

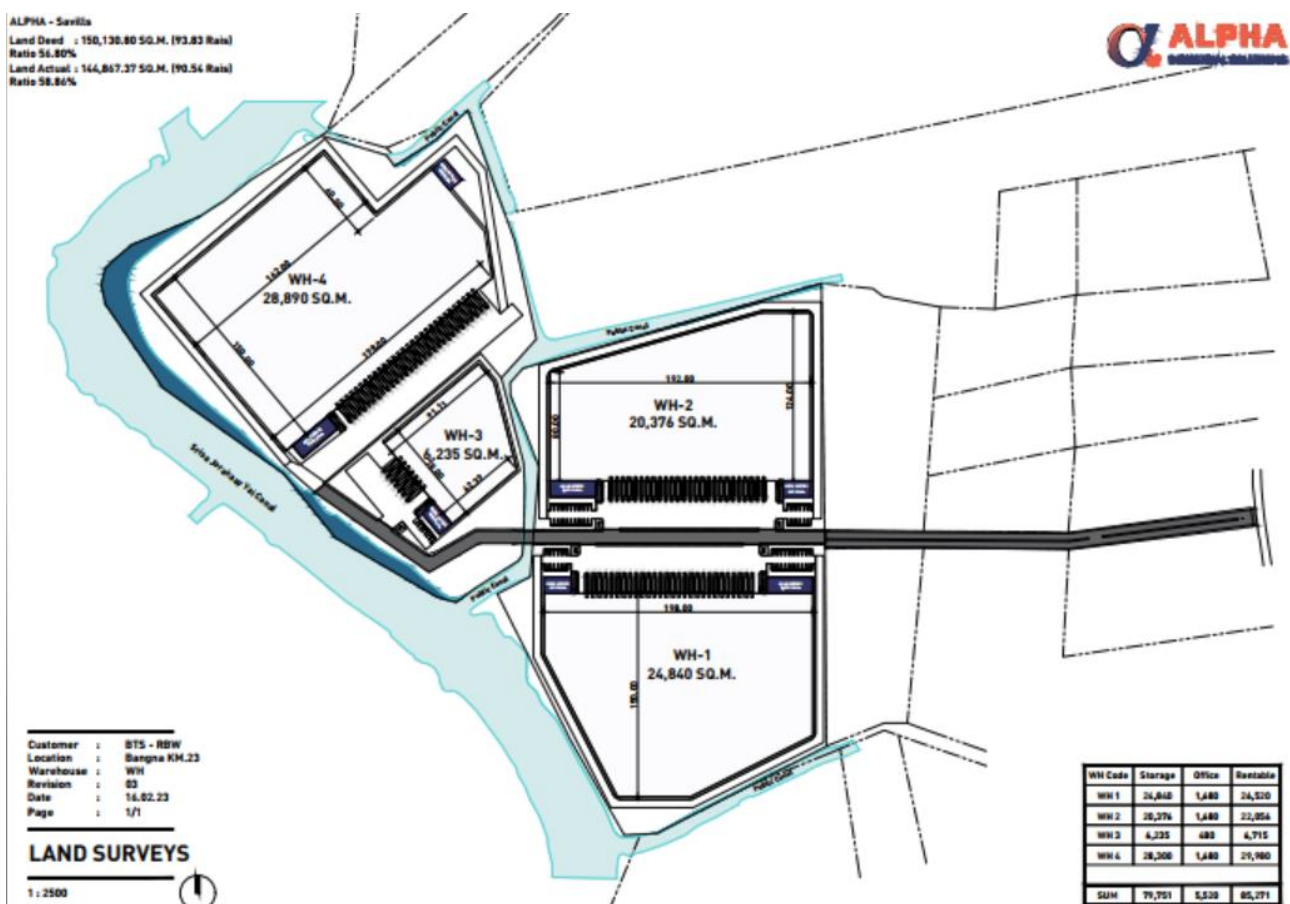
## Investment Committee

### PROPOSED TRANSACTION:

Forward funding of Logistics warehouse  
"Project Scale" Bangkok, Thailand

### ON BEHALF OF CLIENT:

Savills IM Asia Pacific Income & Growth  
Fund ("APACIG")



### Stage 1:

Date of Issue: 26/06/2023, Version No. 1

Date of SIM IC meeting: 26 Jun 2023

# Transaction Investment Proposal

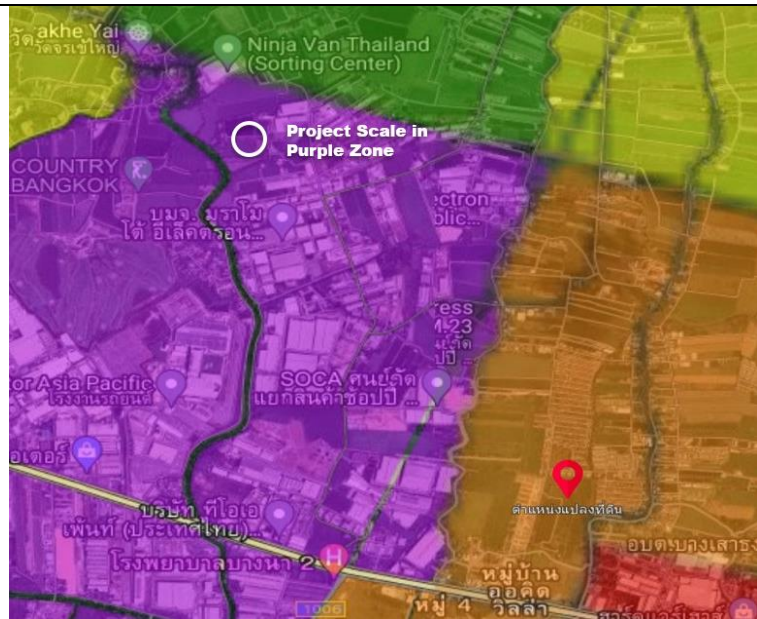
## 1.1 Executive Summary

<u>Client Name</u>	Savills IM Asia Pacific Income and Growth Fund (“APACIG”) Sub Fund A																				
<u>Relationship to Client</u>	Discretionary investment advisory mandate																				
<u>Client Strategy</u>	<p>The Fund seeks to construct a portfolio of real estate assets across the major cities in Asia Pacific region providing:</p> <ul style="list-style-type: none"><li>• resilient income return;</li><li>• potential for growth; and</li><li>• diversity (across countries, markets, sectors and assets)</li></ul> <p>Targeting net fund IRR of 8.0 – 10.0% and an average net distribution of 4-5% (after fund expenses and local taxes).</p>																				
<u>Further steps/Approvals required</u>	Approval of the Savills Investment Management (Luxembourg) Sàrl (the “Management Company”)																				
<u>Transaction Type</u>	Direct acquisition of the freehold interest.																				
<u>Description of proposed transaction</u>	<p>Forward funding of a 50% economic interest in a JV acquiring 100% of the freehold title of ‘Project Scale’ in Samut Prakan, Bangkok, Thailand (“Property”), a prime logistics site located in Bangkok, Thailand.</p> <p>The site is located in Samut Prakarn which is approximately 50km to Central Bangkok in the logistics hot spot of Bang Na Trad between KM 19 and 39 (specifically at Bang Na Trad KM 23 – outbound and 3km in from the main road). Neighbouring warehouses include, Central, Shoppee, Zuilig Pharma &amp; Ninja Van.</p> <p>The logistics warehouses extend across c. 85,000m² of GLA (over 4 warehouses) on a large site area of +144,000 sqm. The plot ratio (building area:site area) is approximately 60% which is line with international standards for warehouses.</p> <p>Included in this site area, is a private access road with a width of approximately 16 metres (on title) estimated to be approximately 3,200m². The logistics warehouses are set for completion in Q4 2024 with lease commencement forecast to start the day after practical completion. The warehouse will provide institutional grade facilities such as: LEED Silver certification, 12-meter cantilevered awnings, sufficient number and quality of toilets, change rooms, increased area for safe and efficient truck manoeuvrings areas</p> <table><tr><th>EUR</th><th>IC Base</th><th>Waterfall profit sharing with Alpha</th><th>APACIG acquires Alpha's share and hold</th></tr><tr><td>Triple Net Levered IRR</td><td>31.7%</td><td>47.9%</td><td>20.0%</td></tr><tr><td>Equity</td><td>12.9m</td><td>12.9m</td><td>18.6m</td></tr><tr><td>Profit</td><td>16.0m</td><td>17.6m</td><td>28.8m</td></tr><tr><td>MOIC</td><td>1.24x</td><td>1.36x</td><td>1.55x</td></tr></table> <p>The deal was sourced off-market via Nicholas Kinsey. APACIG’s effective economic ownership interest would be 50% with the remaining ownership owned by Alpha Industrial Solutions (a subsidiary of Origin Property). In addition, a Thai national, Ben Taechaubol will hold a small preference share interest in order to comply with Thai foreign ownership restrictions, in respect of which he will receive a fixed annual return of around USD 3,000 to USD 5,000 (see Proposed Structure of Transaction below as well as <b>Error! Reference source not found.</b> section for detail)</p>	EUR	IC Base	Waterfall profit sharing with Alpha	APACIG acquires Alpha's share and hold	Triple Net Levered IRR	31.7%	47.9%	20.0%	Equity	12.9m	12.9m	18.6m	Profit	16.0m	17.6m	28.8m	MOIC	1.24x	1.36x	1.55x
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<u>Sustainability Attributes</u>	<p>The warehouses are targeted to achieve minimum LEED Silver certification. Certification is awarded post practical completion (approx 12- 18 months post). Currently, there are no mandatory local requirement for sustainability design attributes, and it is common amongst competitors to provide minimal sustainable design offering. Our strategy is to use LEED as our competitive advantage.</p> <ul style="list-style-type: none"><li>• Climate Action – we will ascertain during DD what design opportunities there are for improving the assets’ mitigation of climate risks and its contribution addressing climate change impacts (ref Energy and Atmosphere).</li><li>• People – the warehouse design will enhance amenities for the workers (ref Indoor Environmental Quality) Including quality bathrooms, canteens, office and break out areas – over and above code or market customary practice. LEED also addresses local community engagement (Location &amp; Transportation)</li><li>• Nature – this will be determined during DD, ref Sustainable Sites. The site is currently used as a commercial fish farm.</li></ul>																		
<u>Proposed Structure of Transaction</u>	<p>The proposed acquisition will be made through a newly established Thai Company (“Thai Co”). The Thai Co will hold the freehold interest in the real estate.</p> <p>Alpha Industrial Solutions (or a subsidiary thereof) has established ThaiCo as sole shareholder to acquire the land initially. ThaiCo established currently under the name of “Alpha Industrial Asset Company Limited”. The name can be changed if requested by APACIG</p> <p>It is a requirement of Thai law that Thai nationals hold &gt;50% of the aggregate issued shares (disregarding any difference in share class) in any company that owns land in Thailand.</p> <p>To meet this requirement and to enable APACIG to invest in ThaiCo, APACIG (via a Singapore Holdco) will acquire 50% of ordinary shares from Alpha Industrial Solutions (a Thai-owned company) to establish a 50/50 holding, with a tranche of preference shares to a Thai Individual, Ben Taechaubol. The preference shares will receive a nominal fixed return each year (effectively a fee). The result of this is that Alpha and Ben Taechaubol will together hold &gt;50% of the number of shares issued by the ThaiCo. However, the economic ownership of the Thai Co will be split equally between APACIG and Alpha.</p> <p>Please refer to appendix III for the structure diagram.</p>																		
<u>Financial Information</u>	<table><tr><td><b>Base case</b></td><td></td><td></td></tr><tr><td><b>APACIG's Share</b></td><td><b>THB</b></td><td><b>EUR</b></td></tr><tr><td><b>Triple Net Levered IRR</b></td><td><b>31.7%</b></td><td><b>31.7%</b></td></tr><tr><td>Equity</td><td>478.5m</td><td>12.9m</td></tr><tr><td>Profit</td><td>592.1m</td><td>16.0m</td></tr><tr><td>MOIC</td><td>1.24x</td><td>1.24x</td></tr></table> <p>Assumptions:</p> <ul style="list-style-type: none"><li>• The investment will be sold upon PC (estimated 14 months construction), to AIA at a predetermined cap rate of 6.5% or better. It is preferred that this disposal will be by way of a sale of ThaiCo. However AIA have indicated they may have a requirement of the acquisition of the asset.</li><li>• ThaiCo will pay a Capital Works Project Management Fee equal to 4% of the total development cost (split equally between a to-be-determined SIM entity and Alpha). Note under APACIG’s fund documents, Savills IM Luxembourg Sarl is entitled to a Capital Works Fee of 5% and it may outsource services to related parties (in this case another SIM group company) and pay them fees provided that fees are at market rates. In this case the fee proposed to be paid to a related party</li></ul>	<b>Base case</b>			<b>APACIG's Share</b>	<b>THB</b>	<b>EUR</b>	<b>Triple Net Levered IRR</b>	<b>31.7%</b>	<b>31.7%</b>	Equity	478.5m	12.9m	Profit	592.1m	16.0m	MOIC	1.24x	1.24x
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	<p>of the Manager is less than the fee to which Manager is entitled and as such is considered reasonable.</p> <ul style="list-style-type: none"> <li>• Sale fee of 1.5% of the sale price payable to party who sold the asset. Modelled to be SIM with the introduction of AIA</li> <li>• No asset management has been modelled</li> <li>• Euro to THB: 37</li> </ul> <p><i>*These returns quoted are asset level returns, post local taxes, fees and expenses.</i></p>
<u>Rationale</u>	<p>The asset fits within the APACIG strategy, which is to construct a portfolio of real estate assets across the major cities in the Asia Pacific region providing stable, durable and defensive income return; potential for growth; diversity and resilience to market downturn.</p> <ul style="list-style-type: none"> <li>• The asset offers secure diverse cashflows across at least 2 major tenants who make up 65% of income which is secured for 10 years</li> <li>• Strategic significant land holding in the Bangkok area - 50km from central Bangkok</li> <li>• An exposure to 2 of the world's top ten 3PLs. Both of which are looking at their sites to be multi-user and therefore easier to plan for longevity with multiple customers within their operations</li> <li>• Strong established trade logistics area</li> </ul> <p>The asset will be best in class, will be future-proofed by strong ESG credentials and open additional opportunities for logistics investment in the immediate vicinity.</p> <p>APACIG will provide forward funding to the JV, with funding obligation only triggered when development risk has been mitigated by satisfactions of the conditions precedent (see below). Until this point, Alpha will fund any capital requirements, with the JV partner's interest in the JV being equalised at the point in time that requirements to trigger APACIG's funding obligation are met. The balance of development cost will be funded by a loan (subject to the APACIG LVR limitation of 60%).</p> <p>Conditions precedent to APACIG's funding obligation being triggered are as follows:</p> <ul style="list-style-type: none"> <li>• No zoning or planning risk</li> <li>• Signed MoUs from prospective tenants (subject only to Board approval)</li> <li>• Signed fixed price construction contract</li> <li>• Satisfactory debt terms</li> <li>• Agreed takeout of asset by AIA upon PC at 6.5% (subject to (i) the JV providing an 18 months rental guarantee over any area unleased at PC; and (ii) Thailand Office of Insurance Commission ("OIC") approval)</li> </ul>
<u>Asset Strategy</u>	<ul style="list-style-type: none"> <li>• Pre-Development Construction Start: <ul style="list-style-type: none"> <li>- Land DD</li> <li>- Tenants to sign MoUs</li> <li>- Due Diligence, Legal and Consulting</li> <li>- LEED Silver specification requirement stated in Fixed Price (Construction) Contract</li> </ul> </li> <li>• During Development/Construction Period: <ul style="list-style-type: none"> <li>- Site mobilisation &amp; ground-breaking</li> <li>- Site back fill &amp; piling</li> <li>- Structure &amp; roof</li> <li>- Slab</li> <li>- Externals</li> <li>- Tenant access for fit out</li> <li>- Lease up of 4 warehouses</li> <li>- Contractor management</li> </ul> </li> <li>• Post Completion: <ul style="list-style-type: none"> <li>- Lease commencement</li> <li>- Lease registration</li> <li>- Defects</li> <li>- Novation of building contracts &amp; warranties</li> <li>- Novation of Leases</li> <li>- Completion of sale &amp; transfer</li> </ul> </li> </ul>

