

8 October 2019

RE: Invitation to the Annual General Meeting of Unitholders of Samui Buri Property Fund (SBPF) for the year 2019

ATTN: The Unitholders of Samui Buri Property Fund

Enclosures:

1. Copy of minutes of the Unitholders' Meeting of the Fund No. 1/2017
2. Copy of the Fund's Financial Statements ending on 30 June 2019
3. Method of registration, attendance and proxy
4. Proxy Form
5. Map of the meeting venue
6. Envelope of the Business Reply Mail

According to Clause 70 of the Notification of the Capital Market Supervisory Board No. TorNor. 36/2562, the management company must convene a unitholders' meeting as annual meeting within 4 months after the end of each fiscal year with the first annual meeting starting for the fiscal year ending on or after 31 December 2018.

Principal Asset Management Company Limited ("Management Company"), as the management company of Samui Buri Property Fund, acronym "SBPF", ("Fund"), would like to notify the schedule of the Annual General Meeting of Unitholders for the year 2019, on 25 October 2019, at 9.30 a.m., at Eastin Grand Hotel Sathorn, Bangkok, at Surasak 1 Conference Room, on 11<sup>th</sup> Floor, located at No. 33/1, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120, in order to consider the matters according to the following agendas:

**Agenda 1: Chairman's matters for acknowledgement (For Acknowledgement)**

**Convening of Annual General Meeting of Unitholders**

As the the Capital Market Supervisory Board issued the Notification of the the Capital Market Supervisory Board No. TorNor. 36/2562 RE: the management of the Fund, dated 25 April 2019, where Clause 70 of such notification prescribes that

"The management company must convene a unitholders' meeting as annual meeting within 4 months after the end of each fiscal year of the Fund to report to the unitholders' meeting to acknowledge at least the following matters:

- (1) Important matters in relation to management of the Fund and future management plan of the Fund;
- (2) Fund's financial status and operating result of the Fund in the previous fiscal year where at least the audited financial statements and the auditor's opinion must be presented;
- (3) Appointment of the Fund's auditor and remuneration of auditor.

The convening of an annual general meeting as prescribed in the first paragraph must start from the fiscal year ending on or after 31 December 2018 but not later than 30 December 2019. The management company must convene the meeting within 4 months after the end of such fiscal year."

Therefore, the Management Company will convene the Annual General Meeting of Unitholders for year 2019 as the first annual unitholders' meeting of the Fund according to the abovementioned rules

**Agenda 2: To approve the minutes of the Unitholders' Meeting No. 1/2017 (For Consideration)**

As the Management Company has held the Unitholders' Meeting of the Fund No.1/2017 on 14 July 2017, the Management Company has prepared the minutes of the Unitholders' Meeting of the Fund No. 2017 as detailed in the Attachment 1 hereof which was sent to the Unitholders together with this Meeting Invitation Letter . Accordingly, the Management Company proposed the Unitholders' Meeting to consider approving the minutes of the Unitholders' Meeting of the Fund No. 1/2017.

**Opinion of the Management Company**

The Management Company deemed that it is appropriate that the Unitholders approve the minutes of the Unitholders' Meeting of the Fund No.1/ 2017 which was held on 14 July 2017 as proposed as it correctly and duly records the business conducted at the meeting.

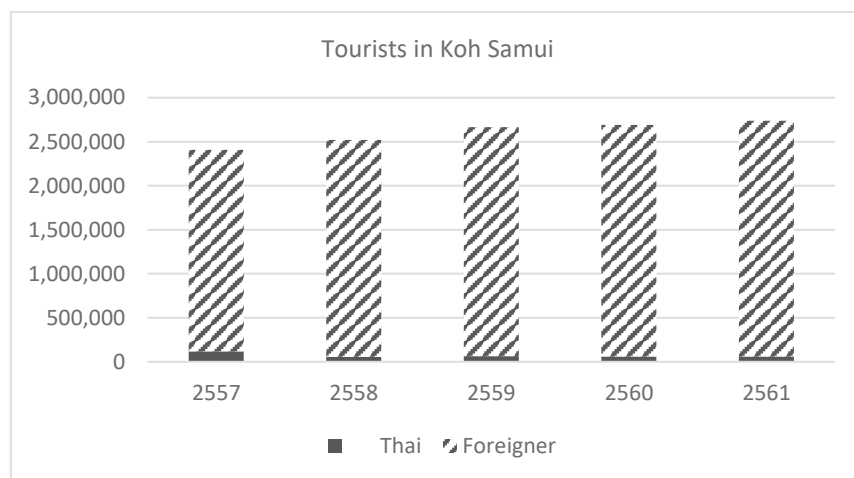
**Resolution**

This matter requires the majority of the total votes of the Unitholders who attend the Meeting and have the right to cast their votes.

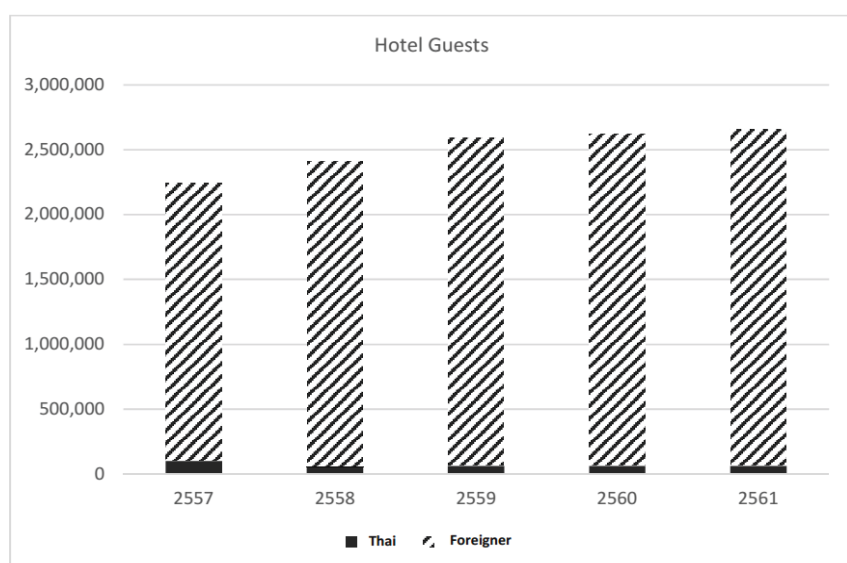
No Unitholder has a conflict of interest on this Agenda.

**Agenda 3: To acknowledge the report of the Fund's operation and course of action for future management of the Fund (For Acknowledgement);**

### 3.1 Koh Samui tourism and hotel market overview <sup>1</sup>

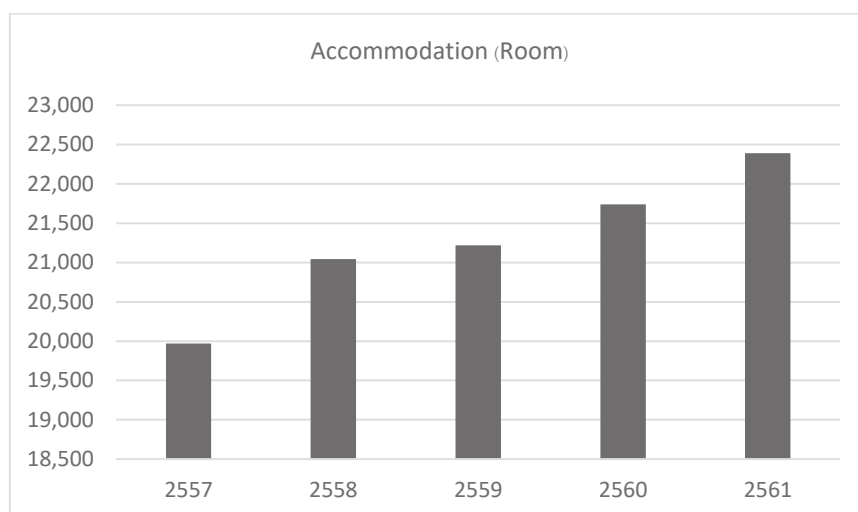


In 2018, Koh Samui had 2,736,759 tourists, divided into 60,796 Thais and 2,676,963 foreigners. The numbers of tourists in 2017 and 2018 slightly increased from previous years by approximately 1.07 and 1.63 percent respectively.

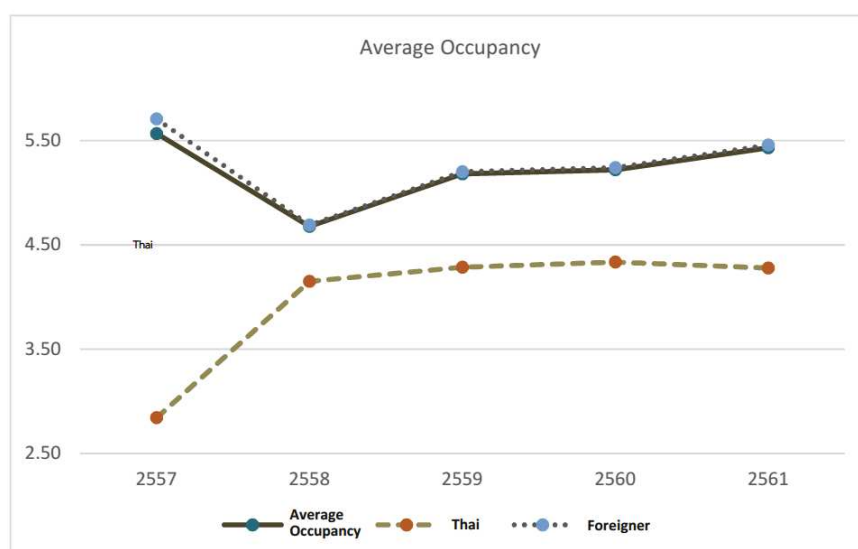


Likewise, the numbers of hotel guests were relatively unchanged. In 2018, there were a total of 2,658,419 guests, which slightly increased from 2,622,733 in 2017. In 2018, there were 60,636 Thai, decreasing from the previous year in the numbers of 60,693. Meanwhile, in 2018, there were 2,597,783 foreigners, close to the numbers of the previous year, which were 2,562,040.

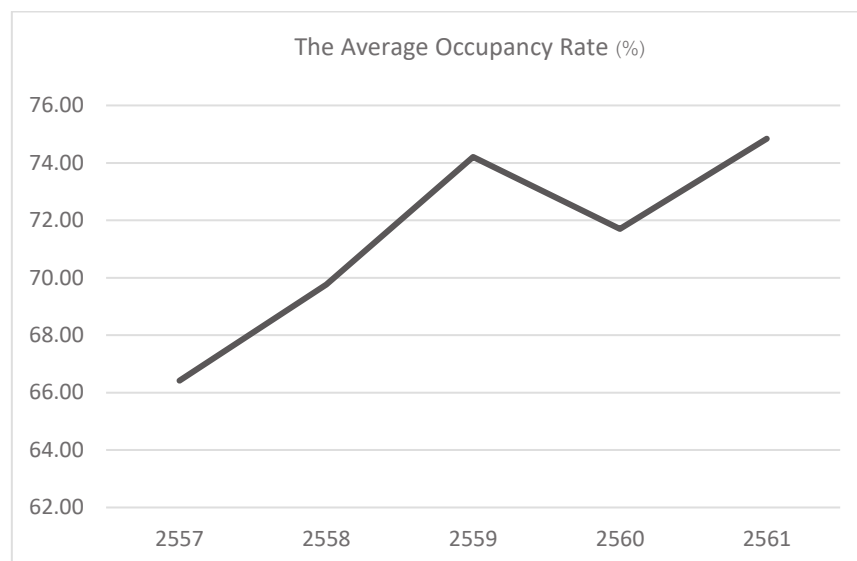
<sup>1</sup> Data from Tourism Authority of Thailand



In contrast with relatively stable tourist numbers in 2017 and 2018, there were a total of 22,388 rooms on Koh Samui in 2018, an increase from 21,739 rooms in 2017. In comparison to the year 2014, where the numbers of the rooms were 19,970 rooms, it indicates that the number of rooms on Koh Samui has grown by 2,418 rooms, or approximately 12.11 percent, in the past five years.



There was a minor increase in the average duration of stay on Koh Samui from 4.01 days in 2017 to 4.25 days in 2018. However, when considering in the past five years, it shows that the average duration of stay remained stable at approximately 4.11 days.



In 2018, the average occupancy rate was at approximately 74.84 percent, which was an improvement. In the previous five years, the average occupancy rates fell in the 70 percent range. However, the calculation of the occupancy rate is based on available rooms, excluding the rooms, which was unavailable for renovation, resulting in it being like there are high occupancy rates for hotels on Koh Samui. Moreover, the calculation of these occupancy rates does not take into account decreased room prices due to rising competition.

### 3.2 Property condition

According to the annual property inspection carried out on 23 August 2019, the overall property condition is normal wear and tear. Due to coastal weather conditions, deterioration of the property is at a faster rate and more than that of properties located in urban areas.

