

**Information Memorandum on Disposition of Asset
of Dusit Thani Freehold and Leasehold Real Estate Investment Trust
in the part of Dusit D2 Chiangmai Hotel
to Sub TCC Hotel Chiangmai Company Limited**

1. **Transaction Date** : Enter into Agreement to Purchase and to Sell Lands, Buildings and Movable Assets after receiving approval from the board of directors' meeting of its REIT Manager and approval of Trustee. In which, after receiving the approval in relevant matters from the trust unitholders' meeting of Dusit Thani Freehold and Leasehold Real Estate Investment Trust ("DREIT") and the parties satisfied all condition precedent specified in the agreements in relation to disposition of assets of DREIT in the part of Dusit D2 Chiangmai Hotel, the parties will proceed with registration to transfer and to receive transfer of ownership of lands and buildings with the official at relevant Branch of Land Department and DREIT is deem to delivered movable assets at the same time.
2. **Counterparty and Relationship with DREIT** : Sub TCC Hotel Chiangmai Company Limited ("SUB TCC")
3. **General Characteristics of the Transaction** : DREIT will dispose the assets of DREIT in the part of Dusit D2 Chiangmai Hotel which includes land, buildings and constructions, and movable properties currently used in the operation of Dusit D2 Chiangmai Hotel at the total net purchase price of Baht 450,000,000 (Four Hundred Fifty Million Baht) (excluding VAT in part of hotel equipment)
4. **Details of the Asset that will be dispose** : 7 plots of land, title deed no. 2503, 12432, 12433, 12434, 12435, 20166 and 20167, map sheet no. 4846 IV 0076-9, dealing file no. 391, 1170, 1171, 1172, 1173, 1773 and 1774, parcel no. 2687, 2686, 2685, 2684, 2654, 2683 and 2655 (respectively), located at Chang Khlan Sub-District, Mueang Chiang Mai District, Chiang Mai Province, total area of 2 Rai 2 Ngan 65 Square Wah

with buildings and movable properties used in hotel operation of Dusit D2 Chiangmai Hotel (“**Asset of Dusit D2 Chiangmai Hotel**”).

5. **Size of the Transaction and Total consideration** : The disposition of Asset of Dusit D2 Chiangmai Hotel has value of Baht 450,000,000 (Four Hundred Fifty Million Baht) (excluding VAT in part of hotel equipment). Such value consists of purchase price of the land, buildings and constructions including other relevant properties.

The transaction size of disposition of Asset of Dusit D2 Chiangmai Hotel calculated under total value of consideration paid or received basis is equivalent to 5.70 percent of total asset value of DREIT (as at 30 June 2022 the total asset value of DREIT representing Baht 7,893,951,567.45 (Seven Billion Eight Hundred Ninety-Three Million Nine Hundred Fifty-One Thousand Five Hundred Sixty-Seven Baht Forty-Five Satang)).

6. **Value of Assets that DREIT will dispose** : The value of Asset of Dusit D2 Chiangmai Hotel that DREIT will dispose, which includes land, buildings and constructions, and movable properties currently used in the operation of Dusit D2 Chiangmai Hotel at the total net purchase price of Baht 450,000,000 (Four Hundred Fifty Million Baht) (excluding VAT in part of hotel equipment)

In this regard, the total value of the assets that DREIT will dispose has been appraised by Graphic A Appraisal Company Limited (the “**Appraiser**”), who are approved by the Office of the SEC. The Appraiser adopted Income Approach Method as criteria to appraise the value of asset. The appraised value based on the income structure of DREIT of Dusit D2 Chiangmai Hotel is 419,060,000 baht (Four Hundred Nineteen Million and Sixty Thousand Baht) and the market value (Discounted Cash Flow Method), is equal to Baht 441,000,000 (Four Hundred Forty-One Million Baht).

7. **Criteria on Determining Value of the Transaction** : The value of the assets that will be disposed at this time is determined by negotiation between the Offeror and the REIT Manager with a value equivalent to Baht 450,000,000 (Four Hundred Fifty Million Baht)
8. **Benefits from Disposition of Assets** : The disposition of Asset of Dusit D2 Chiangmai Hotel is the operation in line with asset management strategy of DREIT under the current situation, which has changed in the structure of the hotel property management after the pandemic situation began to unravel
9. **Approval of Transaction** : The entering into the above transaction is considered as a disposal transaction of main asset of DREIT which does not required approval of Trust Unitholders' Meeting of DREIT. However, the Company views that the aforementioned transaction is relating to the termination of lease agreement of disposal asset and amendment of Lease Agreements of DREIT which considered as important related party transaction between DREIT and the related persons of the REIT Manager. Thus, the Company deems it appropriates that both transactions, disposition of Asset of Dusit D2 Chiangmai and the termination of lease agreement of disposal asset and amendment of Lease Agreements of DREIT Hotel shall obtain an approval from trust unitholders together. However, since the value of transaction size of disposition of Asset of Dusit D2 Chiangmai Hotel at this time is not exceeding 30 percent of the total asset value of DREIT, it then requires approval from the Trust Unitholders' Meeting of DREIT by a majority vote of all votes of trust unitholders attending the meeting and having the right to vote.
10. **The Opinion of the Board of the Directors of the REIT Manager regarding the Entering into the Transaction** The Board of Directors of the Company is of the opinion that the disposition of Asset of Dusit D2 Chiangmai Hotel with the total net purchase price of Baht 450,000,000 (Four Hundred Fifty Million Baht) will be beneficial to DREIT due to the following reasons:
1. The disposal value of Asset of Dusit D2 Chiangmai Hotel is appropriate, as the price has been determined by the

negotiation between Asset World Corp Public Company Limited and the REIT Manager. Moreover, such price is higher than the appraised value of the appraiser and is realization of capital gain from asset appreciation from the date of investment of DREIT invested in (Dusit Thani Freehold and Leasehold Property Fund (“DTCPF”) invested in Dusit D2 Chiangmai Hotel at Baht 362,000,000 (Three Hundred Sixty-Two Million Baht) on 24 December 2010. Later, DTCPF converted into DREIT on 8 December 2017. (Furthermore, on accounting basis, DREIT realized such capital gain from asset appreciation through the appraised value of asset in an annual basis over the past period. Thus, the capital gain from asset appreciation will be different from the profit in accounting record)

2. The disposition of Asset of Dusit D2 Chiangmai Hotel will reduce uncertainty risk in circumstance of the outbreak of Coronavirus Disease (COVID-19) The "Pandemic" that shall be adjusted after the pandemic situation began to unravel whereby the REIT Manager may consider using the cash flow received from disposition of such asset as working capital to increase liquidity of DREIT and/or using cash flow to partially pay off the loan and/or using cash flow as source of funds for property renovation
3. The value of disposition of Asset of Dusit D2 Chiangmai Hotel is expected to be not less than fair price as recorded in financial statement, which will help adjusting the price of trust units traded in the stock exchange to become closer to the net asset value.
4. The disposition of Asset of Dusit D2 Chiangmai is in line with the strategy of the REIT Manager which is to reduce excessive dependence on a particular group of tourists.

In this regard, the transaction complied with the Trust deed and relevant laws

11. Dissenting opinion of the Director of the REIT Manager which is different from the opinion of the Board of Directors in item 10. None