<u>Significant Risks and Mitigations</u>	<div data-bbox="445 241 616 304"> <b>Traffic management</b> </div> <div data-bbox="643 241 1430 427"> <p>What: As part of the due diligence process, we have undertaken to date a Phase 1 traffic management study. This confirmed the ability of the road accommodate truck and other movements Phase 2 is to be undertaken on timing to be agreed with Alpha Phase 2: Assess truck movements in and out of the site and the current and future road network in the area (duration: one month)</p> </div> <div data-bbox="643 459 1430 546"> <p>Potential Risk Identified: Part of the road upon site entrance appear narrow and there is concern around the ability of trucks to go in and out with ease.</p> </div> <div data-bbox="643 577 1430 792"> <p>Mitigant: This work is to be undertaken as the Go-No-Go Phase 1 traffic management. DD Forecast to start in the first week of July 2023. Road width coming into the site is 10 meters and therefore can build warehouse over 10,000 sqm. Ninja Van which was just completed and being acquired by AIA is approx. 20,000 sqm. A letter through the existing landowners has been requested from the Aor Bor Tor to confirm this as well.</p> </div> <div data-bbox="643 824 1430 911"> <p>Traffic management studies will focus on this by Meinhardt to confirm this will not be an issue for tenants and Phase 2 a deeper dive into the surrounding road infrastructure</p> </div> <hr/> <div data-bbox="445 947 497 974"> <b>Soil</b> </div> <div data-bbox="643 947 1430 1005"> <p>What: Detailed site analysis including checks of the soil and contamination.</p> </div> <div data-bbox="643 1037 1091 1068"> <p>Potential Risk: Any site contamination</p> </div> <div data-bbox="643 1099 1430 1373"> <p>Mitigation: The risk of contamination in Bangkok around this area is low as the current use of the site is as a pond/ fish farm. Once the site is owned, the water will be drained, and the top layer (about 30 cm) of soil will be removed. After the topsoil is removed new fill will be brought onto site to raise the site to at or above the external road level. As part of the land due diligence process, we will undertake test piles. We expect the pile depth to be between 28 meters and 32 meters. Finally, backfill will be brought onto site and the site levelled.</p> </div> <div data-bbox="643 1404 1430 1464"> <p>The soil, zoning &amp; planning DD will also be undertaken primarily by Meinhardt</p> </div> <hr/> <div data-bbox="445 1500 537 1529"> <b>Zoning</b> </div> <div data-bbox="643 1500 1430 1809"> <p>What: Land zoning in Thailand is represented by a colour system. The preferred colour for factory or logistics is "purple" with most other colours allowing a level of warehouse to be constructed however often with heavy restrictions. Purple zone allows for building factories and industrial activities to occur on the site. If certain power requirements are needed (i.e. to construct a large AC site or fridge/freezer), development is only possible on a purple zoned parcel of land as a factory licence will be required. The purple zone is also the least restrictive in terms of fit-for-purpose and the most highly sought after by logistics operators.</p> </div> <div data-bbox="643 1843 1313 1877"> <p>Potential Risk: A change in zoning on Project Scale land</p> </div> <div data-bbox="643 1908 1430 2031"> <p>Risk Mitigant: Project Scale is located in purple zoned land. Zoning is undertaken by way of a master plan and cannot be simply changed. For rezoning there is a lengthy 8 stage approval process that is eventually signed off at state level.</p> </div>
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### Planning

What: Ensuring planning is in place with the local planning authority to allow for assets to be constructed on site

Potential Risk: (1) Inability to develop logistics assets on land and (2) Plot ratio (currently modelled c. 60%), is reduced due to public road access.

Mitigant (1): As part of the land due diligence we will have the consultant seek from the local planning authority (Aor Bor Tor) feedback on our proposal for the site (4 logistics warehouse ranging for 6,000 sqm to 29,900 sqm).

This will also be examined as part of legal due diligence into the land and titles. Given the site is located in a purple zone, we do not expect any barriers to securing the necessary planning approvals.

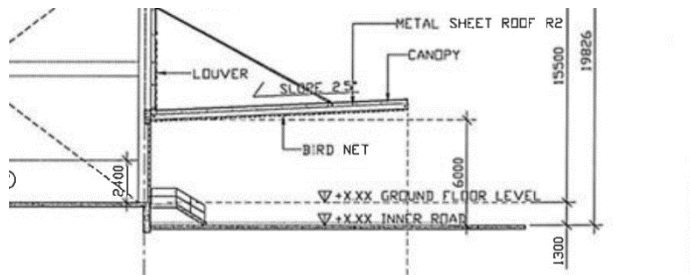
Mitigant (2): the road width issue has been factored in by having each building size less than 30,000 sqm with an 10-meter wide access road (this is based on advice as to the restriction range). The Due Diligence report by Alpha will confirm the ability of this site to constructed what is master planned.

### Flooding

Potential Risk: Flood risks in the asset location

Mitigant: This area was not part of the 2011 flood that occurred throughout Thailand. The land is located south of the airport and in proximity to the Main Canal (Suvarnabhumi) that drains into the gulf of Thailand. A Flood Report (on behalf of the JV) has been quoted and submitted for IC approval. Meanwhile, a WTW Climate Diagnostic Output was commissioned and released on 17<sup>th</sup> October 2022, see Part 1.7.2

Other mitigant is via the design, the warehouse will be raised 1.3-meters above the loading area – common practice to raise warehouse in Thailand for the rear loading of container trucks. Therefore, by design there is at least a 1.3-meter floor buffer.



## Lease Documents

What: Ensuring the asset is not a speculative build

Potential Risk: Pre-let tenants (CEVA and DB Schenker) do not sign on (making 100% of the asset speculative)

Mitigant: Once the MoU is signed negotiations will commence on the definitive Agreement for Lease and Lease and Service Agreement (including LEED compliant Green Lease clause).

Tenant Updates:

CEVA (Warehouse 2):

- CEVA has sent its due diligence list for our team to complete (financial and legal DD). SIM has commenced sharing the requested information
- CEVA has also requested the Lease and Pre-Lease or Agreement for Lease to review and commence negotiations in parallel which are now being drafted so they can form part of CEVA's board approval process.
- We will need to understand the timing of CEVA's board approvals to manage timing of execution

DB Schenker (Warehouse 4):

- DB Schenker is working through its operational layouts
- A proposal has been prepared and a meeting had with head of Country OPs, Country CFO Country CEO and Solution Design
- Design meetings held on Q&A on building specifications
- MOU shared for their review

Other Leasing Updated

- Warehouse 3 – Meeting held with Country MD of Rhenus Logistics. Showing initial interest for the small warehouse as a Dangerous good store. It likes the site's proposed ESG features
- Other leasing: Dutch Mill, Toll

## AIA

What: The intention is to sell the asset upon practical completion to AIA at a pre-agreed cap rate of 6.5% (or sharper)

Potential Risk: (1) AIA pull out of the deal (2) Inability to sell the asset on PC due to failed regulatory approval (unlikely)

Mitigant (1): Working through an MOU with AIA's Thai and regional team in HK. Continue dialogue and meetings/calls both regionally and locally. AIA has commenced sending some initial DD questions. AIA confirms that LEED Silver certification rating meets AIA investment acquisition criteria.

Mitigant (2): APACIG to have the option to stabilise the asset for a further period of 12 to 24 months – or as defined by APACIG. We



	<p>would also look to run an open international marketing campaign to sell to the others funds/insurance companies/PE investors – local funds/ESR/Other.</p> <p><b>Contractors</b> Potential Risk: Given high inflation, rising construction costs which dampens returns.</p> <p>Mitigants: Thailand team has met with all the likely contractors to brief them on the potential project, and all have indicated a high level of interest in participating in the competitive tender process for a Design &amp; Build under a <b>fixed price contract</b>. The contractors are a mix of strong locals with good reputations and experience in building logistics and offshore Japanese developers. We have also spoken to BlueScope direct regarding structures and cladding. One of the contractors has already done some initial drawings and 3d renders. Two examples of the contractor who will be in our competitive tender process are Christiani &amp; Nielsen (Thai listed company) and Thai Takenaka (Japanese contractor).</p> <p>We have a detailed design brief (LEED Silver) (less guess work on the part of contractors participating in the competitive tender).</p> <p><b>Funding</b> Potential Risk: Continued rise in interest rates during construction period increases construction cost and impacts sale value at PC.</p> <p>Mitigant: Fixed construction cost has been confirmed by Alpha at the cost of THB 15,000 per sqm via MOU. The debt side is being led by Alpha who is leveraging their parent company, Origin Property, for very attractive debt terms.</p> <p>Interest rate cost increase mitigated by attractive term sheet from Kasikorn Bank (“KBank”) and United Overseas Bank (Thai) Plc (“UOBT”). Refer to Debt Section for more details on the Term Sheet. Note we are in the process of negotiating commercial terms with KBank and UOBT.</p> <p>KBank indicative interest rate: 4.87% (MLR-2%)  UOBT indicative interest rate: 4.9% (THOR (3m compounded) + [3.2%])</p>
<u>Priority Issues for Due Diligence</u>	<ol style="list-style-type: none"> <li>1. LOI between Savills IM &amp; Alpha – executed in November 2022</li> <li>2. Tax and ownership structure that is efficient for APACIG.</li> <li>3. Legal review of the Sale Purchase Agreement with Vendor, JV Terms with Alpha and Forward Funding Agreement to be in place between Alpha and APACIG</li> <li>4. ESG: To achieve LEED Silver certification</li> <li>5. Traffic Management Phase 1 and Phase 2, if required</li> <li>6. Land due diligence including soil testing</li> <li>7. Legal due diligence &amp; KYC on Alpha</li> </ol>
<u>Conflicts of Interest</u>	<p>The Sponsor and Fund team confirms no conflict of interests.</p> <p>Nicholas Kinsey &amp; Ben Taechaubol have known each other for 35 years since high school at The Scots College in Bellevue Hill, Sydney, Australia. Enhanced KYC/AML has successfully been completed on Ben.</p> <p>Alpha acting as JV partner and Environment Consultant:  The original plan was to engage Meinhardt as an independent environmental consultant. However during the DD process, Alpha has completed the majority part environment/land related work. As requested by Cynthia Griffith third party independent</p>



	quote will be requested from a reputable supplier for the review of DD works undertaken directly by Alpha
<b>Recommendation</b>	<p>Recommendation is made to the Management Company to:</p> <ol style="list-style-type: none"> <li>1. APACIG to incur further DD costs of up to USD219k (EUR202k) representing APACIG's portion of total due diligence planned spend on land acquisition and to execute a binding land sale and purchase agreement.</li> <li>2. Settlement expected within 60 calendar days from execution of sale and purchase agreement, during which we will: <ol style="list-style-type: none"> <li>a. Finalise JV arrangements</li> <li>b. Finalise debt facility agreements.</li> </ol> </li> </ol>