The Lessee has carried out renovation on the Property as proposed in the conditions on lease agreement renewal. The Management Company entered the Property to conduct an initial inspection and found that the Lessee actual works according to plan, with additions to the work plan and budget as it found that there was additional damage to the Property from previously assessment. The Management Company is in the course of procuring an engineering consultant to verify whether the quantity and value of work are in accordance with the agreement.

Nevertheless, due to deterioration of the Property found in the actual inspection being more than in the assessment, the Management Company will discuss with the engineering consultant (pending procurement) about the scope of work and budget required in renovating the Property to be in reasonable conditions to further prepare a work plan and propose to unitholders for consideration.

### 3.3 Property and Land Tax

#### 3.3.1 Payment of Property and Land Tax of the Fund

On 28 July 2010, the Fund made a property purchase contract to buy 5 plots of land with the total area of 13 rai 27 sq.wah; buildings and facility system for Samui Buri Beach Resort Hotel business (former name “Mercure Samui Buri Resort Hotel”) from Samui Buri Beach Resort Co., Ltd., the owner of the property, which the Fund initially invested with the value of 828,000,000 Baht for utilization of such property by lease.

On the same day at the Office of Land Department of Surat Thani Province, Koh Samui Branch, two property lease agreements, i.e. Land and Buildings Lease Agreement; and Facilities System, Furnitures and Fixture Lease Agreement between the Fund and Samui Buri Co., Ltd. (“Lessee”) were legally registered and signed. The terms of both lease agreements are for the period of 15 years from July 28, 2010 to July 27, 2025. According to the conditions of the agreements, it is the responsibility of the Lessee to pay Property and Land Tax, Local Tax, Signboard Tax and other Taxes required by the Government. However, subboth lease agreements were cancelled with effective date on April 4, 2015.

Through the period of both lease agreements since July 28, 2010, Samui Buri Beach Resort Co., Ltd., as former Lessee, has continuously paid all Property Land Tax as per the assessment and collection by Koh Samui Municipality Office, details as shown below:

| Tax Year | Paid Property and Land Tax (Baht) | Remarks  |
|----------|-----------------------------------|--|
| 2010     | 467,276                           | Fully paid as evaluated and collected by Koh Samui Municipality Office.  |
| 2011     | 522,148                           | Fully paid as evaluated and collected by Koh Samui Municipality Office.  |
| 2012     | 449,208                           | Fully paid as evaluated and collected by Koh Samui Municipality Office.  |
| 2013     | 428,270                           | Fully paid as evaluated and collected by Koh Samui Municipality Office.  |
| 2014     | 382,018                           | Fully paid as evaluated and collected by Koh Samui Municipality Office.  |
| 2015     | 360,580                           | The Fund has terminated Lease Agreement with effective on April 4, 2015. |
| 2016     | 431,010                           | The Fund has terminated Lease Agreement with effective on April 4, 2015. |
| Total    | 3,040,510                         |  |

### 3.3.2 5-Year Backdate Property and Land Tax Revaluation

Later, on April 24, 2017 the letter of Koh Samui Municipality Office RE: Notification of Payment of Property and Land Tax of the year 2013 (Additional Payment) to the year 2017 was sent to the Fund. The main content was that in the Tax Year of 2016, Koh Samui Municipality Office found the fact that the Fund and Samui Buri Beach Resort Co., Ltd. had made the 15-year lease agreement from July 28, 2010 to July 27, 2025 with the total rental fee of 724,800,000 Baht, which is 48,320,000 Baht per year. In such case, the Fund, as property owner, is responsible to pay Property and Land Tax treated with the annual rental fee of lease agreement as annual valuation, according to Section 8 Paragraph 3 of the Property and Land Tax Act B.E. 2475. Based on rental fee from the lease agreement dated July 28, 2010, Koh Samui Municipality Office then considered the annual property and land tax evaluation at the amount of 6,040,000 Baht per year. However, Samui Buri Beach Resort Co., Ltd., on behalf of the Fund, had submitted the incorrect Property and Land Tax Report, resulting in Koh Samui Municipality Office having the full right to revalue the property and land tax not exceeding 5-year backdated according to Section 24 of the Property and Land Tax Act 2475 B.E and the Fund being liable to pay additional property and land tax as follows:

| Tax Year | Paid Property and Land Tax (Baht) | Additional Property and Land Tax (Baht) |
|----------|-----------------------------------|---|
| 2013     | 428,270                           | 5,611,730                               |
| 2014     | 382,018                           | 5,657,982                               |
| 2015     | 360,580                           | 5,679,420                               |
| 2016     | 431,010                           | 5,608,990                               |
| 2017     | 6,040,000                         |   |
| 2018     | (Not yet assessed and collected)  |   |
| Total    | 7,641,878                         | 22,558,122                              |

### 3.3.3 Submission the Appeal to Reject the Revaluation of the Property and Land Tax

On May 8, 2017, the Fund has submitted the appeal to reject the revaluation of the property and land Tax to the Appeal Committee for cancellation of the letter RE: Notification of Property and Land Tax Payment Year 2013 (Additional Payment) to Year 2017. Later, on July 26, 2017, the Appeal Committee has sent the letter notifying the writ for assessment of property and land tax to the Fund to make payment of additional property and land tax assessed by Koh Samui Municipality Office.

The Fund had paid the Property and Land Tax for the year 2013 (Additional Payment) to year 2017 as well as surcharge according to the law in the total amount of 31,457,935 Baht to Koh Samui Municipality

Office. The said amount was for 28,598,122 Baht as the Property and Land Tax for the year 2013 (Additional Payment) to year 2017; and 2,859,813 Baht as the surcharge for maintain the right to appeal to the Central Tax Court for the revaluation of the Property and Land Tax for the year 2013 (Additional Payment) to year 2017.

In this regard, the Management Company has assigned Siam City Law Office as the lawyer to file a lawsuit against Koh Samui Municipality Office to the Central Tax Court to revoke the revaluation of the Property and Land Tax for the year 2013 (Additional Payment) to year 2017 by Koh Samui Municipality Office and to revoke the decision of the Appeal Committee as well as to reclaim the Property and Land Tax for the year 2013 (Additional Payment) to Year 2017 overcharged by Koh Samui Municipality Office in the amount of 31,026,925 Baht of and the interest of 7.5% per year from the end of the three-month period after the end of the lawsuit until the date Koh Samui Municipality Office repays the complete amount to the Fund. The Fund had filed the lawsuit to the Central Tax Court on September 8, 2017 as Undecided Case No. Por 182/2560 between Samui Buri Property Fund as the plaintiff and Koh Samui Municipality Office as defendant. Later, the Central Tax Court has rendered the judgement on May 23, 2018 as Decided Case No. Por 77/2561. The Court's judgement is summarized as follows:

*“Samui Buri Beach Resort Co., Ltd. who is responsible to submit the Property and Land Tax Report on behalf of the Fund, never showed the lease agreement dated July 28, 2010 as attachment to Koh Samui Municipality Office which caused the incorrect submission of the property and land tax report, resulting in Koh Samui Municipality Office being entitled to reevaluate the backdate property and land tax. Moreover, Koh Samui Municipality Office has the authority to evaluate the annual charge based on the annual rental fee mentioned in the lease agreement dated July 28, 2010. Due to the property's condition remained the same, the additional amount for annual charge is reasonable. Moreover, the rental fee in the lease agreement dated July 20, 2017 is made freely by the plaintiff which is unreasonable, and the fact that the plaintiff has no right to request for Property and Land Tax reduction, the revaluation of the Property and Land Tax for the year 2013 (Additional Payment) to year 2017 by Koh Samui Municipality Office and the decision of the Appeal Committee are legal. Koh Samui Municipality Office is not required to return the paid property and land tax for the year 2013 (additional payment) to year 2017 and interest to the Fund. The Court Judgement is case dismissed.”*

The Fund had filed an appeal against the Central Tax Court's judgment. Subsequently, on 22 July 2019, the Central Tax Court rendered the judgment of the Court of Appeal for Specialized Cases which affirmed the Central Tax Court's judgment, with reasons summarized as follows:

*“The valuation of property and land tax for the year 2013 to the year 2017 by the defendant's competent officer and the decision of Koh Samui Municipality Mayor are duly. The defendant is not required to return the property and land tax to the plaintiff. However, it is illegitimate that the Central Tax Court failed to*



*render a judgment ordering the return of surcharge overpaid by the plaintiff for the property and land tax of the year 2014. The defendant is therefore required to return the overpaid surcharge to the plaintiff in accordance with the complaint. The Judgment shall be affirmed, but the defendant shall return the overpaid surcharge made by the plaintiff in the payment of property and land tax for the year 2014 in the amount of 80 satang to the plaintiff, together with 7.5 percent interest per annum accrued from the expiry of the 3-month period until the case becomes final. The costs at the appellate stage shall be vested with the State.”*

The Fund has filed a petition for extension of time to file a dika appeal and petition for permission to file a dika appeal. The Central Tax Court rendered an order allowing the Fund to file a dika appeal and a petition for permission to file a dika appeal within 24 October 2019.

The Fund had paid the Property and Land Tax for the year 2013 (Additional Payment) to the year 2017 and the surcharge in the amount of 31,457,035 Baht but the Fund had also exercised the right to file a lawsuit to the Central Tax Court against Koh Samui Municipality Office to return the overpaid Property and Land Tax in the total amount of 31,026,925 Baht. The reclaimed amount is less than the paid amount because the Fund still has to pay the unpaid Property and Land Tax for the year 2017 in the amount of 431,010 Baht to Koh Samui Municipality Office. Therefore, the total amount reclaimed in the lawsuit is 31,026,925 Baht.

### **3.4 The Fund's Operation and Future Management Plan**

#### **3.4.1 Property Utilization**

The Fund utilize the property by leasing out the property to Samui Buri Beach Resort Co., Ltd. for a term of 15 years. However, the agreement was terminated effective as of 4 April 2015 due to the Lessee's breach of the lease agreement.

The Management Company held Unitholders' Meeting No. 1/2560 to consider the results of the Fund's Property buyer selection on 14 July 2017 (in accordance with the resolution of Unitholders' Meeting No. 1/2559, held on 16 December 2016). However, Federal Services Co., Ltd., which made an offer to purchase the Property for 550 million baht, gave notice on 13 July 2017 to cancel the said offer. Therefore, there was no consideration on such matter.

Unitholders' Meeting No. 1/2560 considered approving the Management Company to procure a new lessee. The Management Company renewed the property lease agreement temporarily with Samui Buri Co., Ltd. for a term of 12 months (1 August 2017 – 31 July 2018), with a rental fee at the rate of 600,000 baht per month during selection process for a new lessee in accordance with the unitholders' meeting's resolution.

The Management Company arranged procurement of a new lessee by calling for bids, with bid submission date on 16 March 2018. The results of the bid for tenancy of Samui Buri Beach Resort showed one bidder. However, as the said bidder did not submit complete supporting detail and documentation as requested by the Management Company, the Management Company was unable to consider the said bidder's offer.

Therefore, the Management Company negotiated conditions on renewal of the temporary lease agreement with Samui Buri Co., Ltd., as the current temporary lessee, for a term of three years, with the main conditions summarized below:

|  | Lease Conditions   | Remarks  |
|--|--|--|
| Lease Term                             | 3 years (1 August 2018 to 31 July 2021)  | The temporary lease term is extended from 1 year to 3 years.   |
| Rental Fee                             | <p>1<sup>st</sup> Year: 500,000 Baht per month or equivalent to 6,000,000 Baht per year;</p> <p>2<sup>nd</sup> Year: 600,000 Baht per month or equivalent to 7,200,000 Baht per year;</p> <p>3<sup>rd</sup> Year: 700,000 Baht per month or equivalent to 8,400,000 Baht per year;</p>                       | <p>The current rental fee is in the amount of 600,000 Baht per month.</p> <p>The rental fee of the 1<sup>st</sup> year has decreased in the total amount of 1,200,000 Baht.</p> <p>The rental fee of the 2<sup>nd</sup> year is equal to the current rental fee.</p> <p>The rental fee of the 3<sup>rd</sup> year is higher than the current rental fee in the amount of 1,200,000 Baht.</p> <p>The average rental fee throughout the 3 years term is equal to the current temporary rental fee.</p> |
| Investment for Improvement of Property | <p>The Lessee pays for the investment to improve the property in the total amount of not less than 3,000,000 Baht.</p> <p>If the Lessee invests for the improvement of property in the amount of less than 3,000,000 Baht, the Lessee must pay the difference to the Fund in addition to the rental fee.</p> | No terms and conditions on the investment for improvement of property were mentioned in the former temporary lease agreement.  |

|  | Lease Conditions   | Remarks  |
|--|--|--|
|  | The Fund will consider and approve the plan and budget of the improvement and will check the volume and value of the completed work.   |  |
| Termination of Lease Agreement prior to the Expiration of Lease Term | If the Fund wishes to lease the property to a new lessee or sell the property to an interested buyer, the Fund can terminate the Lease Agreement prior to the expiration of Lease Term and the Lessee must deliver the possession of the leased property and transfer the license for hotel business operation and other licenses to the Fund or to the person determined by the Fund. |  |
| Property and Land Tax  | The Fund and the Lessee will jointly pay the property and land tax. The Lessee agrees to pay for 30% and the Fund agrees to pay for 70% of the tax as assessed by the government.  | According to the former temporary lease agreement, the Fund shall solely be responsible for all property and land tax. |

In renewing the above temporary lease agreement, the Management Company had considered the conditions and facts and was of the view that, as the current property condition requires improvement and due to limitations of the Fund's insufficient financial liquidity for investing in the property improvement, in conjunction with legal provisions prescribing that a property fund, investing in an immovable property in type of hotel, requires a leaseholder and can not directly operate by engaging a hotel operator. Even though the conditions on renewal of the temporary lease agreement specify the average rental fee equivalent to the amount as specified in the former temporary lease agreement, the Fund will gain not less than 3,000,000 baht from investing in the property improvement. The early termination clause will also give the Fund an opportunity to accept lease and/or purchase offers of the property at all times and will not be obstructed other options of the Fund during the temporary lease extension, which is more beneficial to the Fund than the conditions of the former temporary lease agreement. Hence, the Management Company has renewed the temporary lease agreement with Samui Buri Co., Ltd. for a term of three years commencing from 1 August 2018 to 31 July 2021 in accordance with the main conditions aforesaid.

