



Prospect Logistics and Industrial
Freehold and Leasehold Real Estate Investment Trust
Operational reports for the fiscal year 2023



No. PROSPECT_F 2567/009

March 29, 2024

Subject The operational reports for the fiscal year 2023 of Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust (PROSPECT REIT)

To Unitholders

Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust

Attachment

- 1) QR-Code for download the 2023 Annual Report
- 2) Criteria and list of channels for asking information about operational reports for the fiscal year 2023.
- 3) Q&A form about operational reports for the fiscal year 2023

The Office of the Securities and Exchange Commission (“SEC”) has made an announcement regarding the amendment related to the unitholders meeting and disclosure information of real estate investment trusts to ensure appropriateness and flexibility in operations. There are two guidelines, summarizing key points as follows:

1) Notification of the SEC No. Sor Ror. 20/2566, Subject: The provisions regarding items and contents in the trust deed of the Real Estate Investment Trust. (No. 18) dated November 1, 2023 as follows: (1) Cancellation of the Annual General Meeting (2) Cancellation of the term "Extraordinary Meeting", from the cancellation of the annual general meeting, as a result, there is a singular meeting type for unitholders. Henceforth, the term "Trust Unitholders Meeting". However, the criteria for holding meetings remain unchanged. (3) Determine a delivery timeline of Annual Reports, annual reports will be delivered to unitholders within 4 months from the end of the fiscal year. (4) Channels for disclosure to unitholders regarding the reasons for the trust's inability to distribute benefits according to specified criteria have been modified.

2) Notification of the Capital Market Supervisory Board No. Tor Jor. 33/2566 Subject: Guidelines for Reporting and Information Disclosure by Funds and Trusts that invest in real estate or infrastructure (Issue 12) dated October 31, 2023, improving the preparation and disclosure of information of Funds/Trust in the past fiscal year, by specifying a channel for communicating information to unitholders as follows: (1) Two-way Communication with unitholders, whether through direct interaction or any other suitable means, allowing unitholders to seek additional information within 4 months from the end of the fiscal year. (2) If unitholders have questions or inquiries, REIT Manager shall prepare and disclose a summary of important issues in the form of questions and answers within 14 days from the completion date of the operations specified in (1).



As a result, Prospect REIT Management Co., Ltd. ("Company" or "REIT Manager"), acting as the REIT Manager of Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust ("PROSPECT REIT") scheduled for two-way communication in the form of delivering the operational reports for the fiscal year 2023 ("report") to unitholders, and will provide communications channels for unitholders to submit additional question and inquiries. REIT Manager will deliver the report to unitholders whose names appear in the list from determining the unitholders entitled to attend the two-way communication on March 1, 2023 (Record Date).

PROSPECT had amended the Trust Deed to comply with the relevant SEC guidelines by Trustee and REIT Manager relying upon the powers vested in Section 20 and 21 of the Trust for Transactions in Capital Market Act, B.E. 2550 (2007), and the Trust Deed Section 21.4 specify that can be changed by without requiring the unitholders approval. The amendments to the Trust Deed became effective as of February 1, 2024 onwards.

Unitholders can submit additional questions and inquiries relating to the operational reports for the fiscal year 2023, by following channels:

- 1) Registered postal service: to REIT Manager, Prospect REIT Management Co., Ltd, Address 345, Building 345 Surawong, 5th Floor, Surawong Road, Surawong, Bang Rak, Bangkok 10500
- 2) E-mail: info@prospectrm.com
- 3) LINE Official Account: @ProspectRM (office hours)
- 4) Telephone Number: 02-697-3788 (office hours)

Unitholders can submit questions and inquiries for additional information from April 10, 2024 to April 30, 2024 (a period of 20 days after REIT Manager delivers the report to unitholders). Within 14 days after REIT Manager stops accepting additional questions and inquiries, REIT Manager will summarize the key issues in a questions and answers as received from unitholders in order to inform unitholders and disseminate them through the Stock Exchange of Thailand's website , and PROSPECT REIT website. The criteria for submitting additional questions and inquiries are in [Attachment 2&3](#) that are provided to unitholders alongside this report.

PROSPECT REIT operational reports for the fiscal year 2023, as follows:

Item 1 The operating results of PROSPECT REIT for the fiscal year 2023.