## 1.2 Key information

Name/Address of Property	A freehold land parcel at KM 23 Outbound set approximately 3km within the soi from Bang Na Trad																													
Sector	Logistic																													
Net lettable area and Car Parking	<table><tr><th>Warehouse</th><th>Tenant</th><th>Space</th><th colspan="2">% of floorspace</th></tr><tr><td>W1</td><td>TBC</td><td>19,835 sqm</td><td colspan="2">24%</td></tr><tr><td>W2</td><td>CEVA Logistics</td><td>27,600 sqm</td><td colspan="2">33%</td></tr><tr><td>W3</td><td>TBC</td><td>6,955 sqm</td><td colspan="2">8%</td></tr><tr><td>W4</td><td>DB Schenker</td><td>29,980 sqm</td><td colspan="2">35%</td></tr></table>					Warehouse	Tenant	Space	% of floorspace		W1	TBC	19,835 sqm	24%		W2	CEVA Logistics	27,600 sqm	33%		W3	TBC	6,955 sqm	8%		W4	DB Schenker	29,980 sqm	35%	
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	W4	DB Schenker	29,980 sqm	35%																										
	Total Site Lettable Area: 84,370 m² (subject to survey) which represents c.60% site coverage.																													
Land Area: 144,868m² (subject to survey)																														
Major tenants, and lease expiry / break dates	Warehouse	Tenant	Lease Term	Lease Expiry	Lease Break																									
	W1	TBC	10 Years	Q4 2034	N/A																									
	W2	CEVA Logistics	10 Years	Q4 2034	N/A																									
	W3	TBC	TBC (factored 5 Years in base case)	Q4 2029	N/A																									
	W4	DB Schenker	5 Years	Q4 2034	N/A																									
Tenure/Interest	Freehold																													
Vendor/Counterparty	Current owners of the land are high net worth private families (two land plots with 2 families owning)																													
Agent of Counterparty	PCA																													
Transaction Sponsor	Greg Lapham																													
Transaction Manager	Nicholas Kinsey																													

Date of this paper/version number	26 June 2023 / Version 1
Net Purchase Price (NPP) Minimum Sales Price (MSP) Capex	THB568.3m (land) THB2,518m (at 6.5% cap rate)
Estimated Purchase Costs	THB568.3m
Estimated Gross Purchase Cost (GPP)	THB568.3m
Gross Rental Income (GRI)	NA – assume sell upon PC
Estimated Net Rental Income (NOI)	NA – assume sell upon PC
Estimated Gross Rental Value (GRV)	THB166m p.a (assume warehouses 100% leased out)
Estimated Net Rental Value (NRV)	THB163m p.a (assume warehouses 100% leased out)
Gross Initial Yield (GRI/GPP)	NA – assume sell upon PC
Net Income Yield (NOI/NPP)	NA – assume sell upon PC
Net Initial Yield (NOI/GPP)	NA – assume sell upon PC
Asset Level IRR (un-gearred)	19.2%
Portfolio Level IRR (geared, post tax)	31.7%
<u>Proposed professional team for Client</u>	
Investment Agent	N/A
Legal Adviser	Morrison & Foerster (Singapore) Mahanakorn Partners Group (Thailand)
Tax Adviser	PWC (Thailand/Singapore) KPMG (Germany)

Technical/Building Surveyor	TBC																																																																																																																																																																																				
Environmental Consultant	Alpha plus independent consultant review on behalf of APACIG																																																																																																																																																																																				
Independent and/or Bank Valuer	JLL (Thailand)																																																																																																																																																																																				
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### 1.3 Background to transaction

The opportunity was originated by Nicholas Kinsey of Savills IM, Head of Industrial & Logistics - APAC

**Seller Background:** It is our understanding that the current owners of the land (high net worth private families (two land plots with 2 families owning) are seeking a timely and easy exit from the property for personal reasons. Therefore, certainty of completion for a prospective purchaser is a key negotiating point. It is our understanding that several other parties are interested and negotiating on the land. Certainty of completion and timing once IC is approved would be a key advantage to close the deal with the landowners.

**Funding Background:** APACIG has been considering Project Scale in March 2022 subject to the transaction being structure being compatible with its investment requirements. To address this, in September 2022, Nick Kinsey approached Alpha Industrial Solutions ('Alpha') to partner for 50% and act as the developer so that APACIG could participate as a forward-funding investor. Alpha Industrial Solutions (a subsidiary of Origin, Thailand) was established in 2009 as a property development company focusing on condominiums along the routes of Bangkok's mass transit system, Sky Train. In 2021 the group had revenues of THB 15.90b / US\$ 480m). Alpha is run by Patan Somburanasin who has brought his team over from Frasers/Ticon (largest developer in Thailand). Patan was formerly the General Manager of Ticon before being acquired by Frasers. Nick Kinsey has had dealings with Patan over the years.

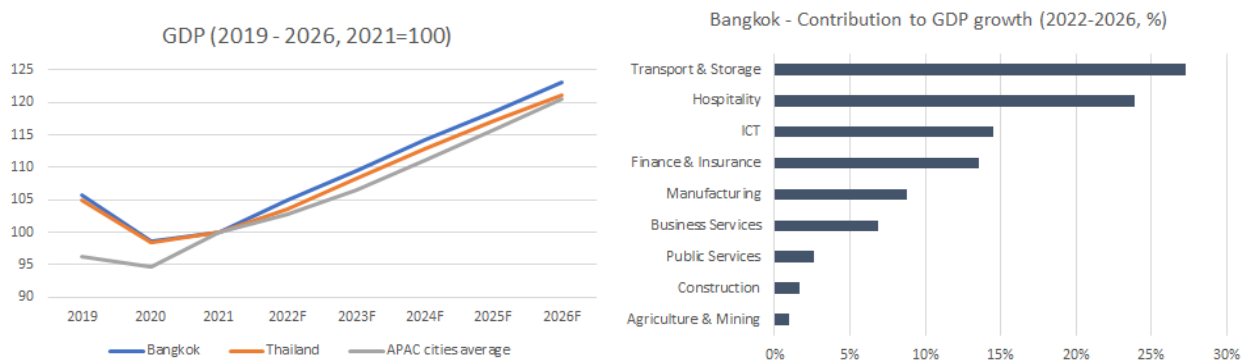
## 1.4 Location

### **City: Samut Prakarn Bangkok. Thailand**

Bangkok is a provincial-level municipality (special administrative area) in central Thailand and is the capital and most populous city of Thailand. Bangkok is a modern and vibrant capital city in Southeast Asia, with desirable lifestyle, geographic location with attractive investment opportunities for businesses.

Bangkok alone accounts for a third of Thailand's economy. It is the key location for Thailand's major banks and corporate headquarters. Bangkok also serves as the seat of the national government, with most government ministerial offices being based there. It is also one of the most popular tourist destinations in the world, welcoming almost 23 million international tourists in 2019.

The Bangkok economy continues to display resilience, with economic growth expected to outpace that of Thailand, as well as the average of Asia Pacific cities. As a major economic node in Thailand with a significant population base, trade, transport, and storage will drive more than a quarter of overall GDP growth in the next five years. To that end, there is significant end-user demand for industrial and logistics real estate.



**Source: Oxford Economics (as at Nov 2022) \* There is no more recent data**

Bangkok's centrality to Asia opens great potential for investors. Bangkok is amid an economic expansion with various new infrastructure developments across the city. The large-scale capital works projects throughout the city and surrounding areas means Bangkok will change dramatically over the next ten years, better reflecting the growing global importance of the city from tourism, manufacturing & investment.

Thailand, and Bangkok in particular be long term beneficiary of the 'China Plus One' trend as multinational companies lower their dependence on/exposure to the People's Republic of China and seek alternative locations. The Thailand Board of Investment launched a package of incentives called "Thailand Plus" in 2019. The package was designed for companies affected by the US-China Trade War and were planning to relocate full or part of their operations to another country in Asia. Thailand Plus covers seven key points, including the introduction of new tax incentives and deductions as well as reforms and initiatives designed to improve the ease of doing business. Under the package, an additional 50% reduction in corporate income tax for five years may be granted to an investment of THB 1 billion into projects. The government enhanced the Thailand Plus incentives under royal decrees effective from September 2020, under which it provides new deductions for expenses. All in, these are proactive measures by Thailand and further bolsters its already strong position as a regional industrial hub.

The 2023 Thailand election was recently held with a majority of voting Thais moving away from the incumbents. This has been well received within Thailand that the majority are wanting change. There has been no known adverse reactions to the results of the election.

Recent inflation numbers (core inflation of 1.9% in Feb 2023) indicate that Thailand has greater stability on pricing than a lot of other countries in the world. This assists to keep interest rates relatively lower than elsewhere (cash rate of 1.75%). Additionally with strong capital inflows it has a less volatile currency. These are factors we like about Thailand.

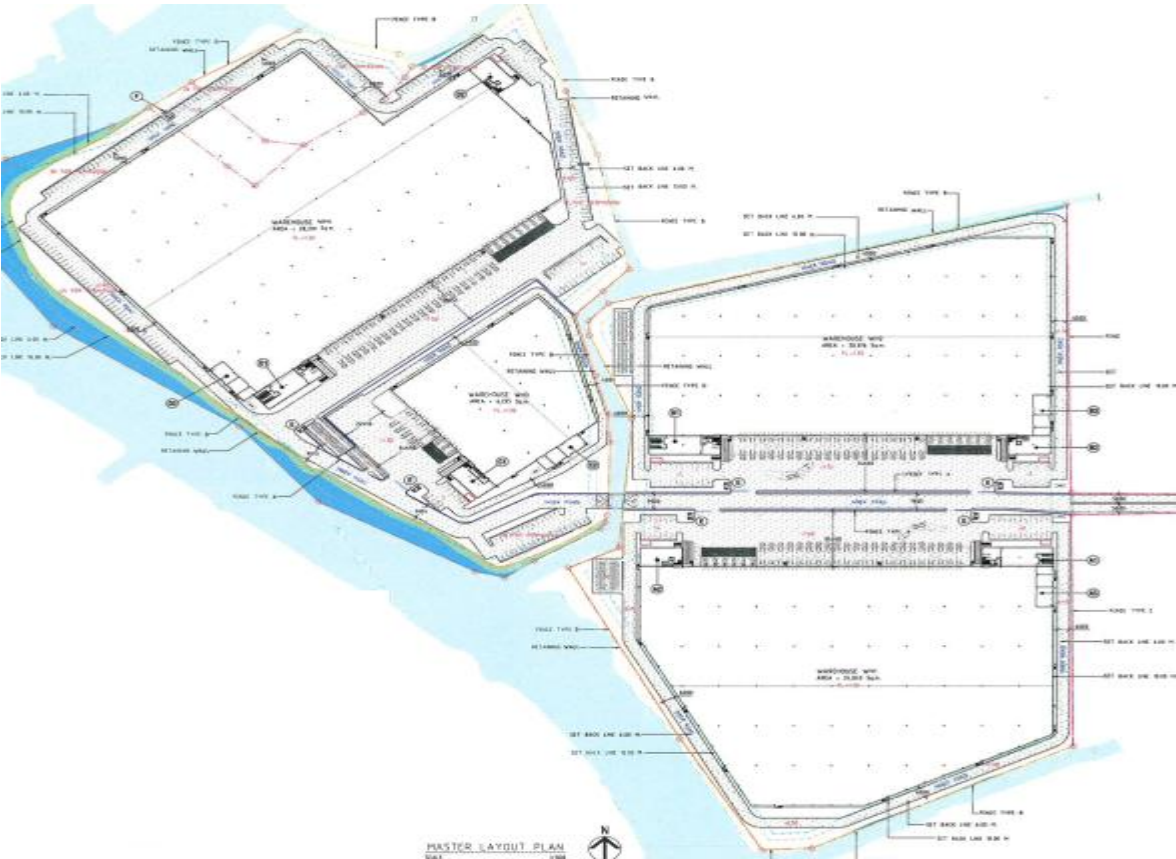
## 1.5 Property Description

Project Scale is in a well-established logistics location of Samut Prakarn and is approx. 50km to central Bangkok, specifically known in the location of Bang Na Trad 23, outbound Project Scale occupies a 14-hectare site and is forecast to be anchored by 2 of the global top 10 logistics companies, CEVA Logistics & DB Schenker on long term leases until at least 2034.

Project Scale will be completed in Q3/4 2024 and will be a best-in-class logistics site in terms of ESG credentials, LEED Silver specifications and operational efficiencies for customers/tenants.

The project sites across two separate parcels of land. DB Schenker & CEVA Logistics are targeted to pre-commit c. 68% of the space, with the remaining c. 32% remaining available for rent. An active leasing campaign will in respect of the unleased warehouse will commence immediately upon commitment to the transaction (leveraging preliminary discussions that have been had to date by Nick Kinsey).