### 3.4.2 Future Operations Plan

The Management Company is still open for seeking a buyer or lessee of the property which will be able to offer to the Fund higher returns than it currently receives. If any offer is submitted and the Management Company deems that it will be beneficial to the Fund, the Management Company will call for a unitholders' meeting to further consider such matter according to the relevant regulations.

#### Opinion of the Management Company

The Management Company considers that it is appropriate to report Koh Samui tourism and hotel market conditions, property condition, property and land tax dispute, operations and guidelines for future operations of the Fund to the Meeting for acknowledgement.

#### Resolution

This agenda is for acknowledgement, therefore, there is no resolution.

#### **Agenda 4: To acknowledge the financial status, operating result and financial statement for fiscal year ending on 30 June 2019 which has been audited and given opinion by the auditor (For Acknowledgement);**

4.1 The financial status and the performance of the Fund, as appear in the financial statements for the accounting period ended on 30 June 2019 audited and given opinion by the Auditor, which can be summarized as follows:

##### Summary of Balance Sheets

|  |                  |
|--|------------------|
| Total Assets   | 547,971,160 Baht |
| Total Liabilities  | 17,078,304 Baht  |
| Net Assets   | 530,892,856 Baht |
| Net Value per Investment Unit                                | 6.4117 Baht      |
| Total number of investment units sold at the End of the Year | 82,800,000 Units |

In the previous accounting period of 2019, the Fund has the net assets in the amount of 530,892,856 Baht, slightly decreased from the preceding year, which was equivalent to 608,196,753 Baht, approximately at 12.71 %. The net value was equivalent to 6.4117 Baht per Investment Unit.

#### Summary of Profit and Loss Statements

|  |                   |
|--|-------------------|
| Total Income   | 7,204,286 Baht    |
| Total Expenses                                       | 19,908,183 Baht   |
| Net Investment Income (Expense)                      | (12,703,897) Baht |
| Total Net Unrealized Gain (Loss) from Investment     | (64,600,000) Baht |
| Net Increase (Decrease) in Net Assets from Operation | (77,303,897) Baht |

The Fund has the total income in the amount of 7,204,286 Baht and has the loss from investment in the amount of 12,703,897 Baht. Additionally, the Fund has the accounting loss from investment from the appraisal price decreased from 601,400,000 Baht in the preceding year to 536,800,000 Baht in this year 2019, which is in the value of 64,600,000 Baht or approximately 10.74%.

#### Summary of Cashflow

|  |                  |
|--|------------------|
| Net Cash Provided by (Paid for) Operating Activities   | (1,853,227) Baht |
| Cash Flows from Financing Activities (Dividend Paid)   | 0 Baht           |
| Net Increase (Decrease) in Cash and Cash Equivalents   | (1,853,227) Baht |
| Cash and Cash Equivalents at the Beginning of the Year | 10,092,547 Baht  |
| Cash and Cash Equivalents at the End of the Year       | 8,239,320 Baht   |

In the previous accounting period of 2019, the Fund has suspended the dividend payment and the Fund has cash and cash equivalents at the end of the year in the amount of 8,239,320 Baht where the Management Company will consider to further manage such amount appropriately.

## 4.2 Important Financial Information

### 4.2.1 Information of Securities Price as of 30 June 2019<sup>2</sup>

|                       |             |                          |
|-----------------------|-------------|--------------------------|
| Closing Price         | 3.00        | Baht per Investment Unit |
| Market Price          | 248,400,000 | Baht                     |
| Trading Value         | 600         | Baht /Day                |
| Investment Unit Value | 6.4117      | Baht per Investment Unit |
| Net Asset Value (NAV) | 530,892,856 | Baht                     |

<sup>2</sup> The latest trading was on 28 June 2019.

#### 4.2.2 Record of Dividend Payment

| No.   | Period of Performance for Dividend Payment | Date of Dividend Payment | Dividend Payment Rate (per Investment Unit) |
|-------|--|--------------------------|---|
| No. 1 | 22 Jul 2010 – 31 Dec 2010                  | 15 Mar 2011              | 0.2902                                      |
| No. 2 | 1 Jan 2011 – 30 Jun 2011                   | 20 Sep 2011              | 0.3224                                      |
| No. 3 | 1 Jul 2011 – 31 Dec 2011                   | 9 Mar 2012               | 0.3375                                      |
| No. 4 | 1 Jan 2012 – 30 Jun 2012                   | 24 Sep 2012              | 0.3375                                      |
| No. 5 | 1 Jul 2012 – 31 Dec 2012                   | 15 Mar 2013              | 0.3500                                      |
| No. 6 | 1 Jan 2013 – 30 Jun 2013                   | 23 Sep 2013              | 0.3500                                      |
| No. 7 | 1 Jul 2013 – 31 Dec 2013                   | 28 Mar 2014              | 0.3500                                      |
| No. 8 | 1 Jan 2014 – 30 Jun 2014                   | 26 Sep 2014              | 0.0800                                      |

#### 4.2.3 Record of the Decrease of Registered Capital

- None-

#### 4.2.4 Fund's Direct Expenses (1 July 2018 – 30 June 2019)

| Fund's Direct Expenses*                                      | Amount<br>Unit: Thousand Baht | Percentage of<br>Net Asset Value |
|--|-------------------------------|----------------------------------|
| Management Fee   | 3,696.57                      | 0.626                            |
| Trustee Fee  | 740.94                        | 0.125                            |
| Registrar Fee  | 616.09                        | 0.104                            |
| Expenses of Advertising, Public Relations and Sale Promotion |                               |                                  |
| - During Initial Public Offering                             | -                             | -                                |
| - After Initial Public Offering                              | -                             | -                                |
| Legal Advisor Fee  | 875.91                        | 0.148                            |
| Property and Land Tax**                                      | 12,514.00                     | 2.119                            |
| Audit Fee  | 902.00                        | 0.153                            |
| Fee of Listing in SET -Annual Basis                          | 104.76                        | 0.018                            |
| Appraisal Expense  | 125.71                        | 0.021                            |
| Insurance Premium  | 290.37                        | 0.049                            |

| <b>Fund's Direct Expenses*</b> | <b>Amount<br/>Unit: Thousand Baht</b> | <b>Percentage of<br/>Net Asset Value</b> |
|--------------------------------|---------------------------------------|--|
| Journals and publications Fee  | 11.79                                 | 0.002                                    |
| Translation Fee                | 18.00                                 | 0.003                                    |
| Bank Fee                       | 6.51                                  | 0.001                                    |
| Other Expense                  | 5.53                                  | 0.001                                    |
| <b>Total Expenses **</b>       | <b>19,908.18</b>                      | <b>3.370</b>                             |

Remark \* The fees and expenses has included the value-added tax, specific business taxes and any other similar taxes (if any).

\*\*Reserved for the property and land tax for tax year 2017 and 2018.

\*\*\*Excluding commission of securities trading and various fees which incur from securities trading.

#### **The Management Company's Opinion**

The Management Company considers that it is appropriate to report the financial status, the performance of the Fund and important financial information to the Meeting for acknowledgedment.

#### **Resolution**

This agenda is for acknowledgement, therefore, there is no resolution.

#### **Agenda 5: To acknowledge the appointment of the Fund's auditor and auditing expense for fiscal year ending on 30 June 2020 (For Acknowledgement)**

The Management Company appointed auditors of PricewaterhouseCoopers ABAS Company Limited as the auditors of the Fund for fiscal year ending on 30 June 2020 where the details of the auditors and remuneration are as follows:

|                |   |
|----------------|---|
| Auditor        | Mr. Sa-Nga Chokenitisawat CPA Registration No. 11251<br>Mrs. Anothai Leekitwattana CPA Registration No. 3442<br>Mrs. Anutai Poomsurakul CPA Registration No. 3873 |
| Location       | 15 <sup>th</sup> Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathon, Bangkok 10120   |
| Remuneration   | 930,000 Baht  |
| Other expenses | Actual amount paid  |

### **The Management Company's Opinion**

The Management Company considers that it is appropriate to report the appointment of the Fund's auditor and auditing expense for fiscal year ending on 30 June 2020 to the Meeting for acknowledgment.

### **Resolution**

This Agenda is for acknowledgement, therefore, there is no resolution.

### **Agenda 6: To consider other business (if any).**

The Management Company would like to invite the unitholders to attend the meeting according to the date, time and venue as specified herein as detail in the map of meeting venue in the **Enclosure 5**. Please study the method of registration, attendance of meeting, and giving proxy as detailed in the **Enclosure 3**. In case you are unable to attend the Meeting and intend to appoint a proxy to attend and vote in this Meeting, please fill in the details and sign the Proxy Form as shown in the **Enclosure 4**. The unitholders can give proxy to the Fund Manager by sending the proxy together with duty stamp of 20 baht as shown in the **Enclosure 4** together with the supportive documents to the Management Company **within Thursday 24 October 2019**. In this regard, the Management Company has attached the Envelope of the Business Reply Mail with this Invitation.

Please be informed accordingly.

Yours sincerely,



(Mr. Suttipan Kreemaha)

Senior Vice President

Head of the Property Fund and

Real Estate Investment Trust Department

The Property Fund and Real Estate Investment Trust Department

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**Minutes of the Unitholders' Meeting of****Samui Buri Property Fund No. 1/2017****Friday, 14 July 2017, 10:00 a.m.****Eastin Grand Hotel Sathorn Bangkok, Surasak 1 Conference Room, 11<sup>th</sup> Floor****33/1 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120**  
-----**ATTENDEES:**Management Company

Mr. Suttipan Kreemaha

Chairman of the Meeting / Senior Vice Chairman

Head of Property Fund and Real Estate Investment Trust /

Manager of Samui Buri Property Fund

Expert

Mr. Thiti Kumnerddee

Legal Advisor of Kompas Law Ltd.

Regulator / Government Agency involved

One representative from the Stock Exchange of Thailand

Trustee

No representative attended the Meeting

Witness to the Vote Count

Miss Pornwiset PornratanaAnant

Representative of Kompas Law Ltd.

Miss Onnicha Wongseri

Representative of Unitholders

The Meeting started approximately at 10:00 a.m.

The Chairman opened the Meeting and Mr. Thiti Kumnerddee, the Legal Advisor, clarified that this Meeting was attended by Unitholders who attended in person and by their proxies, totalling of 226 persons for a total investment of 59,254,834 units, representing 71.5638 % of the total number of units sold – more than one-thirds of the total units sold (82,800,000 units), reaching the quorum.

Since there are no laws, rules or regulations particularly set for the Unitholders' Meeting, it is required to apply the nearly applicable laws i.e. the Public Limited Companies Act B.E. 2535 and the Securities and Exchange Act B.E. 2535, as the rules of this Unitholders' Meeting.

In respect of the vote count for each agenda, one investment unit is equal to one vote. The Unitholder shall be entitled to a number of votes equal to the number of units held or proxy authorization

only. For the resolution on each agenda, it shall be required to speed up the vote count by asking whether any Unitholders disagree or abstain from voting on such agenda or not. If any Unitholders disagree or abstain, they shall mark their vote in the ballot and express themselves by standing or raising their hands. Then, the officer will collect the ballots. Those who do not oppose or abstain shall be deemed agreed with full voting of units held. In regard to the vote count, the disapproving votes and abstentions shall be deducted from the total votes of the Unitholders who attend the Meeting. If none of the Unitholders disapprove or abstain, such agenda shall be deemed approved with unanimous resolution as proposed.

