning higher completions in the area where DREIT's main assets are located, particularly in the areas of Hospitality and Tourism
  - 1.5 Risks relating to Natural Disasters and other Force Majeure, Terrorists, War, and Political Instability that could negatively affect the income generating capacity of DREIT
  - 1.6 Risks relating to DREIT's main assets might be subjected to certain rules and regulations on Environmental-related matters and by following such rules and regulations, there might be additional costs and additional liabilities involved
  - 1.7 Risks concerning DREIT's main assets could potentially be expropriated
  - 1.8 Risks concerning investment in immovable properties invested by DREIT being devalued by external appraisers which does not truly reflected the fundamental value of such properties and could not assure that the resell value of such properties will go according to external appraisers in the future
  - 1.9 Risks that could arise from Dusit Thani Laguna Phuket not having the right to use the private road
  - 1.10 Risks concerning the buildings being ordered to be demolished
  - 1.11 Risks concerning defect of the DREIT's main asset or the contingent liabilities relating to the samethat could not be detected during the due diligence period
  - 1.12 Risks concerning the acquisition of the Additional Investment Assets No. 1 and the transaction steps and procedure that are required in order for DREIT to acquire the same

- 1.13 Risks concerning a lack of liquidity by investing in immovable properties that are and the lack of options to use the Additional Investment Assets No. 1 in other ways
  - 1.14 Risks involving investing in the Additional Investment Assets No. 1 which are situated outside of Thailand
  - 1.15 Risks concerning the transfer of human resources of Dusit Thani Maldives in case the head lease with the Government of the Republic of Maldives expires or is early terminated
2. Risks relating to DREIT's operation and structure
- 2.1 Risks concerning changes in the accounting standards, local laws, or rules and regulations involved
  - 2.2 Risks that could arise from unforeseeable taxes and fees in the future
  - 2.3 Risks concerning devaluation of investment of DREIT's main assets that could potentially affect the DREIT's financial status, hindering the DREIT's ability in distributing return to trust unitholders
  - 2.4 Risks concerning the main lessee's abilities in making rental payment, honoring terms and conditions specified in the lease and/or Sub-lease agreements of the main assets
  - 2.5 Risks of the REIT being unable to find prospective main lessee(s) in the future
  - 2.6 Risks arising from additional renovation requirements of DREIT's main assets and the sufficiency of capital reserved for such activities
  - 2.7 Risks concerning with the sufficiency of sum-insured in the future
  - 2.8 Counterparties Risks
  - 2.9 Risks associated with the head-lease agreement from the Government of Republic of Maldives
  - 2.10 Risks concerning the availability of hotel license
  - 2.11 Risks that may arise from the REIT's borrowings
  - 2.12 Risks that the REIT Manager and/or Main Lessee and/or the Hotel Operator unable to successfully proceed with the DREIT's investment strategies
  - 2.13 Risks from conflict of interest that may arise with the Dusit Thani Group
  - 2.14 Risks relating to dependency on the hotel operator, trademark, and branding in running Dusit Thani Maldives operations
  - 2.15 Risks that the REIT was not the direct counter party with the hotel operator, resulting in the REIT unable to fully influence the hotel operations

- 2.16 Risks concerning movements in interest rates and foreign exchanges that could affect the DREIT's return from investment in the Additional Investment Assets No. 1 in the future
  - 2.17 Risks concerning remittance of return from the operation of the Additional Investment Assets No. 1 to DREIT is subjected to the method of distribution which may be changed and may be affected by the changes in local rules and regulations regarding capital control and capital movement between countries that DREIT is investing in
  - 2.18 Risks associated with expenses that could arise in the future from the immovable properties as well as the fund level expenses
  - 2.19 Risks concerning the REIT have to depend on professionals and experts in generating return from the immovable properties
  - 2.20 Risks concerning the Hotel Management Agreement could not be extended upon the expiration, or even if it is renewed the terms and conditions of the renewed agreement may change in the future, preventing the DREIT from benefits currently enjoyed
3. Risks relating to investment in Trust Units
- 3.1 General risks associated with investment in trust units
  - 3.2 Risks associated with political status in Thailand
  - 3.3 Risks associated with changes in prices of the Trust Unit – post offering
  - 3.4 Risks concerning with appraisal values of DREIT's properties that could result in accounting losses
  - 3.5 Risks concerning with liquidity in the secondary market
  - 3.6 Risks associated with abilities to distribute return to trust unitholders
  - 3.7 Risks concerning with the use of Net Asset Value (NAV) do not fully reflected the market price performance of the Trust Units
  - 3.8 Risks concerning with the distribution of principle, upon the termination of the REIT, could be less than the invested amount
  - 3.9 Risks associated with assumptions used in the construction of Proforma Statements could be uncertain, depending on changes in conditions of the macro economies, global financial system, rules and regulations