	Gross rent psm per month (THB)	Gross rent psm per annum (THB)	Gross rent psm per annum (EUR)
Project Scale	160-165	1,920 -1,980	51.9 – 53.5
Market	155 - 165	1,860 - 1,980	50.3 - 53.5



Property / sector specific information eg for industrial or logistics:

- Eaves height – minimum clear height of 15 meters
- Office content – typically 3 to 5% of warehouse area
- Floor loading – 4.5/t sqm
- No. of dock levellers – average of 1 per 1,000 sqm
- Built to suit – x2 BTS, x 2 spec

If a forward commitment or funding, comment on any inherent risks relating to compliance with our mandatory sustainability checklist for developments. - Refer to Appendix IV

## 1.6 Site Environmental

- Due diligence has yet to commence, however from discussions with the consultant that will be tasked with the DD process, the following is to be expected: The site is not likely to have any contamination issues– very low risk in this area. No known environmental factors. The site is a commercial fish farm and neighbouring is predominantly the same. Contamination risks are very low in Thailand
- No volcanoes, earthquakes, droughts, typhoons, tornadoes within the site's surrounding area
- The site is currently a fish farm and pond depth likely 1 to 1.5 meters
- Test piling will be undertaken – expected pile depths are between 28 & 32 meters
- SIM will need to undertake some more environmental DD.

Furthermore, we are engaging with SIM ESG team on climate change resilience. Due Diligence on the site is likely to be undertaken by an organisation with a long history in Thailand and the region – Meinhardt.

## 1.7 ESG & Sustainability Attributes

### 1.7.1 Investment critical

Particular attention has focused on aligning Project Scale's stakeholders. First, in terms of the DD and construction phase, the JV has inserted minimum LEED Silver certification specification into the Fixed Price Contract. For tenants, Nick Kinsey, has presented to all prospective tenants, the alignment of the LEED building and green lease to the occupiers' own sustainability targets (NZC commitments and green energy etc) and reporting requirements. Finally, at Exit/Sale we have written confirmation from AIA that the buildings are compliant with their own IC acquisition criteria.

### 1.7.2 Inherent physical climate and natural catastrophe risk

A WTW Climate Diagnostic Output was commissioned and released on 17<sup>th</sup> October 2022.

QUESTION	EXPLANATION
Have inherent physical climate and natural hazard exposures been identified?	WTW highlighted that Heat Stress, River Flood (Defended and Undefended) scored a 5 rating. Fire and Precipitation scored a 3 rating
Are any exposures rated 3 – 5?	<ul style="list-style-type: none"><li>• Heat Stress (5) - LEED design guidelines will address this</li><li>• Flood (5) - this is a common and accepted climate factor by developers, tenants and investors.</li><li>• Flooding is more common to the North of Bangkok rather than in Bang Na/Samut Prakarn area, however the rating looks at greater Bangkok rather than location specific</li><li>• Typically, the flooding is regular (during monsoon season, May to October) but this tends to be superficial ie flood water cover of road networks which drains within hours. This particular location has not experienced major (ie 1.3 metres above baseline)</li></ul>
Other comments	The exposure to inherent River Flood risks are accepted by the targeted tenants and purchaser. The practical construction design with LEED inputs will mitigate flood water entering the warehouses.

### 1.7.3 Energy rating(s)/ benchmark

QUESTION	EXPLANATION
Provide a list of EPC ratings or equivalent. Identify if these are only covering a portion of the building.	Adoption of EPCs is not common or a legislative requirement in Thailand. Market practice for higher specification warehouses is to adopt Green Building standards, ie LEED Silver, that assesses and scores Energy efficiency and provides Green Energy source (ie Solar/PV)

#### 1.7.4 Additional Sustainability Considerations

Use this space to comment on any other relevant environmental or social sustainability points.

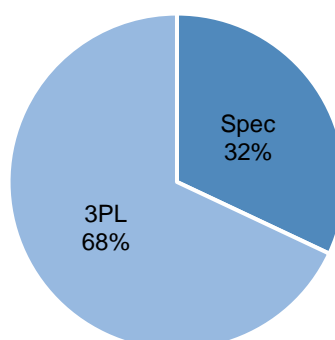
Comment
All stakeholders have been approached about their Sustainability requirements. The primary focus is on green energy solutions. At the value engineering stage with the contractor, futureproofing green energy (solar/PV battery storage for 24/7 base building) and electric vehicle fleet (EV) charging will be addressed with electrical engineering infrastructure considered.

### 1.8 Lease Particulars

Warehouse	Tenant	Space	% of floorspace	Rent	Lease Term (years)	Rent Growth (%p.a)
W1	TBC	19,835 sqm	24%	THB 162 psm pm	10	2.25%
W2	CEVA Logistics	27,600 sqm	33%	THB 165 psm pm	10	2.50%
W3	TBC	6,955 sqm	8%	THB 165 psm pm	5	2.50%
W4	DB Schenker	29,980 sqm	35%	THB 160 psm pm	10	2.25%

#### Tenant by SQM

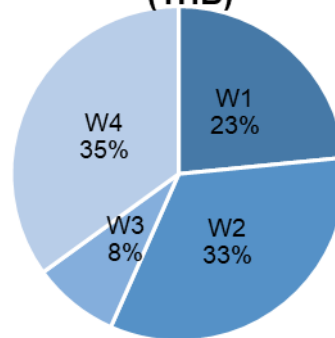
Tenancy by Sector (SQM)



#### Tenant by Gross Income

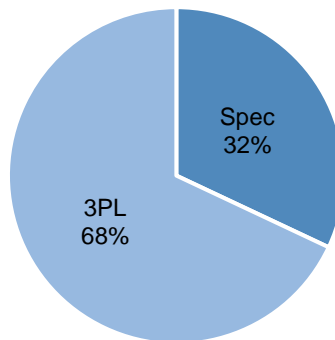


**Tenancy Area Gross Income (THB)**



**Tenancy by Sector**

**Tenancy by Sector (SQM)**



**Tenant Expiry Profile**

**Lease Expiry by Area (SQM)**



## 1.9 Supporting Evidence

### 1.9.1 National Markets

- According to JLL, mature industrial developers in Thailand have increasingly adopted a build-to-suit approach, launched only a small portion of ready-built warehouse space and reserved a portion of the projects for built-to-suit purposes. Future supply is expected to be predominantly build-to-suit. The

maturation of the market will likely give rise to lower rents, with older assets competing with the new premium-grade supply.

- Beyond 2022, Cushman & Wakefield expects that the industrial real estate in Thailand will continue to be of interest to foreign investors – especially those from China and Japan. Many Chinese businesses, and multinational corporations with businesses in China, are exiting the country or setting up additional facilities elsewhere. Colliers expects Thailand to be one of the beneficiaries of this trend.

### 1.9.2 Investment Transactions

Transaction Year	Property	Location	Size (sqm)	Transacted Value (THB psm)	Transacted Cap Rate	Buyer
2020	Logistics Center 8	Eastern Seaboard	80,012	26,588	5.8%	Undisclosed REIT
2018	SCC Project	Phra Samut Chedi	14,283	30,806	Est. 6.1%	AIM Industrial Growth REIT
2018	Logistics Center 7	Eastern Seaboard	20,700	17,376	4.8%	Undisclosed REIT
2016	Logistics Center 2	Bangkok	95,110	29,660	5.8%	Undisclosed REIT
2014	Logistics Center 1	Bangkok	35,093	28,211	6.1%	Undisclosed REIT

### 1.9.3 Rental Value

- Letters of Advice from local leasing agents/brokers. See Appendix – V
- Competitors offers as comparable to Leasing rates offered in below table
- To note the specifications offered are vastly different between each option for each developer

	Year 1	Rent Free	Av psm pm	Construction Cash Deposit	Comments
Developer 1	155	0	169.48	12 months	Good location. Basic build without LEED
Developer 2	155	0	155.00	12 months	Similar location to Scale. Poor building design. Basic building
Developer 3	148	0	166.66	10 months	Inferior location, large land and flexible, basic build
Developer 4	145	0	159.48	12 months	Good location, basic building, no LEED
SIM (option 1)	165	15	164.23	0 months	Focus with customers on one lease option only

SIM (option 2)	162	17	158.54	12 months	Most customers are pushing back on cash deposits
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## 1.10 Operating costs

Not applicable as the asset will be divested at the end of the forward funding – estimated in 15 months

Operating costs for the customers will be improved with the LEED rating, solar panels for their exclusive, use, rainwater recycling and new build warehouse with defects liability period

For the next buyers, operating costs are approx. 3 to 5% of NOI. Note operating costs in Thailand on logistics assets are typically very low as a proportion of NOI given a lot of the day-to-day repairs and routine maintenance is paid by the tenants direct

## 2 Risk Management

### 2.1 Key risk considerations

RISK CATEGORY	IDENTIFIED RISK	EXPLANATION
<b>Market Risk</b>	Currency Risk	THB is a lower yielding currency than both EUR and USD. As such, putting currency hedging in place results in an uplift in the base currency invested. This coupled with the proposed short term exit date means we will likely hedge more than the usual 50% hedge strategy of the fund. For the purposes of this paper, we assume a 100% hedge but this will be revisited based on market conditions when the THB is physically purchased. For a 15 month hedge, the uplift is currently predicted to be ca. 1.05% and 2.45% for EUR and USD respectively on an annualised basis.
<b>Market Risk</b>	Debt Finance Risk	We have term sheets from the Kbank being led by Alpha. Alpha also leveraging their parent company, Origin Properties, for competitive rates.  We would seek a binding head of terms with a bank prior to commitment by APACIG. The one point which could increase execution risk is resolving the recourse issue. Alpha's holding company Origin and JWD are willing to provide the guarantee with a fee. UOB also provided indicative TS with recourse clause as well and currently the details are under negotiation. Hence the risk of not being able to receive any loans is reasonably low as long as the recourse issue can be resolved.
<b>Market Risk</b>	Interest Rate Risk	To be hedged via a fixed rate loan or failing that consider interest rate hedges (subject to availability and practicality given timing and quantum of drawdowns is likely to change through the construction period.)
<b>Sustainability Risk</b>	Environmental Risk	To be explored through DD. None presently known. See reference to soil in risks and mitigants. There are no other known or perceived Sustainability risks

<b>Real Estate Investment Risk</b>	Real Estate Market Prices	Increasing interest rates may see softening of capitalisation rates and herald the end of the preceding 10-year cap rate tightening cycle. If this were to occur, it will have an adverse impact on asset values. We don't see this as a risk in Thailand given the large underlying demand for high quality stock and the entry yields ensure positive gearing and will have a fixed exit cap rate with AIA.
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## 2.2 Tenant Credit Risk

Credit rating are to be determined through the DD process. However, the tenants we are targeting are some of the largest third-party logistics companies in the world. They are highly regarded in the industry.

We expect the majority of the leasing will be to international companies. Bank guarantees will be a requirement to lease the warehouse space.

- CEVA Logistics parent company is CMA CGM who had group revenue on 2022 of US\$75 billion
- DB Schenker parent company is Deutsche Bahn who is owned by the German government. Group revenue in 2022 for Deutsche Bahn was US\$60 billion

Other tenant leasing:

- Rhenus Logistics - global 2022 revenue of EUR 8.6 billion (are in our EU portfolio)
- Toll Logistics – owned by Japan Post. Toll 2022 revenue of AUD 7.6 billion. And Japan Post group revenue of USD\$84 billion

<b>OCCUPIER EXCLUSIONS</b>
<b>How do the activities of the occupier meet compliance with Savills IM's Exclusions Policy?</b>
NA

## 2.3 Investor & Non Exec. Advisor issues

No issues identified

There are several issues on which there is further discussion required, eg. with the Fund lawyer's, development agreement, financing term sheet, etc.

### 3 Investment Compliance

#### 3.1 Client investment guidelines or restrictions

Guideline and/or restriction	Transaction within guideline and/or restriction: Yes / No	Comments
<b>Sub-Fund A (Conventional)</b>		
The Fund, at any time, not to invest more than 20% of GAV outside of Japan, Australia, Singapore, South Korea and Hong Kong	Yes	This investment is outside of the focus countries although at 7.5% of the Fund, is < 20%. Only tested at the end of the IP
The Fund, at any time, shall not invest more than 20% of its GAV in China, Malaysia, Thailand, Vietnam, Indonesia and New Zealand	Yes	This investment, in Thailand, is outside of the focus countries although at 7.5% of the Fund, is < 20%. Only tested at the end of the IP
No Single Asset shall exceed 20% of GAV	Yes	Only tested at the end of the IP
The Fund, at any time (beyond investment period), shall not invest more than 50% of GAV in any one country	N/A	Only tested at the end of the IP
No more than 15% of the Fund's consolidated rental income shall be attributable to one tenant or several tenants which form part of the same group (excluding Gov Tenants)	Yes	Targeted tenants within the investment are yet to be in APACIG portfolio
Any investments which constitute development projects shall at all times be limited to forward commitments or forward funding projects where Fund is not undertaking development itself	Yes	Its forward funding
Permitted development investments shall not, at any time, exceed 15% of the Fund's GAV	Yes	Approx 5-7.5%. Not a development project
The aggregate investment made by the Fund in Liquid Assets shall not exceed 49% of the GAV (German Regulated Entities only)	Yes	Not a liquid investment
<b>Sub-Fund B (Shari'a)</b>		
Shari'a Compliant Investments shall not, at any time, invest in any Property with more than 5% of the aggregate gross revenues generated by all of the tenants of the Fund derived from: <ul style="list-style-type: none"> <li>• Manufacturer or distribution of alcohol;</li> <li>• Manufacturer or distribution of pork-related products;</li> <li>• Gambling (including casinos);</li> <li>• Entertainment including movie theatres;</li> <li>• Pornography'</li> <li>• Non-defence related arms and weapons;</li> <li>• Tobacco;</li> </ul>	N/A	Sub Fund B not established.