In order to enhance transparency in the vote count, the legal advisor from Kompas Law Ltd. – the legal advisor of the Fund – and one Unitholder was invited to be the witnesses where Miss Onnicha Wongseri, the proxy, offered to become the witness.

The Unitholders' Meeting agreed to conduct the Meeting in accordance with the provisions of the laws and the said voting methods and it has been proceeding with the following agendas:

**Agenda 1: Chairperson's notice (For Acknowledgement)**

The Chairman informed the Meeting that the Management Company has already seek for the new purchasers of the Fund's properties according to the resolution of the previous Unitholders' Meeting and had negotiated with the persons who offered to purchase the Fund's properties and finalizing the conclusion which shall be proposed to the Unitholders' Meeting for consideration. Then, the Management Company convened this Unitholders' Meeting in order to consider the offer to purchase the Fund's properties and other relevant agendas. However, on 13 July 2017, Federal Services Co., Ltd., the offeror to purchase the Fund's properties, had notified the cancellation of its offer to purchase the Fund's properties. As a result, there was no matter to be considered and resolved by the Unitholders' Meeting in Agenda 4. Therefore, after the Management Company has already reported the status of the Fund to the unitholders for acknowledgement in Agenda 3, the Meeting will proceed to the consideration of alternative options in order to prescribe the guideline for the management of the Fund's properties in Agenda 5.

Next, the Chairman informed the Meeting to acknowledge the matters as follow: -

**1. The repeal of the law governing the exemption of the value-added tax, specific business tax and stamp duty for the property fund**

The Chairman informed the Meeting that, previously, the property funds were exempt from the value-added tax, specific business tax and stamp duty. Later, the laws which exempted the property funds from such taxes and duties were repealed. Such repeal was effective as from 24 May 2017. Accordingly, the property funds shall be subject to the value-added tax, specific business tax and stamp duty

as stipulated by laws similar to other businesses. Such repeal of the law governing the exemption of the value-added tax, specific business tax and stamp duty caused the effect to the Fund as follows: -

With regard to the value-added tax, previously, the Fund had to pay the value-added tax when it purchased any goods or received any service, which was called the “Input Tax”. But the Fund was unable to collect the value-added tax when it sold its properties or rendered its service, which was called the “Output Tax”. Therefore, the Fund cannot benefit from the Input Tax by deducting the Input Tax from the Output Tax. After the Fund has already registered itself as the value-added tax operator, the Fund will be able to deduct the Input Tax, which it has paid to other operators, from the Output Tax, which the Fund has collected from other operators. As a result, the Fund’s value-added tax burden will decrease.

With regard to the specific business tax, the Fund will have the duty to pay such tax in case where the Fund sells its immovable property prior to the lapsed of 5-year period which it has possessed such property. However, at present, the Fund has possessed its properties for approximately 7 years. Thus, the Fund would not be affected by the amendment of the law on this matter.

With regard to the stamp duty, amendment of the law caused the Fund to pay the stamp duty according to law when it enters into any contract or instruments, similar to other juristic persons and other businesses. However, the duty to pay for stamp duty depends on the type and value of contract and the type of each instrument.

## **2. Assessment of Additional Building and Land Taxes**

Throughout the past period of time, the Fund has paid the building and land tax for its properties continuously. The previous properties lease agreement stipulated that the lessee of the Fund’s properties is responsible for the payment of the building and land tax and the local maintenance tax including the signboard tax and other taxes which may be collected by state agencies. Therefore, the previous lessee had continuously paid the building and land tax for the Fund’s properties throughout the period of time that the previous lease agreement was effective. The payment was made according to the amount which the relevant state agencies had assessed and collected from the Fund.

However, on 24 April 2017, the Office of Samui Island Municipality sent the notice to the Fund to pay the additional building and land tax for 5 retrospective years. The Office of Samui Island Municipality changed the rule of building and land tax assessment from calculation based on the number of the rooms which were actually serviced to assessment from the rental rate of properties between the Fund and the previous lessee. As a result, the building and land tax which shall be paid by the Fund was increased over 10 times. The Fund had already filed the appeal to object such building and land tax assessment in many issues including the fact that the Fund had not received the full payment of rental according to the lease agreement as well as the termination of lease agreement as from 4 April 2015. Currently, the appeal is under the consideration of the Appeal Consideration Committee. Accordingly, it cannot conclude whether the Fund

have to pay additional building and land tax or not and how much. The paid building and land tax and the additional assessed building and land tax can be summarized as follows: -

| Tax year | Amount of the Paid Building and Land Tax (Baht) | Amount of the Additional Assessed Building and Land Tax (Baht) |
|----------|---|--|
| 2013     | 428,270   | 5,611,730  |
| 2014     | 382,018   | 5,657,982  |
| 2015     | 360,580   | 5,679,420  |
| 2016     | 431,010   | 5,608,990  |
| 2017     | (unpaid)  | 6,040,000  |
| Total    | 3,049,510                                       | 28,598,122   |

As there was no unitholder expressing his/her opinion, then, the Meeting acknowledged the matter as informed by the Chairman.

**Agenda 2: To Approve the Minutes of the Unitholders' Meeting No. 1/2016 (For Approval)**

The Chairman informed the Meeting that Agenda 2 was to approve the minutes of the Unitholders' Meeting No. 1/2016 held on 16 December 2016. The Management Company deemed that it is appropriate for the Unitholders to approve the minutes of the Meeting as it had been recorded correctly.

The Chairman asked whether the Unitholders had any questions or not. When none of the Unitholders proposed any amendment or asked any question, Mr. Thiti Kumnerddee, the Legal Advisor, thus explained how to cast a vote on this Agenda in the Meeting, accordingly, the Chairman asked the Meeting to make a resolution.

**Resolution** The Meeting resolved to approve the minutes of the Unitholders' Meeting of the Fund No. 1/2016 held on 16 December 2016, with the number of votes as follows:

|             |                  |                  |                  |
|-------------|------------------|------------------|------------------|
| Approved    | 59,517,540 units | or equivalent to | 99.3369 percent* |
| Disapproved | 60,000 units     | or equivalent to | 0.1001 percent*  |
| Abstained   | 337,300 units    | or equivalent to | 0.5630 percent*  |

*\* Percentage of the total investment units of unitholders attending the Meeting and having the right to cast the vote.*

**Agenda 3: To Report the Status of the Fund (For Acknowledgement)**

The Chairman reported the Fund's status to the Meeting as below summary:

## **1. Condition of the hotel market and tourism in Samui Island**

According to the information of Tourism Authority of Thailand on the overview of Thailand, the growth rate of foreign tourists increased at a good level. The growth rate was at 9% or having a total of 32.6 million tourists in 2016. The Thai tourists had continuously increased from the previous year.

With regard to the tourism in Samui Island, it had improved during the past 5-6 years. The number of foreign tourists increased from 700,000 person in the year 2011 to be 2,601,871 persons in the year 2016. While, the number of Thai tourists increased from 57,581 person in the year 2015 to be 62,429 persons in the year 2016. The occupancy rate increased from approximately at 35.03% in 2011 to be at 74.20% in 2016. During the first 5 months of 2017, the occupancy rate was approximately at 73.56%. The average room rental of all groups of hotels in Samui Island was approximately in the amount of THB 2,117.14 per night in 2015 and increased to be THB 2,498.78 per night in 2016. While the average room rental of all groups of hotels in Samui Island during the first 5 months of 2017 was approximately in the amount of THB 2,749 per night.

Regarding the area in Mae Nam Beach, where the Fund's properties are located, it is found that the occupancy rate increased from 63% in 2014 to be 71% in 2016. In 2017, the number of rooms increased to be 2,274 rooms in May 2017 and the average occupancy rate during the first 5 months of 2017 was at 69.43%. In case of the Fund's hotel, it is found that the average occupancy rate during 2015-2016 was at 50-60% and the average room rates were in the amount of THB 1,800-1,900 per night.

## **2. Asset's Condition**

According to the latest annual site inspection during 12-13 September 2016, it was found that the overall condition of the properties had no serious damage other than wear and tear of the corridor, equipment or overall condition of properties from normal usage.

However, later on, at the beginning of December 2016, including at the beginning of January and February of 2017, there was rainstorm in Samui Island. Consequently, many parts of the hotel were damaged by water, for instance, the ceiling of dining room was collapsed. At present, the properties have already been repaired. The previous lessee had repaired and advance the repairing cost in the amounting of THB 3,336,628.68 in place of the Fund. Currently, the compensation is being claimed according to the insurance policy.

The Management Company inspected the properties again during 15-16 June 2017, it found that, after such reparation, the Fund's properties had returned to its former condition, that is having wear and tear from normal use without renovation according to the appropriate period of time i.e. approximately 5-7 years due to the disputes occurring during the past 2 years. The current maintenance is to maintain the

properties in usable condition, for instance, the damaged equipment of any room was replaced by the unused equipment of other room. At present, spare parts of some equipment are not available. Therefore, it may be necessary to consider the replacement of the whole system. If the Fund will further utilize the properties, it may be required to consider the renovation in the future.

### **3. The operation according to the resolution of the Unitholders' Meeting No.1/2559**

After the Unitholders' Meeting No.1/2559 held on 16 December 2016, the Fund, represented by the Management Company, had performed the following acts according to the Unitholders Meeting's resolution as follows: -

1. The settlement of disputes between the Fund and Samui Buri Resort Co., Ltd. ("Previous Lessee") according to the resolution of Unitholders' Meeting in Agenda 4

On 30 January 2017, the Management Company entered into the settlement agreement in court with the Previous Lessee and relevant parties at Samui Island Provincial Court. As a result, all disputes between the Fund and the Previous Lessee had been settled. At present, the Fund has already received full debt payment for the settlement of disputes in the amount THB 69,254,794.52 from the Previous Lessee. Moreover, the Fund had already returned the bank guarantee including the investment units which the Previous Lessee had pledged as the security with the Fund.

The reason that the Fund has not yet declared the dividend to the unitholders from the debt payment for settlement of disputes in the amount THB 69,254,794.52, because such the debt payment had been made in 3 instalments. The Fund has just received the last instalment of such the debt payment for settlement of disputes in the amount of THB 49 million at the beginning of June 2017. Moreover, at that time, it was unclear whether the Fund's properties would be sold or not. In case where there was not going to be the sale of the Fund's properties, it may be necessary to set aside some money for the preliminary improvement of the Fund's properties for further utilization. Therefore, the payment of dividend from the debt payment for settlement of disputes were delayed. However, the Management Company would consider declaring the payment of dividend from such money later to be in line with the Fund's properties management in the future.

2. The temporary lease of Fund's properties during the bidding of the purchaser of the Fund's properties according to the resolution of the Unitholders' Meeting in Agenda 6

The Fund entered into the properties lease agreement with the Previous Lessee in order that the Previous Lessee would temporarily lease the Fund's properties during the bidding of the new purchaser of the Fund's properties according to the resolution of the Unitholders' Meeting in Agenda 6. The term of lease started from 1 February 2017 to 31 July 2017. The Previous Lessee had already delivered the predated cheques for payment of the rental according to the properties lease agreement, throughout the

lease term, in the amount of THB 500,000 each, totalling 6 cheques, in the total amount of THB 3,000,000, to the Management Company. At present, the Fund has fully received the payment of rental according to all cheques of the Previous Lessee.

3. The bidding of the purchaser of the Fund's properties according to the resolution of the Unitholders' Meeting in Agenda 6

The Fund had appointed CBRE (Thailand) Co., Ltd. as the bidding consultant of the Fund's properties. The due date for submitting the bid envelope was on 3 May 2017. Upon the due date for submitting the bid envelope on 3 May 2017, there was no bidder join the bidding.

Therefore, the Management Company gave an opportunity for the investors interested in the Fund's properties to contact the Bidding Consultant to submit the offer for purchasing the properties or to make an appointment for discussing with the Management Company until 18 May 2017. As a result, there were 2 bidders to join the bidding. Both bidders had proposed the conditions which differ from the terms and conditions previously set out by the Fund.

The Management Company had discussed with both bidders who proposed to purchase the properties and deemed appropriate to propose the offer to purchase the properties with a total consideration of THB 550 million received from Federal Service Co., Ltd. to the Unitholders' Meeting for consideration and approval. However, on 13 July 2017, Federal Service Co.,Ltd. notified the cancellation of its offer to purchase the Fund's properties. As a result, there was no matter to be further considered and resolved by the Unitholders' Meeting in Agenda 4.

The Chairman further explained that temporary lease agreement of Fund's properties during the bidding of the new purchaser of the Fund's properties would expire on 31 July 2017. Thus, it was necessary to consider fixing the guideline for future management of the Fund's properties. As the bidder of the Fund's properties had cancelled its offer to purchase the Fund's properties, there are only 2 alternatives for utilization of the Fund's properties, which were, the bidding of the new purchaser of the Fund's properties or the bidding of the new lessee of the Fund's properties as, according to the laws, the Fund cannot utilize the hotel properties by appointing the property manager to directly manage the hotel. Accordingly, the Management Company would like to report the analysis on the advantages and disadvantages of each alternative and would like to consult with the Meeting regarding the alternatives of Fund's properties management in this Agenda.