The purpose was to inform unitholders about the significant changes and developments of PROSPECT REIT the fiscal year 2023, the key details of which are as follows:

PROSPECT REIT was established on August 14, 2020. On August 18, 2020, PROSPECT REIT has invested in the sub-leasehold rights of parts of land and buildings in the Bangkok Free Trade Zone 1 (BFTZ 1), and listed on the Securities Exchange of Thailand (SET) on August 20, 2020.

On March 21, 2022, PROSPECT REIT had invested in the Additional Assets No.1 by accepting the transfer of ownership of land, a factory, and an office building (built-to-suit) in the X44 Bangna KM.18

On March 22, 2023, PROSPECT REIT had invested in the Additional Assets No. 2 by; 1) Leasehold right of parts of the land and ownership over parts of the buildings in Bangkok Free Trade Zone 2 (BFTZ 2) on Theparak Road 2) Ownership over parts of the land and buildings in Bangkok Free Trade Zone 3 (BFTZ 3) on Bangna-Trad, Km. 19 Road.

The details of the investment assets are as follows:

PROSPECT REIT Assets	Free Zone	General Zone	Leasable Area (Sq.m)	Proportion (%)
Bangkok Free Trade Zone 1	134,417.00	84,699.00	219,116.00	74.95%
X44 Bangna KM.18	-	3,087.00	3,087.00	1.06%
Bangkok Free Trade Zone 2	-	20,996.00	49,133.00	16.81%
Bangkok Free Trade Zone 3	49,133.00	-	20,996.00	7.18%
Total Leasable Area (Sq.m)	183,550.00	108,782.00	292,332.00	

In order to comply with the Trust Deed dated and SEC regulations, that requires REIT Manager to report the operating results of PROSPECT REIT in the past fiscal year to unitholders. REIT manager has summarized the operating results for the year 2023, accounting period from January 1, 2023 to December 31, 2023. Details appear in the 2023 annual report in QR-Code format ([Attachment 1](#)).

Item 2 The financial statement, financial position, and net asset value for the fiscal year ending December 31, 2023.

The purpose was to inform unitholders about the financial statement, financial position, and net asset value for the year ended December 31, 2023, the key details are as follows:

(Unit : Baht)

Statement of financial position as of December 31, 2023	
Total assets value	5,419,057,311
Total liabilities	1,933,220,623
Net assets	3,485,836,688
Net asset value per unit (Baht/Unit)	9.2955
Statement of comprehensive income for the period from January 1, 2023 to December 31, 2023	
Total income	567,586,109
Total expenses	239,805,529
Net profit on investments	327,780,580
Total net gain (loss) on investments	(85,912,682)
Increase in net assets from operations	241,867,898
Statement of cash flows for the period from January 1, 2023 to December 31, 2023	
Net cash used in operating activities	1,434,520,156
Net cash from financing activities	1,455,996,753
Net increase in cash and cash equivalents	21,476,597
Cash and cash equivalents at December 31	43,129,729

The financial statement as of December 31, 2023, which were made in accordance with accounting standards of Property Fund, REIT, Infrastructure Fund, and Infrastructure Trust by Association of Investment Management Companies (AIMC), and audited, certified, and given an unqualified opinion by licensed auditors, as appears in the financial statements section of the 2023 annual report (details as [Attachment 1](#)).

Item 3 The distribution of benefits to unitholders for the fiscal year 2023.

PROSPECT REIT has policy to distribution of benefits to unitholders at the rate of at least 90% of adjusted net profits in each accounting year by distribution at least two times per year. In practice at present, the REIT Manager considers distributing benefits to unitholders every quarter in accordance with the financial statements announced to unitholders. In this regard, the REIT Manager has announced the distribution of benefits to unitholders based on operating results. The total amount is 296,062,500 Baht or 0.7895 Baht per unit.