Guideline and/or restriction	Transaction within guideline and/or restriction: Yes / No	Comments
<ul style="list-style-type: none"> <li>Non-Islamic financial services; and biotechnology companies involved in human/animal genetic engineering</li> </ul>		
Financial restrictions - Conventional 3 <sup>rd</sup> party debt not to exceed 33% of the total market value of the Gross Asset Value of Sub-Fund B	N/A	<p>Sub Fund B not established.</p> <p>Shari'a compliant debt is historically a spread of 20bps p.a. higher than the non shariah deal due to additional structuring and operational costs required).</p>
Use of Hedging Techniques, Fund structures and other Financial Derivatives Instruments to be reviewed by Shari'a Supervisor. Approval from Shari'a Supervisor to be obtained prior to enter into any hedging activities and derivative instruments	N/A	<p>EUR/AUD or USD/AUD FX hedge may be used as well as fixed interest swap</p> <p>Shari'a Supervisor approval to be sought before entering into contract</p>
Cash Management – The Fund shall keep its cash in non-interest bearing account	N/A	Non interest-bearing bank accounts to be established where possible (subject to market availabilities)

### 3.2 Financial Crime Prevention

Full KYC on all counterparties to be completed prior to sale and purchase agreement becoming binding.

We have engaged the compliance team to conduct checks into Alpha Industrial and the land sellers with initial feedback as follows:

We've conducted initial name screening on the following names with no red flags identified:

- Alpha Industrial Solutions Co., Ltd
- Mr. Udom Srikureja
- Mr. Sasithorn Srikureja
- Ms. Wandee Lertwirun
- Mr. Sunthorn Lertwirun
- Mrs. Saowanee Boonkosol

Full KYC/AML screening to be completed prior to entering into binding contracts.

Note, enhanced KYC/AML has successfully been completed on Ben Taechaubol (who will hold the small preference share interest in the joint venture referred to above).

Other KYC will be undertaken on K Bank & the main contractors – prior to contract executions

### 3.3 Conflicts of Interest

Provide details of any perceived, potential and/or actual conflicts of interest which may arise in accordance with the transaction. As noted earlier on in the Executive summary on page 8, Nicholas Kinsey & Ben Taechaubol have known each other for 35 years since high school at The Scots College in Bellevue Hill, Sydney, Australia. Enhanced KYC/AML has successfully been completed on Ben. Ben's ownership interest allows the Fund to be < 50%.

Identification of conflict of interest	Explanation	Mitigation
Could this transaction be perceived as a conflict of interest?	<i>No – No conflict in mandate / funds for Australia</i>	<i>N/A</i>
Have any Savills plc group entities been appointed in respect of this transaction?	<i>No – Alpha acting as JV partner and environmental consult.</i>	<i>Mitigants are highlighted within this paper</i>
Does any of the transaction team have any personal interest in the transaction?	<i>None identified</i>	<i>N/A</i>
Will Savills IM receive any additional fees / commissions for appointing a third-party when undertaking due diligence on this transaction?	<i>None identified</i>	<i>N/A</i>
Will Savills IM receive any additional fees / commissions by a third party for acquiring this particular asset for the client?	<i>None identified</i>	<i>N/A</i>
What considerations have been taken into account in asset allocation	<i>None identified</i>	<i>N/A</i>
Any other conflicts of interest to be considered?	<i>Savills IM office in Thailand will act as the operating partner on behalf of Alpha and APACIG. As a result, another Savill IM entity will be benefiting from this deal.</i>	<i>Savills IM office in Thailand is acting in an advisory capacity to APACIG and does not have discretion</i>

### 3.4 Best Execution

Questions	Explanation
Please provide an overview of how this transaction results in the best outcome for the client, considering the following (to the extent applicable): <ul style="list-style-type: none"> <li>- Asset valuation and price</li> <li>- Capex</li> <li>- External appointments</li> <li>- Hedging</li> <li>- Market context</li> <li>- Structuring</li> <li>- Client objectives</li> <li>- Other</li> </ul>	<p>The exit price in the 6% range is better than what a local REIT will be willing to acquire the asset at. This will in turn lead to additional opportunities and to allow SIM to remain competitive in the market.</p> <p>The asset will be built to international standards, setting it apart from most of the current market. An ESG overlay which is becoming increasingly important locally, not only to international companies.</p> <p>The structure as a 50/50 Joint venture allows SIM/APACIG to leverage on the partner on the ground already in place team and local knowledge – complimenting SIM local knowledge and expertise &amp; tenant relationships.</p>



## 4 Structure

### 4.1 Asset Plan and Exit Strategy

#### Asset Plan:

- Focus on pre-leasing the unlet space prior to PC to achieve min 65% occupancy
- Ensure tenant fitouts are completed to the highest standard
- Safe site and practices
- ESG compliant building through LEED certification

#### Exit Strategy:

- Intended hold period is for the duration of the forward funding requirement which is expected to be 15 months
- Divestment on completion is expected to be to AIA (at pre-agreed cap rate of 6.5% or sharper) on to be agreed terms and conditions, which will be subject to a regulatory approval of the Office of Insurance Commission ("OIC"). LEED Silver certification meets AIA investment acquisition criteria.
- Alternate exit strategy is that APACIG will acquire Alpha's 50% interest in the JVCo at a predetermined exit cap rate of 7% and continue to own the income producing asset

### 4.2 Equity funding

#### Sources and Uses for the Transaction:

Sources and Uses Table (THB)		
Sources	Uses	Comments
Equity	957.1m Land (Incl. Stamp)	568.3m
Alpha	478.5m Pre Construction Costs	6.0m Due diligence, legal/structuring, consulting, first 3 months of project
APACIG	478.5m Total Construction Costs	1,279.1m Base Construction (ex. VAT)
Debt	1,108.4m Project Management Fees	51.2m Applied on capex (total construction costs, ex VAT)
	VAT	93.1m 7% VAT on Construction Costs & PM Fees
	Thai Company Costs	10.4m
	Loan Costs	70.1m Interest, commitment, upfront fee
	FM Fee	- FM Fee
<b>Total</b>	<b>2,065.5m</b>	<b>2,078.1m</b> Difference of EUR 340k between sources and uses

### 4.3 Debt funding

Bank loan will be taken by the new, to be established, Thai company that will holding the title to the property. Discussions are ongoing with two lenders namely UOB and Kbank. Alpha is managing the process for negotiating with KBank and APACIG/SIM is liaising with UOB.

The current term sheet from Kbank offers a 180-month loan (included a grace period of 21 months) to finance 60% of the Total Project Costs (including the land cost and the construction of warehouse). KBank requires 100% recourse to the outstanding principal and interest. Alpha's holding company Origin and JWD are willing to provide guarantee with a fee of 2% p.a for the outstanding balance. To reciprocate Origin and JWD, we also propose a waterfall profit sharing with Alpha (please refer to 5.2.4 Waterfall Analysis). UOB have also provided their indicative term sheet and this is under negotiation in parallel. UOB have indicated that it will take 4-6 weeks to achieve credit approval and then a further 4 weeks for the financing documentation. If we are comfortable that UOB can deliver on the terms sheet, the financing documentation could be run in parallel. Debt would need to be in place in time for land acquisition in [late August].

KBank term sheet summary:

Tranche	Tranche 1	Tranche 2
Facility Limit (THB)	341m	715m Tranche 2.1: 464m for the construction Built-

		to-Suit warehouse Tranche 2.2: 251m for the construction Ready-built warehouse																																							
Purpose	To support the Project's land purchasing and/or a reimbursement of the Project's land purchasing	To finance the development cost and construction cost of the project																																							
Interest rate	4.82%																																								
Upfront Fee	0.175%																																								
Prepayment fee	1.75%																																								
Cancellation fee	1.00%																																								
Repayment Schedule	<p>Total 20 instalments, payable once in every 3 mths:</p> <table border="1"> <thead> <tr> <th>Period</th><th>No. of quarter</th><th>Principal repayment/ quarter (Million Baht)</th></tr> </thead> <tbody> <tr> <td>Q3'2023 – Q1'2025</td><td>7</td><td>Grace Period</td></tr> <tr> <td>Q2'2025 – Q1'2026</td><td>4</td><td>8.90</td></tr> <tr> <td>Q2'2026 – Q1'2028</td><td>8</td><td>14.40</td></tr> <tr> <td>Q2'2028</td><td>1</td><td>The remaining amount of THB 905.20 mil. Note: In case, there is an approval for an extension of a repayment schedule, please repay continually per below repayment schedule.</td></tr> </tbody> </table> <p>In the event that there is an extension of the maturity date (sponsor have consented and approved the execution of the amendment of the FA):</p> <table border="1"> <thead> <tr> <th>Period</th><th>No. of quarter</th><th>Principal repayment/ quarter (Million Baht)</th></tr> </thead> <tbody> <tr> <td>Q2'2028 – Q1'2029</td><td>4</td><td>14.40</td></tr> <tr> <td>Q2'2029 – Q1'2031</td><td>8</td><td>16.25</td></tr> <tr> <td>Q2'2031 – Q1'2033</td><td>8</td><td>26.00</td></tr> <tr> <td>Q2'2033</td><td>1</td><td>The remaining amount of THB 509.60 mil. Note: In case, there is an approval for an extension of a repayment schedule, please repay continually per below repayment schedule.</td></tr> </tbody> </table> <p>Further extension (sponsor have consented and approved the execution of the amendment of the FA):</p> <table border="1"> <thead> <tr> <th>Period</th><th>No. of quarter</th><th>Principal repayment/ quarter (Million Baht)</th></tr> </thead> <tbody> <tr> <td>Q2'2033 – Q4'2037</td><td>19</td><td>26.00</td></tr> <tr> <td>Q1'2038</td><td>1</td><td>The remaining amount of THB 15.60 mil.</td></tr> </tbody> </table>		Period	No. of quarter	Principal repayment/ quarter (Million Baht)	Q3'2023 – Q1'2025	7	Grace Period	Q2'2025 – Q1'2026	4	8.90	Q2'2026 – Q1'2028	8	14.40	Q2'2028	1	The remaining amount of THB 905.20 mil. Note: In case, there is an approval for an extension of a repayment schedule, please repay continually per below repayment schedule.	Period	No. of quarter	Principal repayment/ quarter (Million Baht)	Q2'2028 – Q1'2029	4	14.40	Q2'2029 – Q1'2031	8	16.25	Q2'2031 – Q1'2033	8	26.00	Q2'2033	1	The remaining amount of THB 509.60 mil. Note: In case, there is an approval for an extension of a repayment schedule, please repay continually per below repayment schedule.	Period	No. of quarter	Principal repayment/ quarter (Million Baht)	Q2'2033 – Q4'2037	19	26.00	Q1'2038	1	The remaining amount of THB 15.60 mil.
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The indicative interest rate is a fixed rate of 4.82% per annum for 180 months (included a grace period of 21 months), with a 0.175% upfront fee, 1.75% prepayment fee and 1.00% cancellation fee. However, the prepayment fee is only due if we are to refinance with another lender. There will be no break or prepayment fees under any other circumstance. The interest rate is based on the bank's Minimum Lending Rate from two months' ago and therefore needs updating. Since then, the 15-year swap rate has risen ca. 20bps (although swaps are not necessarily related to the MLR, which is an internal funding rate which we have no transparency over) and no 30bps market movement buffer has been factored in the underwriting, so higher rates are shown in the sensitivity analysis.

Terms will need to be reviewed and consistent with the underwrite before commitment. We would aim to have a fully committed term sheet prior to signing the SPA. Kbank have indicated that full credit approval would take ca. 4 weeks from the moment an indicative term sheet is signed.

UOB also provided the indicative term sheet with the key terms below. We are negotiating the recourse clause and LTC limit.

<b>Facility Limit:</b>	THB975m or 50% of Total Project Cost whichever is lower (The Total Project Costs consist of total land acquisition cost of THB563.21m and Total Construction Cost of THB1,386.71m = THB1,949.92m)
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<b>Purpose:</b>	The loan shall be used to finance up to 70% of the total construction costs. Not be used for finance any Cost Overruns
<b>Maturity:</b>	4 years from the FA signing date
<b>Grace Period:</b>	Period beginning from the date of FA until 6mths after PC
<b>Interest rate:</b>	THOR (3-month compounded) + [3.2%]
<b>Sponsor undertaking:</b>	Sponsor A: APACIG Sponsor B: Origin Sponsor C: JWD Joint and Several Undertaking from Sponsors (or full undertaking from Sponsor A (APACIG)) to inject additional equity or subordinated loans to fund (a) all cost overruns and/or funding shortfalls to achieve PC within 18mths from 1 <sup>st</sup> drawdown; (b) 30% of construction cost (that is not funded by the Facilities); and (c) all interest servicing required under the Facilities under DSCR of 1.5x is met for 2 consecutive quarters

#### Variables for sensitivity analysis are normally expected to include:

- Once the loan interest rate has been fixed, interest rate risk will be removed, unless hedging is done in a different way i.e. a cap which is more flexible for an uncertain drawdown schedule. In the interim, whilst the terms are yet to be finalised, we have included a sensitivity table below on LTC % vs. Base Fixed Rate. We believe there is adequate allowance for interest rate movements.