With regard to the bidding of new purchasers, there were two biddings, whose two biddings period of time were near with each other. At the first bidding, there was no bidder, but the Previous Lessee nominated Major General Thanakorn Thawinkij, as the bidder who offered to purchase the properties in the amount of 600 million THB. At the second bidding, the bidding price decreased to approximately 500-550 million THB. Therefore, in the new bidding, it is hard to forecast whether the bidding price would increase or



decrease from the previous bidding prices offered. However, during the bidding of the new purchaser or the new lessee of the Fund's properties, it was necessary to have the person taking care of the properties in order to sustain and to keep the property to be further utilized. Then, the Management Company had renewed the temporary lease agreement not exceeding 12 months, who's the rental was at the rate amounting to THB 600,000 per month. However, as partial properties were dilapidated, therefore, they might be improved at this period of time, but the improvement will be least. The improvement will be for the purpose of sustaining the properties more than for the long-term business operation. If the properties were dilapidated, it will affect to the selling price. In case of the bidding of the new lessee, the new lessee must pay more expenses for the improvement of property, then, the rental will be decreased.

In case of the bidding of the new lessee, it might take approximately 6-8 months. The rental will be depending on the market conditions. It is unable to forecast or to certify that the price will be higher or lower than that of the previous agreement. Based on the rental preliminary assessment by referring to the assessment report of Edmund Tie & Company (Thailand) Co., Ltd., the estimate of operating profits will be approximately amounting to 50 million THB per year. Accordingly, the Unitholders will receive the return at 3% per year, when compared with the previous return which was received at 6-7% per year. According to the previous Unitholders' Meeting, the Unitholders gave an opinion that, in case of the bidding of new lessee, the rate of return to be received by the Unitholders should not be lower than 6% per year. However, it is possible that the new lessee will not lease the properties whose the rental rate is at 90% of the 50-million THB operating profits because of the business risks. Previously, the Management Company had been discussed with Dusit Group regarding the rental rate. Dusit Group gave its primary opinion that the rental rate should not exceed 25-30% of the profits. Therefore, the Management Company had estimated that, in case of small group, the rental rate will not exceed 60-65% of the gross profit. In such case, the calculated rental per year will be in the amount of 30 million THB or approximately at 3% per year only. Nonetheless, after the operation, whether such case will be possible or not, it will be subject to the negotiation and other supplementary conditions.

Later on, the Chairman inquired whether any unitholder had an opinion or inquiry or not.

Mr. Somkiat Saleepattana, a Unitholder, inquired about the number of unitholders who attended at the time that the Unitholders' Meeting was opened, including the details regarding the procedure which Federal Services Co., Ltd. had notified to cancel its purchase of properties.

The Chairman clarified that, at the Unitholders' Meeting was opened, there were the Unitholders attending the Unitholders' Meeting, representing 71.51% and Federal Services Co., Ltd. had notified to cancel its purchase of the property via e-mail to CBRE (Thailand) Co., Ltd. ("CBRE"), who was the Bidding Consultant of the Management Company. Later, there was the coordination to notify the Management Company for acknowledgement.



Mr. Teerawat Wongwanich, a proxy, expressed his opinion regarding the sale of properties that, for the past period of time, the Management Company received the bidding who's the selling price had been continuously decreased. Therefore, the Management Company should wait until the properties have their better image before the Management Company sells them. If the Management Company hurriedly sells them, the bidder might force the price down.

The Chairman stated that, regarding the appraisal price of the Fund's properties, if the appraisal applied the Income Approach, the revenue will be approximately in the amount of 640 million THB. If the appraisal applied the Replacement Cost Evaluation Approach, the revenue will be approximately in the amount of 700 million THB.

According to the previous Unitholders' Meeting, the Unitholders agreed to adopt the price of 700 million THB as the criteria for selling property, then, the offer had been agreed at the price of 600 million THB. Around five months later, the offered price under the bidding was reduced to 550 million THB. Then, on 1 April 2017, the appraisal price was reduced from 640 million THB to 610 million THB, which was in line with the Unitholders' opinion that too frequent biddings might cause the continuous reduction of property's cost. In the market's point of view, the property's image could appear in 2 aspects; the first one was that, if the offered price was gradually reduced every time of bidding, the image would appear as imperfect property. Another aspect was that the overall market conditions might not be supportive for sale. Then, the Chairman further discussed with the Meeting that, in case of approval for property sale, how long of appropriate waiting period before another bidding should be, and whether and how the minimum price should be adjusted.

Mr. Worapoj Wasinsangworn, a Unitholder, stated that, normally, the price consideration might fall under the premium and discount from appraisal price. He had the opinion that no one purchases the property at the higher price than appraisal price, and everyone purchases the property at the discount price with the following reasons. First of all, upon considering the nature of property, the office building, shopping mall, warehouse, or document storehouse, this type of property generated the stable income due to annual contract and annual rental, and monthly rental for service apartment, while daily rental was charged for hotel, therefore, it was less stable. Another reason was that the real property required different renovation cost, the renovation of leased factory, warehouse, or office building required less cost than hotel which, at a point of time, shall be fully renovated for blankets, pillows, ceilings, and etc. Thirdly, the property was situated at the flood area occurred in the past year-end, and now it is near a year-end again. Fourthly, the hotel confronted with the problem due to loss of business operation performance, and the purchasers had been worried whether the property could generate profits or not. Therefore, if the property was not hurriedly sold, the expenses therefrom would be increased such as the meeting expenses, advisor fees, legal advisor fees, and other expenses. The more the property was depreciated, the more its value was decreased. Although the property was abstained from bidding for some period before another bidding, it would not make any advantage. As it had been done before, when the offered price was up to 600 million THB, the property was abstained therefrom for some time prior to the new bidding, but the last offered price was not higher than the earlier one. Therefore, no matter many times of bidding, the offered price would not exceed 500 - 600 million

THB, and it reflected that no one would purchase the property at the higher price than appraisal price. Moreover, the first appraisal price of the Fund's property was 828 million THB with specified annual rental of 60 million THB. Therefore, upon 5 year-lease, the total rental should be 300 million THB. Formerly, the Fund's structure had been designed to prevent risks by requiring bank guarantee from the lessee as a security that, within 5 years, the return shall be 300 million THB. If the return was 300 million THB within 5 years, upon deduction from 828 million THB of the property price, the remaining price would be around 500 million THB. He had the opinion regarding this structure that, upon 5 years, the property price should not be lower than 500 million THB, and it could be sold. If there was any failure, the Unitholders might not suffer loss. However, there was a problem as the Previous Lessee failed to pay the 5-year rental in full. Therefore, the Unitholders suffered loss because of the failure to collect 5-year rental, and everyone accepted such loss. Accordingly, to strongly aim that the property shall be sold at the high price might not be the right approach. Moreover, when the investors realized that it was the wrong investment, the right solution was to quickly and appropriately sell the property, not by mean of increasing the capital thereto. The longer time passed, the property depreciation would be higher, and the property value would be more decreased. Moreover, there was no any factors which could increase the property value. Therefore, this was the most appropriate time to sell the properties. The Management Company might have enough information to estimate the actual price, and the Meeting should specify the sale duration in replacement of purchase price because the price could not be specified. Upon the sale of property, the funds received thereby shall be returned to all Unitholders to be further spent for their other purposes. Then, he stated that he regretted when the offered price was 600 million THB last time, the property should had been quickly sold. This was because, although the current price was 550 million THB, there was no any purchaser.

Mrs. Laksunee Siripathummat, a Unitholder, stated that the government could assess property tax by two approaches, which were (1) rental per room basis, in case that the lease was operated by the property owner, and (2) actual rental basis, in case that other persons were allowed by the property owner to lease the property. In this regard, a government letter would be submitted to a fund as taxpayer, whereas a lessee was taxpayer under lease agreement. Formerly, the government decided to adopt either rental percentage or income percentage as a tax assessment method. If the tax was assessed by mean of income percentage of the fund who was the lessor at approximately 10 times, the lessee shall originally be the taxpayer. It did not mean that, the former property tax was approximately over THB 400,000, and after the property tax was re-assessed to be 5 million THB, the Fund shall absorb such tax instead. Doubtfully, the Fund Manager was an expert in asset and tax, and there were many legal officers of the Fund, why this mistake was still occurred. She also called into a question whether this was to give a chance to assist the Lessee. Moreover, she wondered who was responsible for Meeting expenses at each time, and whether the expense was the Fund's.

The Chairman explained that the Meeting expenses were at the Fund's own expense. Regarding the property tax, all mutual funds in Samui Island were assessed by the same approach, not only this Fund. The tax payment would be as required by the government, but the re-assessment thereof was due to the case of Samui Airport Property Fund (Leasehold), which had been decided by the court that the tax

shall be assessed on the basis of the fund's lease agreement. Therefore, Samui Municipality re-assessed the tax which had been already collected. With regard to the tax collection, there must be the consideration who is the property owner, and in this case, the owner was the Fund. The Fund's income shall be in accordance with the lease agreement. Therefore, the payable tax was in accordance with the re-assessment, which was different from the previous base. This was not a case that the tax base remained the same as earlier, but it was the benefit incidence to the Previous Lessee. Generally, the certain rate of property tax was at 12.5%, but the tax base was changed by the re-assessment. Moreover, in the past, the property tax payment was in compliance with those required and calculated by the Municipality.

Mr. Somchai Jensatiraphan, a Unitholder, inquired that, firstly, the basis used for calculation of dividend at the rate of 3%, and whether this rate had been deducted by 5 million THB of property tax which was increased every year. If it was so, whether there were remaining dividends. Secondly, whether the Management Company had audited the net income and profits received by the Previous Lessee. Thirdly, what group of the attendees today was, and what the purpose of voting was. Fourthly, whether it was analyzed by the Management Company that, what the benefits from allowing the Previous Lessee to lease the property were. He disagreed with the Unitholder's suggestion that the property should be quickly sold to receive the funds, but he had the opinion that we should wait for economic circumstances and appropriate price which would reflect the actual value of the property. Regarding the dividend at the rate of 3%, he had the opinion that it was the groundless speaking. This was because, although the monthly rental was THB 500,000 – 600,000, it was uncertain that the dividend would be at 3% as said. However, if we seek for a new lessee, we would gain the dividend at the rate of 3%. Nevertheless, he worried that we were unable to find the new lessee. In this regard, he wished the Management Company to provide possible information, not only a presumption, as it might cause the investors to make the wrong decision.

The Chairman explained that the dividend at the rate of 3% was assessed based on the references from Assessment Report of Edmund Tie & Company (Thailand) Co., Ltd. on 1 April 2017. If the lessee's income was from the hotel business operations, 65% of the income shall be paid as the rental. However, for the Fund's assessment, it was not deducted by the property tax which was re-assessed of 5 million THB per year because there was under the process of appeal, and the tax base was the rental according to lease agreement. Therefore, if the rental according to lease agreement was decreased, some taxes would be also reduced. However, upon actual action on this matter, the amount thereof shall be revised for more clarity. The dividend at the rate of 3% was assessed based on overall business to show approximate return from property lease for Unitholders. Moreover, the monthly rental of THB 500,000 – 600,000 was the matter of temporary lease agreement during the time of seeking for new lessee. Therefore, it was different issue.

Mr. Chongsin Wangsanguankit, Unitholder, wondered which groups of people were the major Unitholders, and whether the Previous Owner was major Unitholder or not. If he was still the major Unitholder, no matter many times of Unitholders' Meeting, it was not beneficial because the decision power always depended on major Unitholders. As he was only a minor Unitholder, his vote was unable to fight

against the major Unitholder's vote, therefore, it was not beneficial to attend the Meeting. Moreover, the Management Company was not major Unitholder, but it was hired to manage the Fund for the management remuneration. Formerly, the lessee was required by the Fund to place the Bank Guarantee as security. However, the Bank Guarantee was surrendered later. Currently, if there was the Bank Guarantee issued by Krungthai Bank, the Unitholders might have some refunds. Moreover, the major Unitholders, such as good performance business, would purchase back the properties upon seeing the business's good performance. As a result, the minor Unitholders could receive some profits. However, because of not good performance, it was forced to sell the property at the low price. With reference to minor Unitholders, Samui Island's land was not bad to be sold at the low price. If the property tax of 10 million THB per a year was required, the building should be closed or demolished and sold as the vacant land, such as vacant land nearby Chaophraya River, which had been sold and demolished for re-construction. If the major Unitholders, whose properties had been invested at expensive price to establish the Fund, wished to purchase them back at the low price, he and other minor Unitholders shall suffer loss due to wrong decision. Moreover, he believed that many foreigners wished to purchase the property. Therefore, there should not be only the specific purchasers. This was because if the buyer knew that the owner really wanted to sell the property, the negotiation might be made to decrease the property price.