A summary distribution of benefits to unitholders for performance in 2023 are as follows:

Operation Period	Distribution Payment Date	Type	Amount (Baht)	Amount (Baht/unit)
1 Jan 2023 – 31 Mar 2023	9 Jun 2023	Cash Dividend	49,500,000.00	0.1320
1 Apr 2023 – 30 Jun 2023	11 Sep 2023	Cash Dividend	82,500,000.00	0.2200
1 Jul 2023 – 30 Sep 2023	21 Dec 2023	Cash Dividend	82,500,000.00	0.2200
1 Oct 2023 – 31 Dec 2023	15 Mar 2024	Cash Dividend	81,562,500.00	0.2175
Total			296,062,500.00	0.7895

Item 4 The appointment of auditors and determination of the auditors' remuneration

The REIT Manager considered and appointed auditors from KPMG Phoomchai Audit Co., Ltd., who is the PROSPECT REIT's auditor for the year ended December 31, 2023, to be PROSPECT REIT's auditors for the year 2024 and determine the auditor's remuneration for the year 2024 with the following details:

1) Appointment of Auditors

The appointment of the PROSPECT REIT's auditors in 2024 received approval in principle by the SEC. The REIT Manager evaluated the qualifications and abilities of the auditors based on their attributes, quality, and independence without any stake or conflict of interest in performing duties as the PROSPECT REIT's auditors. The auditors' names are as follows:

- 1) Ms. Naowarat Nithikiartipong License no. 7789; or
- 2) Ms. Chanarat Chanwa License no. 9052; or
- 3) Ms. Charinrat Nopparampa License no. 10448

One of the aforementioned licensed auditors be able to audit and express opinions about the PROSPECT REIT's financial statements. Otherwise, other auditors assigned by KPMG Phoomchai Audit Co., Ltd. may perform audit responsibilities and express opinions about the PROSPECT REIT's financial statements instead if any of the aforementioned auditors cannot perform their duties.

2) determination of the auditors' remuneration

The remuneration for the PROSPECT REIT's auditors for the year 2024 (excluding other expenses such as document copying fees, travel expenses, and other expenses) have been specified to not exceed the amount of 1,400,000 baht.

Table: showing comparison of auditors' remuneration (Unit: baht)

Auditors' remuneration	2023	2024	Change
	1,400,000	1,400,000	-

Item 5 The information regarding the management of PROSPECT REIT on key issues and future management strategies.

The geopolitical conflict situation that occurred in 2023, whether it is between Russia – Ukraine, and Israel - Hamas, it is not yet possible to assess whether there will be an expansion of the conflict into nearby areas or not. Including the trade war between two superpowers, namely China - the United States, which has had conflicts since 2018, which may affect the operations of PROSPECT REIT's tenants both directly and indirectly.

The REIT Manager has recognized the possible risks and prepared strategies to cope with the possible risks which should affect the operating result of PROSPECT REIT. The REIT Manager emphasizes the development of strategies for managing factories and warehouses including consulting and coordinating with relevant government agencies, providing facilities, coordinating and assisting entrepreneurs in obtaining various business licenses etc.

In addition, the REIT manager will provide properties to meet the needs of various tenants and maintain property quality in rental-ready condition by reserving sufficient amount of Capital Expenditure (CapEx reserve) for a high quality and competitive advantage of factory and warehouse in long term. These will allow the tenants to have more confidence in PROSPECT REIT assets and satisfy their needs which lead to tenants extending their contract or even gain additional tenants.

In 2024, PROSPECT REIT plans to explore additional investment opportunities. The strategy includes studying the feasibility of investing in new properties with the following criteria: 1) high-quality assets, 2) strategic industrial locations, 3) established tenants with good income, and 4) well-managed properties. This is aimed at ensuring that the operational performance and returns benefit to unitholders consistently. Additionally, there is a goal to increase investments in ownership property (freehold) to enhance the total asset value and stability of PROSPECT REIT.

The current investment landscape is highly volatile, requiring preparation to deal with various uncertainties. As information becomes more diverse and complex, unitholders may experience increased

anxiety. Recognizing this, the REIT Manager acknowledges the importance of effectively conveying information to unitholders to reduce their concerns and provide sufficient information for decision-making. If unitholders have any questions regarding the operations of PROSPECT REIT or any other matters, they can contact the REIT Manager immediately through various convenient and faster channels such as: Facebook Page: <https://facebook.com/ProspectRM>, LINE Official Account: @ProspectRM: <https://line.me/R/ti/p/@ProspectRM>



However, it is important to consider factors or events that may affect the future financial position or operations. These statements reflect the opinion of the current REIT Manager. However, it is not a guarantee of the future operating results of PROSPECT REIT in any way. Therefore, unitholders and investors should consider and should not rely on any forward-looking statements.

Please be informed accordingly

Yours faithfully,

Aon-Anong Chaithong

(Miss Aon-Anong Chaithong)

Chief Executive Officer

Authorized person

Prospect REIT Management Company Limited

REIT Manager