Fixed Rate → Shift in Base Case →	LTC ↓	Shift in Base Case ↓	Base Rate		
			5.07% 0.25%	5.32% 0.50%	5.82% 1.00%
LTC	65.00%	5.00%	33.8%   1.25x	33.4%   1.25x	32.4%   1.24x
	62.50%	2.50%	32.5%   1.24x	32.1%   1.24x	31.2%   1.23x
	60.00%	0.00%	31.3%   1.23x	30.9%   1.23x	30.1%   1.23x
	57.50%	-2.50%	30.2%   1.23x	29.9%   1.22x	29.1%   1.22x
	55.00%	-5.00%	29.2%   1.22x	28.9%   1.22x	28.2%   1.21x

## 4.4 Legal Structure, Tax and Regulatory

### Tax advisors

We are expecting to appoint PwC Thailand to advise on tax and structuring matters. PwC provided initial advice on the aborted Thai Logistics Fund so there is a clear efficiency to be gained by appointing them on this transaction. The following is based on that advice and on various ad hoc discussions over the last 12 months. Formal advice will be requested in due course.

### Description of proposed acquisition structure

Thailand's business law requires that greater than 50% of the share capital of a Thai company must be owned by Thai nationals. However, we have been advised by Mahanakorn that this test is applied on the basis of the number of shares rather than the economic rights. Accordingly, it is expected that Alpha and APACIG (via a Singapore Holdco) will own 50% each of the ordinary shares, with a small preference share interest owned by a Thai individual, Ben Taechaubol. The preference shares will receive a fixed return of USD3-5k p.a. with all remaining profits being received by the ordinary shareholders.

Approximately 80% of the funding injected by Alpha and APACIG is expected to be by way of shareholder loans with an interest rate of 4.82%.

It is necessary for the structure to be compliant with the requirements of the German real estate quota. We have discussed this with KPMG Germany and they verbally confirmed they do not expect any problems in achieving this provided that the articles of ThaiCo can be drafted in an appropriate manner. Formal advice on this matter will be taken during the DD phase.

### Acquisition

ThaiCo will initially be established by Alpha and will pay a 5% deposit for the acquisition of the land. APACIG will acquire its 50% (ordinary share) interest after this. It will be necessary to carry out (limited) financial, tax and legal due diligence on ThaiCo prior to APACIG's acquisition.

The acquisition of the land by ThaiCo will be subject to Specific Business Tax at a rate of 3.3% of the purchase price. It is a matter for commercial negotiation as to whether buyer or seller will bear the cost. At this stage we have assumed that the cost will be borne by ThaiCo.

No VAT will be charged on the land acquisition.

Any VAT charged in any jurisdiction on transaction costs will be irrecoverable.

### ***Development phase***

Costs of the development (including interest on bank and shareholder loans) will be capitalised for accounting purposes. Accordingly, it is expected that ThaiCo will have minimal expenses in its P&L and so will not accrue tax losses during the development phase.

VAT of 7% will apply on payments to Alpha under the forward funding contract. This VAT is irrecoverable.

### ***Operational phase***

ThaiCo will be subject to Thai Corporate Income Tax at a rate of 20%. Taxable profits will be calculated as net rental income less interest on bank and shareholder loans (starting from the point where the assets are let because interest before this point is capitalised), depreciation of the building (at a rate of 5% pa), operating costs and fees payable to SIM and Alpha.

Interest paid on shareholder loans is subject to a 10% withholding tax. This will be a cost.

Dividends paid by ThaiCo to the Singapore Holdco will be subject to a 10% withholding tax. This will be a cost.

There should be no further tax in Singapore.

### ***Disposal***

It is expected to exit by way of a sale of ThaiCo. However AIA have indicated they may have a requirement to acquire the asset instead. This is being worked through with AIA and will confirmed over the coming months.

Whether the gain on disposal of ThaiCo is subject to Thai tax or not depends on whether the buyer is a Thai entity or a non-Thai entity. In the former case, the gain would be subject to a 15% withholding tax, whilst in the latter case there would be no tax liability. In our base case, we have assumed ThaiCo is sold by way of onshore share transfer.

However, if the sale was of the asset the resultant gain being subject to Thai Corporate Income Tax at a rate of 20%, plus additional 10% withholding tax on the subsequent distribution of the gain to Singapore. In this case the base case IRR will reduce from 31.7% to 15.8%.

In either scenario, there would be no further tax in Singapore.

### ***Regulatory Considerations***

With reference to Section 1, will the structure of this transaction involve the acquisition or disposal of shares? If yes, please explain.	Yes
Will structuring involve hedging positions?	Yes, hedging if used will take place at the Fund level to hedge currency risk.
Will structuring include use of bonds?	No
Will structuring include use of swaps or any other type of derivative contract?	Yes, the Thai Co may enter into interest rate swaps. However this will be further looked into during the due diligence process.
Will any other type of transferrable security be used in structuring this transaction?	No

Anything further to add?	No
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## 5 Investment Thesis

### 5.1 Transaction costs

For onshore expenses it would be shared with the JV partner 50/50. The offshore costs of US\$96K are likely to 100% to the account of APACIG.

**Total expenses incurred:**

Stage	Approved Budget (USD)	Cumulative approved budget (USD)	Spend Items			Cumulative spend	Cumulative budget available	
			Service Provider	Expense Details	Amount			
Concept Stage (6 May 2022)	38,000	38,000	Mahanakorn	Government fees - Company incorporation & docs	194			
			Mahanakorn	Consulting on 2-tier company incorporation services & property S&P agreement	4,458			
			Mahanakorn	Consulting on corporate structures, legal and tax compliance	2,972			
			Mahanakorn	Legal services (attend calls)	2,428			
			Mahanakorn	Call with tax & SIM; prepare translation and certification of docs	905			
			Mahanakorn	Zoom call re translation of required docs	359			
			MOFO	Legal advice	15,483			
			PWC Thailand	Preliminary tax memo	8,000			
			PWC Thailand	Review of financial model	3,000			
			Total spend for Concept Stage					38,000
Budget available for Concept Stage			0		0			
Product Change Stage (30 Sep 2022)	5,500	43,500	Meinhardt	Stage 1 - traffic management	3,745			
			Total spend for Product Change Stage					41,745
			Budget available for Product Change Stage					1,755
PMC update Stage (1Nov 2022)	10,000	53,500	Mahanakorn	SHA, DMA and MOU review	5,882			
			Total spend for PMC update Stage					47,627
			Budget available for PMC update Stage					4,118

Boundary cost of USD2k is paid under APACIG, will share with Alpha 50/50 once we approved the deal.

**Abortive costs to be approved and incur:**

	Output	Previous Budget Total (USD)	Updated Budget Total (USD)	APACIG Portion				APACIG Portion of Phase 3	APACIG Portion DD (Phase 2&3)
				Phase 1 (Spent to date)	Phase 2 To MOU	of Phase 2	Phase 3 To Land acquisition		
Onshore	Shareholder/JVA, DMA, AIA MOU	3,670	5,882	5,882	-	-	-	-	0
	Thai Company Incorporation	5,882	1,471	-	1,471	736	-	-	736
	Land Due Diligence	36,764	7,353	-	7,353	3,677	-	-	3,677
	Phase 2 Traffic Management	10,294	10,294	-	-	-	10,294	5,147	5,147
	Land Legal DD	10,200	1,471	-	1,471	736	-	-	736
	Land SPA	4,044	1,471	-	1,471	736	-	-	736
	MGP: Lease, Service & Consultancy, AIA SPA - review and mark up	5,882	5,882	-	5,882	5,882	-	-	5,882
	<b>Sub-total Onshore</b>	<b>76,736</b>	<b>33,824</b>	<b>5,882</b>	<b>17,648</b>	<b>11,765</b>	<b>10,294</b>	<b>5,147</b>	<b>16,912</b>
Offshore	SG set up cost	22,500	7,500	-	-	-	7,500	7,500	7,500
	PWC: SG Tax include JV doc review	200,328	45,111	-	-	-	45,111	45,111	45,111
	PWC: Financial and tax DD on ThaiCo		21,000	-	-	-	21,000	21,000	21,000
	Transfer Pricing	16,186	16,000	-	-	-	16,000	16,000	16,000
	Tax incentives	-	5,000	-	-	-	5,000	5,000	5,000
	Tax registration	2,943	3,000	-	-	-	3,000	3,000	3,000
	AIA SPA	4,044	25,000	-	-	-	25,000	25,000	25,000
	MOFO legal docs review (SHA, DMA, Consultancy Agreement)		95,000	-	-	25,000	70,000	70,000	95,000
	KMPG German Tax		21,565	-	-	-	21,565	21,565	21,565
	<b>Sub-total Offshore</b>	<b>246,001</b>	<b>239,176</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>214,176</b>	<b>214,176</b>	<b>239,176</b>
<b>Total</b>		<b>328,030</b>	<b>273,000</b>	<b>5,882</b>	<b>17,648</b>	<b>36,765</b>	<b>224,470</b>	<b>219,323</b>	<b>256,088</b>

## 5.2 Financial appraisal

### 5.2.1 Base Case Asset level appraisal

- Hold period: 1.3 years
- Rental growth or CPI / RPI: 2.33%
- Lease termination / renewal / rent review assumptions, incentives and professional fees: NA
- Property management costs: THB 1.25 psm pm
- Vacancy assumptions – length. Incentives, agency / legal fees: No running vacancy allowance, but 6 months downtime applied for forward expiries and 12 months for current vacancies.
- Principal non-recoverables (e.g. insurance, local property taxes): the majority of day-to-day operating costs will be undertaken by each of the tenants directly. The main ongoing estate costs would be ongoing property management – predominantly around the issuing on invoices & building insurance.
- Dilapidations shortfalls: NA
- Costs and timing of any asset management initiatives: NA
- Exit yield: 6.50 % market cap
- IRR, initial distribution and average distribution:

APACIG's Share	THB	EUR
<b>Triple Net Levered IRR</b>	<b>31.7%</b>	<b>31.7%</b>
Equity	478.5m	12.9m
Profit	592.1m	16.0m
MOIC	1.24x	1.24x

Warehouse	Tenant	Lease Term (Year)	Renewal Probability	Vacancies (Month)	Incentive Applied	Leasing renewal fee (Month)	Review Frequency	Rent Growth (%)
W1	Vacant	10.0	75.0%	3.0	5%	1	Annual	2.25%
W2	CEVA Logistics	10.0	50.0%	3.0	5%	1	Annual	2.50%
W3	Vacant	5.0	50.0%	3.0	5%	1	Annual	2.50%

W4	DB Schenker	10.0	75.0%	3.0	5%	1	Annual	2.25%
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### 5.2.2 Fund level cost appraisal

- Level and cost of debt (including debt set up)

#### Development Loan

LTC	%	60.00%
Interest rate	%	4.82%
Guarantee Fee	%	2.00%
Commitment Fee	%	0.00%
Upfront Fee	%	0.13%
Prepayment Penalty Fee	%	0.00%
Legal Fee	THB	THB 2.0m

#### Stabilised Loan

On/Off	%	Off
LTV	%	60.00%
Interest rate	%	4.82%
Commitment Fee	%	0.00%
Upfront Fee	%	0.00%
Prepayment Penalty Fee	%	1.00%

#### Shareholders Loan

% of Equity	%	80.00%
Interest rate	%	4.82%

- Impact of taxation, both as a non-recoverable expense and/or as a cash flow item (e.g. VAT which is payable but is later recovered)

#### Thailand Tax Rate:

##### Tax

Latent Sharing with next Buyer	%	50.0%
Specific Business Tax	%	0.0%
Lease Registration Fee	%	2.0%
Shared with Seller?	%	0.0%
Effective Registration Fee	%	0.0%
Corporate Income Tax	%	20.0%
Capital Gains Tax	%	0.0%
Onshore Buyer	%	15.0%
Offshore Buyer	%	0.0%
WHT on Dividends	%	10.0%
VAT	%	7.0%

- Whether capital allowances/depreciation will reduce tax payable: Yes
- Fund management and administrative costs apportioned to the property: Blended Fund Management Cost (% on NAV)



- IRR, initial distribution and average distribution: No distribution given development and sale after PC.  
IRR: 31.7%

### 5.2.3 Sensitivity Analysis

Sensitivity Analysis, IRR and MOIC Levered Post Tax, Pre Promote

	Exit Cap Rate ↓	Shift in Base Case ↓	Hold Period					
			1.3	2.3	3.3	4.3	5.3	6.3
			0.0	1.0	2.0	3.0	4.0	5.0
Exit Cap Rate	6.10%	-0.40%	54.6%   1.41x	54.6%   1.41x	54.6%   1.41x	54.6%   1.41x	54.6%   1.41x	54.6%   1.41x
	6.20%	-0.30%	48.6%   1.36x	48.6%   1.36x	48.6%   1.36x	48.6%   1.36x	48.6%   1.36x	48.6%   1.36x
	6.50%	0.00%	31.7%   1.24x	31.7%   1.24x	31.7%   1.24x	31.7%   1.24x	31.7%   1.24x	31.7%   1.24x
	6.75%	0.25%	18.8%   1.14x	18.8%   1.14x	18.8%   1.14x	18.8%   1.14x	18.8%   1.14x	18.8%   1.14x
	7.00%	0.50%	6.9%   1.05x	6.9%   1.05x	6.9%   1.05x	6.9%   1.05x	6.9%   1.05x	6.9%   1.05x
	7.25%	0.75%	-4.1%   0.97x	-4.1%   0.97x	-4.1%   0.97x	-4.1%   0.97x	-4.1%   0.97x	-4.1%   0.97x