The Chairman explained the issue on Bank Guarantee as it had been said that if, currently, the Fund was holding the Bank Guarantee, the Fund would receive the money. According to the previous Unitholders' Meeting, the resolution had been passed to surrender the Bank Guarantee with the security limit of 67 million THB only in order to receive the payment from the Previous Lessee, with the aim to settle the dispute of approximately 69 million THB, and the Fund had already received the payment of approximately 69 million THB in April 2017. For another issue on major unitholders, according to the notification on the website of the Stock Exchange of Thailand which was in accordance with the duties which had to be performed by the Fund, the Fund's major unitholder was the Government Savings Bank holding approximately 24% of investment units whereas the Previous Lessee held 9 - 10 % of investment units. According to verification of unitholding history, the Previous Lessee held approximately 10% of investment units and the Government Savings Bank was the major unitholder holding approximately 24% of investment units as from the beginning.

Mr. Chongsin Wangsanguankit, a Unitholder, stated that the Management Company should survey voting tendency of the Fund's operation directions of the major unitholders, who possessed 40% of votes, and then inform minor unitholders. Moreover, he had the opinion that the building demolition might unburden of property tax payment.

Mr. Somchai Jensatiraphan, a Unitholder, asked whether it was analyzed by the Management Company for net capital gain received by the Previous Lessee from temporary lease at the monthly rental of 500,000 - 600,000 THB. If the Previous Lessee received high net capital gain, he had the opinion that, the Previous Lessee would be satisfied with the temporary lease for 5 - 6 months without purchase of the assets. If there was any person interested to buy the assets, the Previous Lessee would cast the vote to object the

sale of assets with the aim to obstruct the approval for sale of the assets as it had been occurred in the previous Meeting which contained the agenda to consider and approve the sale of the assets at the price of 600 million THB. The group of persons, who disagreed with the sale of the assets, was those who gained benefits from current situation. Moreover, according to the Management Company's explanation that the major unitholder was Government Savings Bank, he had the opinion that it was explained based on appeared amount. However, in fact, the real major unitholders were really known. Therefore, the Management Company should perform any act to disclose such fact.

The Chairman explained that the cause of the monthly rental of 500,000 THB as resolved by the previous Unitholders' Meeting was from the information that the Previous Lessee had been audited by the Management Company's auditor. According to the audit report, the Previous Lessee could pay the monthly rental at the rate of approximately 500,000 THB only. According to the audit report of this period, the Previous Lessee's status was similar to the past. However, the Management Company negotiated with the Previous Lessee and adjusted the monthly rental to be approximately 600,000 THB. According to the nature of hotel business, the marketing investment was usually made in the present to rent rooms in the next year. However, the lease of the assets was unclear at this time. If the lease was allowed and long-term lease agreement was made with a new lessee, such lessee would prepare a marketing plan and renovate the assets to rent in the next year. However, the Fund's unclear operation direction caused disadvantages to the Fund since the lessee would not operate marketing activities if there is uncertainty on renewal of lease agreement in the next year. Regarding the verification of unitholding proportion, there were criteria to verify whether the unitholders were the same group of persons, which would be further explained by the Legal Advisor. The Management Company could explain particularly about the major unitholders, i.e., the first was Government Savings Bank, the second was Samui Buri Beach Resort Co., Ltd. and the third to the fifth 3<sup>rd</sup> – 5<sup>th</sup> were individuals. For the question whether the third major unitholder to the fifth major unitholder were the same group of Samui Buri or not, the Management Company tried to verify as much as possible.

Mr. Chongsin Wangsanguankit, a Unitholder, stated that, first of all, the Management Company should survey the opinions about the operation direction of the Fund from 4 - 5 major unitholders and then inform such tendency to the minor unitholders via medias such as Line, or by letter via CIMB Thai Bank's branches without convening Unitholders' Meeting in order to save cost. Secondly, he had the opinion that the Fund's assets should be separately sold by items such as table, bed, vacant land. He also thought that the vacant land's price might be the better price because the land was beachfront. Thirdly, the rental should be worthy for payable property tax. Moreover, he had the opinion that most of unitholders were disappointed with the Management Company's management. The unitholders decided to invest in the Fund because of their confidence in CIMB Thai Bank and the Management Company. However, CIMB Thai Bank and the Management Company failed to make the good consideration as it should be. For example, in case of Trinity Freehold and Leasehold Property Fund, the Management Company failed to study the seller's characters; consequently, it led to many problems. Therefore, he requested the Management Company to make the better study further.

Mr. Worapoj Wasinsangworn, a Unitholder, inquired that, first of all, as it was explained by the Management Company that the property tax for five retroactive years was 5 - 6 million THB per annum, or totaling approximately 30 million THB, if the Fund sold the assets before collecting of property tax, would the Fund be free from property tax payment? If it took a long time to sell the Fund's assets and the Fund was collected tax, would the Fund be responsible for tax? He further inquired about the duration and procedures of the collecting tax process. Secondly, he wished to share information about major unitholders namely, first, Government Savings Bank and, second, the Previous Lessee. The total investment units held by both of them were 35%. If the unitholders presenting in the Meeting today was not over 70%, the minor unitholders could not cast majority votes to win the major unitholders. However, if the minor unitholders presenting in the Meeting today was over 70% and the minor unitholders casted the vote in the same direction, the votes of the minor unitholders could win the votes of the major unitholders. Moreover, Government Savings Bank had casted the votes in the listed funds' meetings for 2 times. The first time was in the meeting of Sala @ Sathorn Property Fund. Government Savings Bank held its investment units more than a half. In the Meeting to consider the property sale which the sale price was higher than the appraisal price, Government Savings Bank casted the negative vote thereto. The second time was in case of UOB Freehold Eight Thonglor Property Fund, which made the investment in apartments in Thonglor area, Government Savings Bank casted the negative vote for the agenda to consider the property sale which the sale price was higher than appraisal price. According to his own analysis, Government Savings Bank was a state agency, therefore, it was difficult to vote for property sale as there were many consideration procedures and it had to be considered by several committees. This caused the delay on assignment of representative to resolve the approval for sale. Although the approval was resolved in time, there might be further examination for the reason of approval price, which might cause many consequent problems. Therefore, in any meeting of the Fund to consider the sale of assets, Government Savings Bank would cast the negative vote.

Secondly, regarding the Previous Lessee's unitholding, he sympathized with the Management Company as they already explained such matter. However, the Previous Lessee could assign its nominees to hold the investment units and it is very difficult to verify. However, he thought that the Previous Lessee's proportion of unitholding remained unchanged because, according to the volume of investment units trading in the past, there was no significant change. According to investment unit trading history, in each day, the maximum volume of trading was only ten thousand. Therefore, he believed that the unitholding proportion was not changed. In other words, the total investment units held by two major unitholders were approximately 35%. He also listened to other unitholders who disagreed with him to hurriedly sell the assets at any price in a short time. He wished to explain that he did not propose to sell the assets at any price, but he thought that the assets' market price was approximately 500 - 600 million THB.

In the past, when Major General Thanakorn Thawinkij, an individual, offered to purchase the assets at the price of 600 million THB, some unitholders had a doubt that the Previous Lessee, who had sold the assets to the Fund at the price of 800 million THB, assigned Major General Thanakorn Thawinkij to offer to purchase the assets at the price of 600 million THB. Currently, the passing time already reflected that Major General Thanakorn Thawinkij was not the Previous Lessee's nominee. If Major General Thanakorn



Thawinkij had been the Previous Lessee's nominee, today he would have given an offer to purchase the assets again, but in fact, he was no longer interested. Secondly, Federal Services Co., Ltd. was not involved with the Previous Lessee. As the company was a juristic person, it could be verified that there was no involvement between both of them. Federal Services Co., Ltd., offered to purchase at the price of 550 million THB and revoked the offer later. He had the opinion that the person, who knew the most about the assets, was not brokers, unitholders, or the Management Company, but the Previous Lessee since the Previous Lessee was the business operator from the beginning of the assets' construction. Therefore, the Previous Lessee knew about the assets very well. At this time, the unitholders already knew that the offers to purchase at the price of 600 million THB and at the price of 550 million THB were not involved with the Previous Lessee. Therefore, if those prices were the too low prices, the Previous Lessee should propose the offer to purchase the Fund's assets from the Fund at this time. But the Previous Lessee let other persons propose the offers. This showed that the Previous Lessee thought that the current price was not appropriate for purchase, or the current price already reflected the market price. Thirdly, upon the assets' current price was approximately 500 - 600 million THB, if the sale of the assets was waited until the next year, and there was a person offer to purchase at the price of 600 million THB at that time, some unitholders may seem that they made the right decision. However, the purchase price would be deducted 3% for commission. If the broker could seek for a purchaser with the offered price of 600 million THB, the commission would be 20 million THB, and the actual remaining income would be 580 million THB. If the assets were sold at the price of 550 million THB today, the unitholders could receive the money for further investment in other funds. As it was well realized by the unitholders that the Fund currently confronted with the problems, the best solution should be found. If the unitholders did not try to find the solution and decided to wait for another year, the investment unit's price in SET was approximately 5 THB, and the volume of trading was low, he held approximately 600,000 investment units, but those could not be sold because if they were sold, the investment unit's price in SET would be heavily decreased. Therefore, he had to attend the Meeting, today, to find solutions. Moreover, upon comparative analysis between the sale of the assets in another year at the price of 600 million THB (which would be 580 million THB after commission deduction) and the soonest sale of the assets at the price of 550 million THB to further take the money to invest in other funds, whereas the return of some funds was around 5 - 6%. One year later, the return would be higher than the money gained from the sale of the assets in another year which would be only 580 million THB. Moreover, the unitholders would not suffer and attend the Meeting for any criticism.

However, the worst case which was waiting for another year to sell the assets at the price of 550 million THB which would be deducted commission or sell at the price of only 500 million THB and was collected the property tax of approximately 30 million THB, was unworthy. Therefore, his suggestion that the soonest sale of the assets did not mean to sell it at any price because there was the offered price basis which reflected that the price of the assets was approximately 500 - 600 million THB. He wished to propose that, since Government Savings Bank might cast negative vote to every time of sale of the assets consideration due to the restriction of its operation, and it was difficult to analyze the Previous Lessee due to possible conflict of interest, because if the Previous Lessee gave negative vote thereto, he could continuously lease the assets at the monthly rental of 500,000 - 600,000 THB. However, if the unitholders decided to sell

the Fund's assets in another year but they could not be sold, the Fund needed to continuously lease the assets to the Previous Lessee. He understood the reason why the Fund leased the assets to the Previous Lessee. If the Fund did not lease the assets to the Previous Lessee, the assets would be abandoned, and its price would be decreased and it could not be sold. Moreover, within a short time which was only one year, there was not any person interested to lease the assets for management. Therefore, the Fund needed to lease the assets to the Previous Lessee to have the assets overseen by the Previous Lessee. If the solution could not be found or the votes could not be given, the problem would remain, and the Meeting would be convened to solve the old problems every year. He had the opinion that, now there were only 30 minutes left, the solution for this problem should be completely finalized in this Meeting so that another Meeting would not be convened.

The Chairman stated that there were 2 solution approaches. Firstly, it was proposed by the unitholders to wait for another year prior to the offering for sale of the assets, with an expectation that the price would be increased. Secondly, the unitholders had the opinion that the purchase price was uncertain although it took one year waiting, and the benefits might not different from the soonest sale. Thus, the Chairman discussed with the Meeting to make the Management Company's operation can be further proceeded.

Mr. Worapoj Wasinsangworn, a Unitholder, expressed his opinion to the Meeting that, currently, the Meeting knew the range of property price. However, it was uncertain that the property price would be increased in the future. On the other hand, the property price may be decreased. The Meeting should consider based on the fact that the property price would be reduced when the time passed. The Meeting had given an opportunity by offering the property sale once again, but the property price was still decreased, and the property condition was gradually depreciated. Therefore, in his opinion, 6 investors, who had conducted a site visit on the property, but not yet submitted their purchase offers, may have potential to make a purchase offer under such price range. He was of the opinion that the advantages of property sale in a short time were (1) the current price range was realized. It was better than waiting for the future which was uncertain whether the price would be decreased to THB 300-400 million or not, and may lead to the demolition of the Hotel, (2) the following tax issue, and (3) the purchaser shall have funds and need some time to provide such funds. As far as he knew, the purchaser offering the price of THB 550 million required 4 months prior to transferring of funds. It is possible that such purchaser shall apply for the loan from bank while Major General Thanakorn Thawinkij had the cash in hands and could be affordable to purchase the property. If he did not purchase the property, he could purchase others. In his opinion, this purchaser may apply for the loan from bank, and it was considered by the bank that this project was impossible, in other words, if the purchaser purchases this property, it is uncertain whether the purchaser would be able to repay the loan, and whether the arising cash flow would be sufficient for loan repayment. The revocation of purchase offer may be caused by the condition requiring over THB 40 million of deposit because if the deposit was placed but the purchaser could not prepare the funds for purchase, the total amount of deposit shall be forfeited. Therefore, it was possible that, there was a low opportunity to get the loan from the bank, because the project had been assessed that the project had less possible due to the property problems. Moreover, as the Previous Lessee, who was the



business operator at the beginning, suffered loss, the bank was afraid to grant the loan for purchasing the property at the price higher than the appraisal price. As a result, no one proposed the offer to purchase the property. Therefore, in a short time, the investors, who had conducted a site visit on the property, may be interested in the property if the property price was discounted to the extent possible. Moreover, as it had been informed to the Meeting that, if the funds from property sale were spent on other investments, the value may be up to THB 600 million in the next year, which was better than letting the value of property and investment unit gradually decrease, and making the Unitholders feel unpleasant and keep calling to the Fund to inquire about the latest situation. Therefore, this problem should be completely solved at this time.