	Exit Cap Rate ↓	Shift in Base Case ↓	Rental Growth					
			1.83%	2.08%	2.33%	2.58%	2.83%	3.08%
			-0.50%	-0.25%	0.00%	0.25%	0.50%	0.75%
Exit Cap Rate	6.10%	-0.40%	54.6%   1.41x	54.6%   1.41x	54.6%   1.41x	54.6%   1.41x	54.6%   1.41x	54.6%   1.41x
	6.20%	-0.30%	48.6%   1.36x	48.6%   1.36x	48.6%   1.36x	48.6%   1.36x	48.6%   1.36x	48.6%   1.36x
	6.50%	0.00%	31.7%   1.24x	31.7%   1.24x	31.7%   1.24x	31.7%   1.24x	31.7%   1.24x	31.7%   1.24x
	6.75%	0.25%	18.8%   1.14x	18.8%   1.14x	18.8%   1.14x	18.8%   1.14x	18.8%   1.14x	18.8%   1.14x
	7.00%	0.50%	6.9%   1.05x	6.9%   1.05x	6.9%   1.05x	6.9%   1.05x	6.9%   1.05x	6.9%   1.05x
	7.25%	0.75%	-4.1%   0.97x	-4.1%   0.97x	-4.1%   0.97x	-4.1%   0.97x	-4.1%   0.97x	-4.1%   0.97x

	LTC ↓	Shift in Base Case ↓	Base Rate		
			5.07%	5.32%	5.82%
			0.25%	0.50%	1.00%
Fixed Rate → Shift in Base Case →	65.00%	5.00%	33.8%   1.25x	33.4%   1.25x	32.4%   1.24x
	62.50%	2.50%	32.5%   1.24x	32.1%   1.24x	31.2%   1.23x
	60.00%	0.00%	31.3%   1.23x	30.9%   1.23x	30.1%   1.23x
	57.50%	-2.50%	30.2%   1.23x	29.9%   1.22x	29.1%   1.22x
	55.00%	-5.00%	29.2%   1.22x	28.9%   1.22x	28.2%   1.21x

	Exit Cap Rate ↓	Shift in Base Case ↓	Development Period Flex		
			12.0	13.0	14.0
			-2.0	-1.0	0.0
Exit Cap Rate	6.10%	-0.40%	51.7%   1.41x	52.2%   1.40x	54.6%   1.41x
	6.20%	-0.30%	46.1%   1.37x	46.4%   1.36x	48.6%   1.36x
	6.50%	0.00%	30.5%   1.25x	30.1%   1.23x	31.7%   1.24x
	6.75%	0.25%	18.6%   1.15x	17.8%   1.14x	18.8%   1.14x
	7.00%	0.50%	7.6%   1.06x	6.3%   1.05x	6.9%   1.05x
	7.25%	0.75%	-2.6%   0.98x	-4.3%   0.97x	-4.1%   0.97x

	Exit Cap Rate ↓	Shift in Base Case ↓	Construction Cost				
			THB 14.5k/sqm	THB 14.8k/sqm	THB 15.0k/sqm	THB 15.3k/sqm	THB 15.5k/sqm
			-THB 0.5k/sqm	-THB 0.3k/sqm	0.0	THB 0.3k/sqm	THB 0.5k/sqm
Exit Cap Rate	6.10%	-0.40%	62.6%   1.47x	58.6%   1.44x	54.6%   1.41x	50.6%   1.38x	46.8%   1.35x
	6.20%	-0.30%	56.5%   1.42x	52.5%   1.39x	48.6%   1.36x	44.7%   1.33x	40.9%   1.30x
	6.50%	0.00%	39.3%   1.30x	35.5%   1.27x	31.7%   1.24x	28.0%   1.21x	24.4%   1.18x
	6.75%	0.25%	26.2%   1.20x	22.5%   1.17x	18.8%   1.14x	15.3%   1.11x	11.8%   1.09x
	7.00%	0.50%	14.0%   1.11x	10.4%   1.08x	6.9%   1.05x	3.5%   1.03x	0.2%   1.00x
	7.25%	0.75%	2.7%   1.02x	-0.7%   0.99x	-4.1%   0.97x	-7.4%   0.94x	-10.6%   0.92x

### 5.2.4 Waterfall profit sharing

Cap rate: 6.1%

IRR Hurdle	APACIG / Alpha Split	
	APACIG	Alpha
18%	50%	50%
25%	45%	55%
>25%	40%	60%
<b>IRR</b>	<b>47.9%</b>	<b>61.2%</b>
<b>Proceeds</b>	<b>649.8m</b>	<b>697.0m</b>
<b>MOIC</b>	<b>1.36x</b>	<b>1.46x</b>
<b>Profit THB</b>	<b>171.3m</b>	<b>218.4m</b>
<b>Profit USD</b>	<b>5.0m</b>	<b>6.4m</b>

### 5.2.5 Scenario Analysis

	IC Base	Waterfall profit sharing with Alpha	APACIG acquires Alpha's share and hold
<b>Triple Net Levered IRR</b>	<b>31.7%</b>	<b>47.9%</b>	<b>20.0%</b>
Equity	12.9m	12.9m	18.6m
Profit	16.0m	17.6m	28.8m
MOIC	1.24x	1.36x	1.55x

## 5.3 Valuation

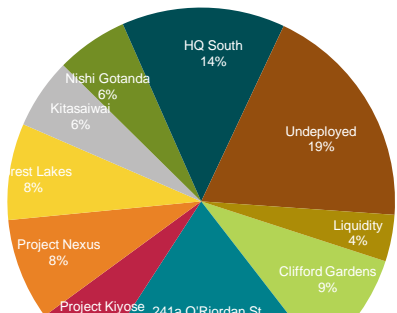
Valuation to be taken upon PC

## 5.4 Portfolio Context

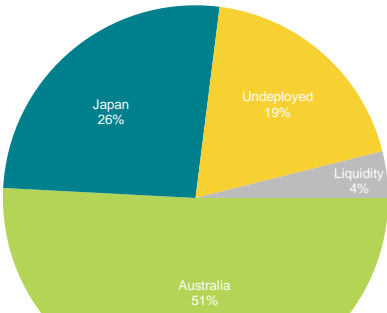
Existing portfolio

Country	Transaction	Sector	Status	Source	Exch/Settle	Equity Deployed	Purchase Price	Dist. Net	IRR Net <sup>1</sup>	LTV
Australia	Clifford Gardens	Convenience Retail	Current AUM	Off	29-Jun-21	EUR 27.5m	EUR 47.0m	7.5%	12.7%	50.0%
Australia	241a O'Riordan St	Office	Current AUM	On	30-Jun-21	EUR 46.0m	EUR 96.8m	3.0%	8.2%	59.0%
Japan	Project Kiyose	Residential	Current AUM	Off	30-Jun-22	EUR 12.8m	EUR 28.6m	4.2%	9.2%	60.0%
Japan	Project Nexus	Residential	Current AUM	Off	30-Jun-22	EUR 18.8m	EUR 42.0m	6.1%	9.8%	60.0%
Australia	Forest Lakes	Convenience Retail	Current AUM	Off	30-Sep-22	EUR 36.8m	EUR 39.7m	6.1%	9.2%	50.0%
Japan	Kitasaiwai	Office	Current AUM	Off	31-Oct-22	EUR 23.4m	EUR 29.0m	3.3%	11.9%	60.0%
Japan	Nishi Gotanda	Office	Current AUM	Off	31-Jan-23	EUR 11.9m	EUR 29.5m	0.6%	12.7%	60.0%
Australia	HQ South	Office	Current AUM	On/Off	31-Jan-23	EUR 12.5m	EUR 67.2m	3.9%	9.3%	52.5%
<b>Portfolio</b>						<b>EUR 189.8m</b>	<b>EUR 379.7m</b>	<b>4.6%</b>	<b>10.1%</b>	<b>55.9%</b>
1. Post fee / Post Tax						<b>Undeployed</b>	<b>EUR 47.1m</b>			
2. Liquidity provision based on 7.5% of committed equity						<b>Liquidity<sup>2</sup></b>	<b>EUR 19.2m</b>			
						<b>Total</b>	<b>EUR 256.1m</b>			

Current Portfolio by Asset  
(Purchase Price, SIM Ownership)



Current Portfolio by Country  
(Purchase Price, SIM Ownership)



## Existing portfolio plus Thailand (50%)

Country	Transaction	Sector	Status	Source	Exch/Settle	Equity Deployed	Purchase Price	Dist. Net	IRR Net <sup>1</sup>	LTV
Australia	Clifford Gardens	Convenience Retail	Current AUM	Off	29-Jun-21	EUR 27.5m	EUR 47.0m	7.5%	12.7%	50.0%
Australia	241a O'Riordan St	Office	Current AUM	On	30-Jun-21	EUR 46.0m	EUR 96.8m	3.0%	8.2%	59.0%
Japan	Project Kiyose	Residential	Current AUM	Off	30-Jun-22	EUR 12.8m	EUR 28.6m	4.2%	9.2%	60.0%
Japan	Project Nexus	Residential	Current AUM	Off	30-Jun-22	EUR 18.8m	EUR 42.0m	6.1%	9.8%	60.0%
Australia	Forest Lakes	Convenience Retail	Current AUM	Off	30-Sep-22	EUR 36.8m	EUR 39.7m	6.1%	9.2%	50.0%
Japan	Kitasaiwai	Office	Current AUM	Off	31-Oct-22	EUR 23.4m	EUR 29.0m	3.3%	11.9%	60.0%
Japan	Nishi Gotanda	Office	Current AUM	Off	31-Jan-23	EUR 11.9m	EUR 29.5m	0.6%	12.7%	60.0%
Australia	HQ South	Office	Current AUM	On/Off	31-Jan-23	EUR 12.5m	EUR 67.2m	3.9%	9.3%	52.5%
Thailand	Thai Logistics	Industrial/Logistics	In excl. DD	Off	30-Apr-23	EUR 9.9m	EUR 27.7m	21.1%	37.0%	56.3% <sup>3</sup>
<b>Portfolio</b>						<b>EUR 199.7</b>	<b>EUR 407.4</b>	<b>5.4%</b>	<b>11.4%</b>	<b>55.9%</b>

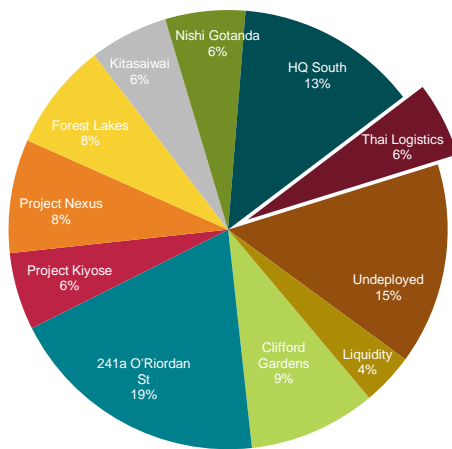
1. Post fee / Post Tax

2. Liquidity provision based on 7.5% of committed equity

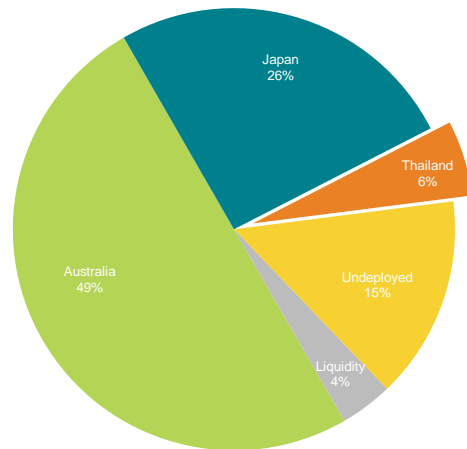
3. Based on value on completion

Undeployed	EUR 37.2
Liquidity <sup>2</sup>	EUR 19.2
<b>Total</b>	<b>EUR 256.1</b>

**New portfolio by asset (purchase price)**



**Current portfolio by country (purchase price)**



## 6 Timetable

Indicative Timeline	
Date	Event
[28] June 2023	Lux Board Meeting
[28] June 2023	PMC Update
30 June 2023	Signing of updated MOU with Alpha, SIM and APACIG
30 June 2023	Land Deposit
[30] June 2023	CEVA Warehouse 2 layout sign off
[7] July 2023	Final draft of SHA agreement ready for issue to Alpha
[14] July 2023	Legal review of AIA MOU
[14] July 2023	Final draft of DMA agreement ready for issue to Alpha
[14] July 2023	CEVA MOU – Warehouse 2
[14] July 2023	DB Schenker Warehouse 2 layout sign off
[21] July 2023	Final drafts of Consultancy agreement ready for issue to Alpha
[31] July 2023	CEVA Board Approval & AFL/Lease execution
[1] Aug 2023	DB Schenker MOU – Warehouse 2
[14] Aug 2023	DB Schenker Board Approval & AFL/Lease execution
[14] Aug 2023	Signing SHA, DMA and Consultancy Agreement
[14] Aug 2023	Signing AIA MOU
[21] Aug 2023	Bank facility approved
[31] August 2023	Land Transfer
On-Going	Other Leasing
w/c 4 Sept 2023	APACIG to inject capital
w/c 4 Sept 2023	Bank facility is available to draw
[Aug] 2023	Construction commences
Sep 2024	PC
[One] month post PC	Exit (assuming AIA Put Option for JV)]