Mrs. Wilaiwan Ajariyanon, a Unitholder, stated that the Unitholders trusted in the Management Company as they were the professional Fund Manager. Moreover, the Unitholders purchased the investment units as they were confident in professional service of CIMB Thai Bank. CIMB Thai Bank should consider purchasing properties carefully before selling the investment units. However, there were a lot of mistakes. CIMB Thai Bank had purchased the properties from the Previous Owner at the price of THB 828 million, and she did not know whether its price was well appraised or not. Since 2010 until now, the annual rental, which was fixed at THB 58 million, was overdue due to the default of the Previous Lessee. The Previous Lessee had advantage in this case because the Previous Lessee gained THB 828 million to spend for his own benefits and held not much investment units. The Previous Lessee failed to make the rental payment to the Fund, and entered into the new lease agreement, which previous annual rental was THB 58 million or approximately THB 4 million per month, but now the Previous Lessee paid the monthly rental approximately THB 500,000 or 10% of the previous rental only. Therefore, the Fund gained benefit only 10%. Consequently, the Previous Lessee tried to extend such lease term. For the case that the property could not be sold although there were many people site visit on the property, whether the Management Company tried their best to solve this problem or not. Regarding the question whether Federal Service Co., Ltd. involved with the Previous Lessee or not, in aspect of juristic person, the name of Previous Owner was not presented, but in deep aspect, the Previous Lessee may enter into the bidding by himself, which the Meeting could not acknowledge, and then, revoked the purchase offer on the date having resolution to make it seem that no one was interested in the property. Moreover, she raised the point that the Previous Lessee sold the property at the price of THB 828 million, and then purchased back at the price of THB 600 million. Some Unitholders may consider that it was not a lot of loss, and the property should be sold, but in fact, the Previous Lessee gained the benefit from there without rental payment. When any problem occurred, the Previous Lessee filed the case against the Fund, by placing investment units as suretyship, and then revoked the offer. This issue was not settled in the previous Meeting as the resolution to approve the property sale had not been passed by the Meeting due to the intention to sell the property at the price of THB 700 million. When the time passed, the Previous Lessee gained benefit from the low rental while the Fund still could not sell the property. When the price was offered at the rate of THB 550 million, the Meeting wished not to sell the property. This may cause some Unitholders bored and would like to sell the property. She requested the Meeting to carefully consider the purchase price which would be deducted by THB 20 million of commission and THB 28 million of assessed tax. Although the property could be sold, the building tax shall be paid. As the building tax had been assessed when the Fund was the property owner, the Fund shall pay for

outstanding property tax. In the tax appeal, if the Fund lost the case, the Fund shall be responsible for another THB 28 million. The Meeting did not know the content of the said appeal. The only reason for the appeal in order to defend was that the rental had not been paid in full amount. However, if it was considered from the Agreement, it was possible that the Fund shall be liable therefor.

Moreover, the Fund had registered Value Added Tax whereas the Fund did not receive the Output Tax due to tax exemption on rental. Upon no Output Tax from rental, the Fund received little Input Tax refund. Moreover, the Fund shall be responsible for specific business tax due to being juristic person. Although possessing duration of the property was over 5 years, there was no tax exemption. This was because, in case of juristic person, 5-year possessing duration shall not be considered, therefore, the Fund shall be responsible for specific business tax. Regarding the property sale's price, it has not yet deducted by property tax, specific business tax, and commission, which were major expenses. The Unitholders could not expect to receive the dividend at 3% as estimated.

The Chairman explained that the dividend at 3% was in case of property lease, while in case of property sale, it should be considered from analysis results appeared in the Invitation Letter of the Meeting, showing the details on deductions. Upon combination between the averaged funds expected by the Management Company to be received by Unitholders from the property sale and the total dividends received by Unitholders in the past, the Unitholders would suffer loss approximately 50 satang. Generally, the lease agreement was divided into 2 parts, namely, land and building lease agreement which had no value added tax, and equipment lease agreement which had value added tax and could be deducted by the Input Tax.

Mr. Methee An-adirekgul, a Unitholder and proxy, proposed his opinion to the Meeting that, as the Unitholder raised that there was the issue under lawsuit, causing difficulty to seek for purchasers, if possible, he requested to hold such matter for a period. If the properties were sold, the disputed amount of THB 32 million under lawsuit should be set aside, and the remaining funds would be further paid to the Unitholders. If the Fund won the lawsuit, then the funds of THB 32 million would be later paid to the Unitholders. This was because the purchaser would negotiate the purchase price by also considering the disputed amount. So long as the lawsuit was not finalized, such amount shall be deemed as the Fund's money, provided that, it shall be paid to the Unitholders whose names were appeared as the Fund's Unitholders on the last day that the lawsuit was over and the Fund won the case. In the previous Meeting, the Unitholders had never seen the property, but the price was fixed at THB 700 million. If the price had not been fixed on that day, the property would have been sold at this time. At the first time when the Unitholders made the investment in the Fund, they never saw the property before and the property was purchased at the price of over THB 800 million, whereas such price was impossible. This was because the volume of travelers in Samui Island was 4 times increased, accommodation rental was increased, and prices of everything were also increased. Currently, Samui Island is better than Phuket substantially, whereas Phuket land price remained the same due to several problems. Therefore, if the land on Samui Island was purchased at the price of THB 800 million, the current price at this time should be at least THB 1,400 million THB. However, the price still remained at the amount of THB 800 million, and currently, the property could not be sold even

if the price was decreased to THB 500 million. This reflected that, on that day, the Unitholders purchased the investment units without seeing the property, and it caused disadvantages. Today, the Meeting should give an opportunity to the Management Company to handle this matter in its best effort, at least damage, and sold at whatever, price decided from such handling. However, the approaches for sale or seeking for a new lessee shall be disclosed and transparent. In this time, although a worldwide broker tried to seek for the new lessee, the property still could not be sold at the price of THB 700 million, even such broker was international one, selling the property to foreigners all over the world, but the properties cannot be sold because the Unitholders' Meeting fixed the selling price in the amount of THB 700 million without seeing the property. In addition, at present, the Net Asset Value is not about THB 6, the investors have suffered serious damage, but the Management Company still charges the administrative cost at the high appraisal price of the properties. Therefore, the Management Company should also suffer the damage, for instance, if the properties can be sold, the Management Company should lose some interests because the Unitholders purchased the investment units because of the Management Company. Thus, the Management Company should jointly take the responsibility by slightly decrease its administrative cost in order to show its spirit of mutual responsibility. However, today, the Management Company still charges its administrative cost by calculating at the appraisal price of over THB 600 million. With regard to the sale of properties or seeking for the new lessee, it must be disclosed and be the duty of the Management Company to further take action without the need to fix the selling price. He understood Government Savings Bank that it may hard to propose to the Board of Directors' Meeting to consider approving the sale of property. However, if the action is taken transparently and openly, the Management Company should further take action for the promptness in this matter.

The Chairman explained that, the Management Company had opened for bidding of the Fund's properties totalling 2 times and the Management Company had invited both Thai and foreign investors to join both biddings.

Mr. Teerawat Wongwanich, a proxy, stated that, the Unitholders' Meeting had reasonably discussed and had given the opinions regarding the guideline for benefiting from the Fund's properties, then, he proposed the Chairman to conclude the guideline for taking the action to be further considered by the Unitholders' Meeting.

The Chairman explained that, in the latest bidding for the purchasers of the Fund's properties, there were 2 bidders of the Fund's properties. Both bidders submitted their offers to purchase the Fund's properties, but the offers were not in accordance with the terms and conditions for bidding. Then, the Management Company had negotiated with both bidders regarding the terms and conditions of sale of properties. The first bidder offered to purchase the properties in the amount of 500 million THB. and he would confirm the offered price again after the inspection of properties. But, the first bidder did not confirm his offered price including the details of other terms and conditions as discussed with the Management Company. Therefore, there was no detail of terms and conditions of properties purchase to be proposed for the Unitholders' Meeting consideration and approval. The second bidder notified and confirmed his offered

price to purchase the properties without inspection of the properties. Moreover, the second bidder sent the letter confirming the details of other terms and conditions as discussed with the Management Company.

Mr. Chongsin Wangsanguankit, Unitholder, stated that the Unitholders' Meeting should consider selling the Fund's properties without the hotel which was the structure because the appraisal price of the land which was the Fund's properties was high. With regard to the sale of land together with its structures thereon, there would be the assessment of high additional fee for the structure ownership transfer. In addition, he had the opinion that the sale of land without any structure thereon would help increase the opportunity for the sale of properties and would take less time to operate.

The Chairman explained on the inquiry of Mr. Boonsert Techasuphatkul, Unitholder, relating to the appraisal price of the Fund's properties that, with regard to the previous appraisal of the Fund's properties by applying the Income Approach at the property class, it was found that the average value of Fund's properties according to the appraisal of 2 appraisers, was in the amount of 700 million THB. Such average value of Fund's properties comprised the value of the land in the amount of approximately 300 million THB and the value of the structures thereon in the amount of approximately 300 million THB. Moreover, the selling price of land located near Fund's properties was approximately 25 million THB per Rai. Accordingly, in case of the sale of properties without any structures, the offered price to purchase the properties is likely not higher than the offered price in case of the sale of the properties together with the structures. Besides, there may be the additional expense for demolition of the structures. In case where the Fund sells its land together with the structures, but the structures are dilapidated and cannot be utilized, the expense for demolition of the structures will be deducted from the land price and the Fund will not be required to destroy such structures by itself.

Mrs. Laksunee Siripathummat, Unitholder, stated that the demolition of structures of the Fund will not likely to incur a lot of expense. Moreover, the Fund may agree that the scrap due to the demolition of structures will be the wage for the demolition contractor. Regarding the liability of the Fund to pay the property tax, she had an opinion that the Management Company should hire the competent legal advisor to file the appeal against the tax assessment to the relevant municipality.

The Chairman explained that the Management Company had already hired the legal advisor who is the tax expert to file the appeal against the property tax assessment and the appeal had already been filed.

The Chairman replied the inquiry of Mr. Somchai Jensatiraphan, Unitholder, regarding the Fund's payment of the property tax that, for the past period of time, the Management Company had already checked the correctness of the payment of the property tax of the Previous Lessee according to the document of the property tax assessment which the relevant Municipality had collected from the Fund.

Mr. Methee An-adirekgul, Unitholder and proxy, stated that he considered that the Meeting should not further discuss on the appeal against the property tax assessment because all necessary actions had already been taken. The result of the appeal is the future matter. In case where the result of the appeal is unsatisfactory, the Management Company has duty to consider on taking action for objecting such consideration's result to the court further. He had an opinion that the Meeting should consider the solution for the Fund's properties management in the future which is more important.

Mr. Thara Cholpranee, Unitholder, offered his remark regarding the estimate of revenue and the return which the unitholders will receive from the lease of properties according to the Letter of Invitation of Unitholders' Meeting. He had an opinion that, at present, the Fund's properties were not in the condition that could be leased out. Moreover, the sale of Fund's properties by recruiting the new purchasers, must consider whether the bidding of purchasers should be postponed or completed rapidly. In case where the bidding of purchasers should be postponed; the properties must be renovated in order to be in the condition that could be sold. In case where the bidding of purchasers should be completed rapidly; it is necessary to sell the properties upon "As Is Basis". He had an opinion that if the Meeting was proposed to assign the Management Company to recruit the new purchasers rapidly, such proposal would not be approved by Government Savings Bank who is the major unitholder of the Fund. Therefore, the properties should be renovated before being further sold or leased out. Accordingly, the Management Company should evaluate the expenses including the period of time required for renovating the Fund's properties in order that it would be the supplementary information for the Meeting's consideration.

Mr. Methee An-adirekgul, Unitholder and proxy, stated that the reason why the Management Company did not prepare the report of the properties' renovation expense evaluation might be likely due to the cancellation of the offer to purchase the Fund's properties abruptly prior to the date of Unitholders' Meeting. Therefore, the Management Company was unable to prepare the information to propose to the Meeting in time.