## Stage 1 Appendices

### Appendix I – Photographs

#### Site Plan & Tenanted Area





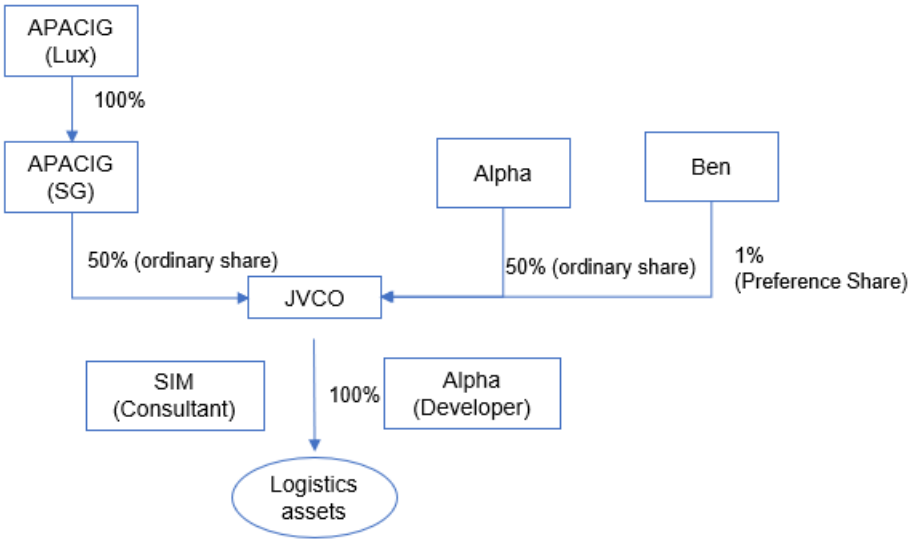
## Appendix II – Cashflow

Annual Free Cashflows - Fund Level				
Currency	THB	1		
Year	TOTAL	2023	2024	
<b>Revenue</b>				
Gross Income	-	-	-	
Operating Costs + Leasing Fees	(1.3m)	-	(1.3m)	
<b>NOI</b>	<b>(1.3m)</b>	<b>-</b>	<b>(1.3m)</b>	
<b>Development Costs</b>				
Pre-Construction	-	-	-	
DM Fee	(51.2m)	(18.3m)	(32.9m)	
Land Acquisition	(568.3m)	(568.3m)	-	
Stamp Duty	-	-	-	
Base Construction	(1,279.1m)	(456.8m)	(822.3m)	
Bulk Earth Works	-	-	-	
Hardcode Unexpected Costs	-	-	-	
Contingencies	-	-	-	
<b>Total Development Costs</b>	<b>(1,898.5m)</b>	<b>(1,043.4m)</b>	<b>(855.1m)</b>	
7% VAT Construction Costs	(93.1m)	(33.3m)	(59.9m)	
<b>Exit</b>				
Exit Price	2,338.0m	-	2,338.0m	
Exit Costs	(35.1m)	-	(35.1m)	
<b>Net Proceeds</b>	<b>2,302.9m</b>	<b>-</b>	<b>2,302.9m</b>	
<b>Fund and Thai Co Costs</b>				
Thai Co Set Up and Recurring Costs	(2.6m)	(2.3m)	(1.4m)	
Fund Set Up and Recurring Costs	(8.1m)	(6.0m)	(2.1m)	
<b>Total Fund and Thai Co Costs</b>	<b>(10.4m)</b>	<b>(7.5m)</b>	<b>(2.9m)</b>	
<b>EBITDA</b>	<b>(3.6m)</b>	<b>(1.4m)</b>	<b>(2.1m)</b>	
Depreciation & Amortisation	(5.3m)	-	(5.3m)	
<b>EBIT</b>	<b>(8.9m)</b>	<b>(1.4m)</b>	<b>(7.5m)</b>	
<b>FCF Unlevered</b>		<b>(1,084.1m)</b>	<b>1,383.7m</b>	
<b>Monthly Cashflows Unlevered FCF</b>			<b>(1,084.1m)</b>	
<b>Development Loan</b>				
Loan Drawn	1,108.4m	615.1m	493.4m	
Interest Rate	(66.1m)	(14.4m)	(51.8m)	
Commitment Fee + Upfront Fee	(3.9m)	(3.1m)	(0.9m)	
Loan Repayment	(1,108.4m)	-	(1,108.4m)	
<b>Development Loan CF</b>	<b>(70.1m)</b>	<b>597.6m</b>	<b>(667.7m)</b>	
Capitalised Costs	(2,086.4m)	(1,098.7m)	(987.7m)	
Accured Capitalised Costs	(2,086.4m)	(1,098.7m)	(2,086.4m)	
<b>Stabilised Loan</b>				
Redbook Valuation	-	-	-	
Stabilised Loan	-	-	-	
Interest	-	-	-	
Commitment Fee + Upfront Fee	-	-	-	
Loan Repayment	-	-	-	

<b>Stabilised Loan CF</b>	-	-	-
<b>Levered FCF</b>		<b>(486.5m)</b>	<b>716.0m</b>
Monthly FCF Levered		(486.5m)	716.0m
<b>Equity Required</b>	<b>(957.1m)</b>	<b>(486.5m)</b>	<b>(470.6m)</b>
<b>Shareholder Loans</b>			
SHL Closing Balance		(1,542.5m)	(5,370.1m)
SHL Interest	(145.8m)	(10.8m)	(135.0m)
SHL Interest Paid Out	(24.7m)	-	(24.7m)
SHL Interest WHT	(2.5m)	-	(2.5m)
<b>SHL CF</b>	<b>(2.5m)</b>	<b>-</b>	<b>(2.5m)</b>
<b>Fund Management Fees</b>			
FM Fee	-	-	-
		0.00%	0.00%
<b>Tax</b>			
EBIT	(8.9m)	(1.4m)	(7.5m)
Total Interest (Loan + SHL)	(9.4m)	-	(9.4m)
Taxable Income (pre losses)		(1.4m)	(16.8m)
<i>Tax Loss Carry Forward</i>			
Opening Balance		-	(1.4m)
Accrued		(1.4m)	(16.8m)
Used		-	-
Closing Balance		(1.4m)	(18.3m)
Taxable Income (post losses)	-	-	-
Corporate Income Tax	-	-	-
Exit Price Minus Capitalised Costs, Add Back Depreciation	291.4m	256.9m	-
CGT	-	-	-
Specific Business Tax + Registration Tax	-	-	-
<b>Distributable Profit</b>	<b>227.1m</b>	<b>(486.5m)</b>	<b>713.5m</b>
<b>Monthly CF Distributable Profit</b>	<b>227.1m</b>	<b>(486.5m)</b>	<b>713.5m</b>



Appendix III – Structure diagram



## Appendix IV - MANDATORY SUSTAINABILITY OBLIGATIONS FOR DEVELOPMENTS

Theme	Element	Objective	Requirement	New Build	Logistics	Sustainability Obligations	Project Compliance (Yes/No)
Climate Change Resilience	Climate change	Design developments against climate change risk in the future	M	✓	✓	Carry out design risk assessments to identify factors that need to influence design mitigation.	Yes
	Flood risk mitigation	Future proof developments against the risk of flooding from all sources	M	✓	✓	Undertaken a robust flood risk assessment from all potential water sources to include min. 20% allowance for climate change	Yes
	Thermal comfort resilience	Future proof developments against the risk of extreme temperatures	M	✓	✓	Design for future climate change scenarios using local country guidance and data	Yes
Carbon & Resources Impacts	Whole life carbon assessment	Assess predicted carbon footprint of the construction and operational phases to develop the brief, inform the design and establish opportunities to reduce emissions	M	✓	✓	Undertake a Whole Life Carbon Assessment using the RICS Whole life Carbon Assessment for the Built Environment standards and guidance or similar Country local guidance.	No
	Carbon Risk Real Estate Monitor (CRREM)	To avoid assets becoming stranded	M		✓	Undertake a CRREM risk assessment to determine how far away the development is from 2030 CRREM alignment and put in place a plan to achieve the CRREM operational energy and carbon targets	No
	Energy Performance Certificates	Target beyond compliance to demonstrate leading design	M	✓	✓	Achieve Minimum EPC B rating on Landlord's project.	No
	Incoming Services	Development or refurbishment to have zero fossil fuel being used onsite for heating or power	M	✓	✓	No fossil fuel to be used in the building services of the development or refurbishment of the Landlord's building	No
Nature & Biodiversity	Biodiversity	Enhance biodiversity where ever possible by setting aside space within the development site in which to create woodland, wetland, wildflower meadows or other habitats of value to wildlife.	M	✓	✓	Apply good practice Biodiversity principles for development, adopting local legislation and seeking to enhance the biodiversity of the development by a minimum 10%	No
	Landscaping	Create landscaping scheme that enhances biodiversity to support ecosystems and regional planting	M	✓	✓	Procure native species of regional, or if feasible of local provenance where programme allows, supply stock grown from seed sourced locally	Yes

<b>Certification</b>	Certification scheme	Adopt the latest environmental certification assessment method that best serves the development or refurbishment	<b>M</b>	✓	✓	Certification assessment to be commissioned and implemented as set out in the development stages.	Yes
<b>Economic</b>	Life Cycle Cost (LCC) Assessment	Where required for certification credits, undertake a Life Cycle Cost Assessment	<b>M</b>	✓	✓	As a minimum undertake an elemental life cycle cost that can be submitted to a certification scheme	Yes

## Appendix V – Capital Market/Rental Market Information



Jones Lang LaSalle (Thailand) Ltd.  
88 The PARQ, 10th Floor, Ratchadaphisek Road, Klong  
Toei, Klong Toei, Bangkok 10110, Thailand

March 29, 2022

### Savills Investment Management

Attention: Nicholas Kinsey  
Head of Industrial & Logistics – Asia Pacific

### Subject: Broker Opinion-Logistics warehouse in Bang Na

Dear Sir,

As you mentioned regarding the market rent, cap rates & transacted values in Bang Na, Chachoengao and Samut Prakarn area.

Please see below my opinion.

- Average cap rate is around 6.5-7.0%
- Rental rate THB 165-185./Sq.m./m for the logistics-warehouse building where is located adjacent/easy access Bang Na highway from kilometer no.16 -30 in Samutprakarn province.
- Rental rate THB 155-165./Sq.m./m for the logistics-warehouse building where is located on the secondary road i.e., Teparak, Bangplee and along Bang Na kilometer no.30-40 in Samut Prakarn and Chachengsao province.
- Rental rate depends on lease term and development type such as Ready Built or BTS warehouse.

Please feel free to let us know if you need any further discussion.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Subyagorn S.', is written over a light blue horizontal line.

Mr. Subyagorn Sansugtaweesub  
Head of Logistics & Industrial Business  
Jones Lang LaSalle Thailand

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March 30<sup>th</sup>, 2022

ATTN: Nicholas Kinsey  
Head of Industrial & Logistics – Asia Pacific  
Savills Investment Management Ltd.  
26<sup>th</sup> Floor Abdulrahim Place, 990 Rama IV Road,  
Silom, Bangrak, Bangkok 10500

Good to chat. Here's my high-level response. Apologies that I don't have much time today.

From Bang Na heading towards Chachoengsao, you're looking at rents around THB165/sqm closer to the city to THB150/sqm in Chachoengsao.

For a new entrant, you can expect gross yields starting at 6%. Companies like WHA flip these properties into a REIT after the first rent escalation.

Best Regards,

A handwritten signature in blue ink, appearing to read "Tysen J. Kamin", written over a horizontal line.

Tysen J. Kamin  
Deputy Managing Director  
Agency Services | Colliers Thailand



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By E-Mail

30<sup>th</sup> March 2022

Dear Sir,

RE: Opinion on Rents & Cap Rates, Bangna Trad

With regards your query on Thailand rental and cap rates in various provinces around southeast of Bangkok we would note a number of points. Below are our comments.

1. The rental rates for prime logistics in the area known as Bangna Trad Km19-Km23 currently are quoted from the 155-175 THB per sqm per month.
2. The rental rates have been relatively stable over the past 10 years or so, but recently we are starting to see some upwards pressure on rentals particularly in the prime area due to the high land prices and lack of available land for development.
3. There is very little transparency in the Thailand investment market and few arms length investment transactions occur, with the vast majority of transactions being developers selling their own warehouses into REITS which they are holders of and also manage. From discussing with the large developers and investors it is our opinion that the cap rates for investment grade modern logistics with secured long term **Grade A tenant on freehold land would be between 6-7%.**

Yours sincerely,

*Adam Bell*

Adam Bell  
Director  
Industrial & Logistics

## Appendix IV - FX – EUR:THB Historical rate

**EUR/THB (EURTHB=X)**

CCY - CCY Delayed Price. Currency in THB

☆ Follow

Quote Lookup



**37.3020** +0.0060 (+0.0161%)

As of 02:14AM BST. Market open.

Summary **Chart** Conversations Historical Data