The Chairman explained that the reason why the Management Company did not prepare the information regarding the properties' renovation expense to be proposed to the Unitholders' Meeting because the Management Company had an opinion that the sale or the lease of the Fund's properties should be upon the As Is Basis. The Fund should not renovate the properties by its own cost because the investment on the renovation in order to maintain the condition of properties will not cause the Fund to receive more rental and the renovation may not be in line with the business operation plan of the new lessee. In addition, the Fund did not have adequate money for the renovation of the properties for the purpose of business operation. Such renovation needed the investment of not less than 100 million THB. Accordingly, the reverse of the burden of expenses of properties' renovation to the new lessee will be the most beneficial solution to the Fund.

Mr. Thiti Kumnerddee, Legal Advisor, explained and replied the inquiry of Mr. Somchai Jensatiraphan, Unitholder, regarding the Fund's units holding structure. He explained that the previous

Unitholders' Meeting had resolved to sell the Fund's properties with the minimum selling price was amounting to 700 million THB, with the affirmative votes at 97% of the Unitholders who attended the Unitholders' Meeting and entitled to vote. In such Unitholders' Meeting, the Unitholders attended the Meeting representing 75% of the Fund's all units. After considering together with the information of investment units holding disclosed by the Stock Exchange of Thailand, Government Savings Bank held 24% of the Fund's all units, and the Previous Lessee held 10% of the Fund's all units. It was adequate to acknowledge the voting of the Unitholders.

The Chairman summarized the opinions of the Unitholders' Meeting regarding the properties management that, in Agenda 3, the Unitholders proposed to sell the Fund's properties by mean of the immediately bidding of new purchaser within the period of time approximately 3-4 months. The Unitholders' Meeting fixed the selling price according to the market price amounting to approximately 500-600 million THB, or to sell the Fund's properties in the amount of not less than 500 million THB. In regard to the lease of the Fund's properties, there was no opinion regarding the rental of the Fund's properties. There was only the information on the rental and the return estimated that the Unitholders may receive from leasing out the Fund's properties as proposed by the Management Company.

The Chairman explained and replied the inquiry of Mr. Methee An-adirekgul, Unitholder and proxy, that, in case where the Unitholders' Meeting resolved to sell the properties by fixing the minimum selling price, if the offer to purchase the Fund's properties received by the Fund was lower than the price resolved and approved by the Unitholders' Meeting, then, the Management Company will propose the offer to purchase the Fund's properties for the consideration of the Unitholders' Meeting again. If the offer to purchase the Fund's properties received by the Fund was higher than the price resolved and approved by the Unitholders' Meeting, then, the Management Company will sell the Fund's properties without seeking for the resolution of the Unitholders' Meeting again. However, in the bidding of properties, there will not be the fixing of minimum purchase price in order to acknowledge the properties' actual market price, and in order to avoid the event that there was no person interested in purchasing the properties because the minimum fixed price is much higher than the market price. In this connection, the bidding of Fund's properties will be carried out by mean of the advertisement of bidding in the newspaper and the Management Company will directly contact the bidders who are interested according to the general standard of properties bidding. The Management Company had an opinion that, if the properties' minimum selling price was not fixed, the Unitholders may disapprove to sell the properties. Because the Unitholders might be afraid that the properties will be sold at low price. Therefore, in case where the properties' minimum selling price was not fixed, it might need to call for bids of the properties and propose the received proposal to be considered approving by the Unitholders' Meeting again instead.

The Chairman explained and replied the inquiry of Mrs. Laksunee Siripathummat, Unitholder, that the Fund had not yet brought the debt-payment money from settling the dispute amounting to 69,254,794.52 THB to be paid as the dividend to the Unitholders. Because the Fund had just received the debt-payment money from settling the dispute amounting to 49 million THB at the beginning of June 2017.



With regard to the money to be reserved as the Fund's expenses, at present, it is unclear whether in the Fund needs to use the money for the properties' renovation, and how much. Accordingly, it was unable to fix the exact amount.

Mr. Thara Cholpranee, Unitholder, stated that, according to the offered prices received by the Fund from various persons in the past as appeared in the Letter of Invitation of the Unitholders' Meeting, it was showed that the market price of properties was in the amount of approximately 500-600 million THB, therefore, it was possible to fix the properties' selling price in the amount of approximately 500-600 million THB. However, the disclosure of details regarding the Fund's properties according to the Letter of Invitation of Unitholders' Meeting may force the Fund's properties purchase price down. Moreover, he had an opinion that, today, the Unitholders attended the Meeting representing 71% of all the units. Although Government Savings Bank disagreed with the sale of properties, it was possible that the proposal to sale properties will be approved by the Unitholders' Meeting. If considering according to the Management Company's opinion regarding the Fund's properties improvement, he had the opinion that it is appropriate to improve the Fund's properties for the purpose of sustaining its condition only, not for the renovation which needs the investment of not less than 100 million THB. and the Fund should sell the Fund's properties in the amount of approximately 500 million THB.

The Chairman stated and concluded the opinion of the Meeting regarding the properties management that the Unitholders had proposed to sell the Fund's properties by recruiting the new purchaser rapidly approximately within 3-4 months, in the properties' selling price amounting to approximately 500-600 million THB. In this connection, the Management Company can sell the Fund's properties without proposing the matter to the Unitholders' Meeting for consideration and approval again. With respect to the lease of the properties out, there was no opinion regarding the rental of the Fund's properties.

Mr. Thiti Kumnerddee, Legal Advisor, explained that, the motion which the Management Company proposed the Unitholders' Meeting to consider and approve in Agenda 5 was the approval on the sale of the Fund's properties at the minimum selling price amounting to 500 million THB, the action must be taken of not exceeding 4 months as from the Meeting date. Moreover, he explained and replied the inquiry of Mr. Somchai Jensatiraphan, Unitholder, that, the motion proposed to the Unitholders' Meeting to consider and approve in Agenda 5 was the approval on the sale of the Fund's properties according to the prescribed conditions. Accordingly, the resolution will be the resolution for approval or disapproval of the sale of the Fund's properties according to such conditions. If the Unitholders' Meeting resolved to sell the properties, it was no need to consider and resolve regarding the lease of properties out again.

Mr. Thiti Kumnerddee, Legal Advisor, explained that, the topic which the Management Company proposed the Unitholders' Meeting to consider and approve in Agenda 5 was the approval on the sale of the Fund's properties at the minimum selling price amounting to 500 million THB, the action must be taken of not exceeding 4 months as from the Meeting date. Moreover, he explained and replied the inquiry of Mr. Somchai Jensatiraphan, a Unitholder, that, the topic proposed to the Unitholders' Meeting to consider and

approve in Agenda 5 was the approval on the sale of the Fund's properties according to the prescribed conditions. Accordingly, the resolution will be the resolution for approval or disapproval of the sale of the Fund's properties according to such conditions. If the Unitholders' Meeting resolved to sell the properties, it is no need to consider and resolve regarding the lease of properties out again.

Mrs. Wilaiwan Ajariyanon, a Unitholder, stated that, she had an opinion that the consideration for approving the sale of the Fund's properties at the minimum selling price amounting to 500 million THB, might sub serve the bidder who had already cancelled its offer. Therefore, she had an opinion that the Fund should not consider approving the sale of the Fund's properties at the afore-mentioned selling price because the Fund must be responsible for the taxes, fees and other various expenses.

Mr. Somchai Jensatiraphan, a Unitholder, gave his remark that, in the previous Unitholders' Meeting, the Unitholders' Meeting was able to resolve for settling the disputes because such resolution was beneficial to the Previous Lessee. But the Unitholders' Meeting was unable to resolve to sell the properties in the amount of 600 million THB because Government Savings Bank, the major unitholder, disapproved the sale and the Previous Lessee did not benefit from the sale of properties at such selling price. He had an opinion that the Previous Lessee might intend to purchase the properties from the Fund after the selling price was low. Therefore, the Previous Lessee casted the vote to disapprove the sale of the properties in the amount of 600 million THB.

The Chairman explained that, in case where any unitholder is not satisfied with the selling price proposed to be considered and approved by the Unitholders' Meeting or such unitholder is afraid that, after the properties sale approval, the Previous Lessee group will purchase the properties at the low price, he/she might resolve to disapprove the sale of properties in order that the properties will be further utilized by leasing them out.

Mr. Thiti Kumnerddee, Legal Advisor, further explained that, in the previous Unitholders' Meeting, Samui Buri Beach Resort Co., Ltd. was the person having special interest in considering and approving the proposal for settling the disputes, thus, it was not entitled to attend the Meeting and did not vote in such Agenda. Besides, in the previous Unitholders' Meeting, although the Meeting did not approve the sale of properties in the amount of 600 million THB in Agenda 5, but the Meeting resolved to approve the sale of properties at the minimum selling price i.e. 700 million THB in Agenda 6 with 97% affirmative votes.

The Chairman stated that, there was no unitholder giving any opinion, it was deemed that the Meeting acknowledged the report of the Fund's status as proposed.

#### **Agenda 4: To Consider the Proposal of Funds' Properties Purchase (For consideration)**

As on 13 July 2017, Federal Services Co., Ltd., the offeror to purchase the Fund's properties,



had informed the cancellation of the Funds' properties purchase proposal, therefore, there was no matter to be considered and resolved in this Agenda.

**Agenda 5: To Consider Other Alternatives for Operation (For Consideration)**

Mr. Thiti Kumnerddee, Legal Advisor, explained that, as the Meeting had discussed regarding the guideline for the Fund's properties management in Agenda 3, in this Agenda, the Management Company proposed the new topic to the Meeting for considering the sale of the Fund's properties at the minimum selling price amounting to 500 million THB, and the action must be taken within 4 months as from the Meeting date. In addition, the Fund has the right to pay the commission for the sale of the Fund's properties at the percentage not exceeding 3% of the mutually agreed selling price.

Mr. Chaiwut Jamnongsuthasathien, a proxy, stated that, the Fund's properties lease agreement should stipulate that the properties lessee must be responsible for the property tax and the expense of the properties reparation in place of the Fund. Besides, in selling the Fund's properties, he had an opinion that the period of time for bidding should be fixed to be within 6 months and the offer to purchase the properties must be proposed to the Meeting for reconsidering and approving again in place of the fixing of the minimum price in this Meeting because the minimum selling price amounting to 500 million THB was far lower than the properties' appraisal price.

Mr. Worapoj Wasinsangworn, a Unitholder, stated that, at present, there is no information to be considered for fixing the exact selling price of the properties. However, he believed that most Unitholders agreed to sell the properties at the price lower than the purchasing price. But they needed to know the amount of loss due to the sale of properties. Accordingly, the Management Company should appraise the properties again and proposed the Meeting to consider and to fix the selling price of properties by fixing the discount rate from the properties appraisal price in place of the fixing of the exact amount of the minimum selling price. Moreover, if we compared between the sale of land together with the hotel and the sale of only land, which one had the higher selling price, which one was more beneficial to the Unitholders, we should take action so.

The Chairman explained that, in the previous Unitholders' Meeting, the Management Company had provided the Fund's properties appraisal by 2 appraisers. The average result of the Fund's properties appraisal prices at that time was amounting to approximately 700 million THB. Moreover, there was the proposal to sell the properties amounting to 600 million THB., such price was discounted from the appraisal price at the percentage of 13% approximately. In case where there was the new appraisal of properties, it was expected that the appraisal price would be likely to be in the amount of 650-700 million THB approximately. If we discounted from the appraisal price approximately at 10%, the selling price of properties would be amounting to approximately 500 million THB or more. However, regarding the fixing of period of time for selling the properties rapidly, it was the fixing of period of time for the Management Company to commence the process of properties' bidding. In general, after the Unitholders' Meeting, the Management

Company would let the time pass approximately 30 days in order to confirm that there was no request sent to the court for revocation of the Unitholders' Meeting before starting the Fund's properties bidding. In this regard, the Management Company must give the time approximately 2 months for the interested person in inspecting the properties before he/she submitted the offer to purchase the properties. Thus, it must take the time not less than 3 months as from the date of advertisement for the properties bidding.

Mr. Chongsin Wangsanguankit, a Unitholder, stated that, the Management Company should prescribe that the interested purchaser of the properties must offer the purchasing price in both types, firstly, the purchase of the land together with the structures thereon, and secondly, the purchase of land only. Because in case where the purchaser intends to bring the land to be utilized for other purpose, the sale of land only might be more beneficial to the Fund.

Mr. Thiti Kumnerddee, Legal Advisor, stated that the new topic proposed to be considered by the Meeting in this Agenda was the approval of the sale of Fund's properties at the minimum price of 500 million THB, the action must be taken within 4 months as from the Meeting date and the Fund shall be entitled to pay the commission for the sale of Fund's properties at the percentage not exceeding 3% of the mutually agreed selling price.

The Chairman explained that the Management Company did not amend the topic proposed to be considered by the Meeting to be the approval of sale of properties without the fixing of minimum selling price. Because, although the Fund did not fix the minimum selling price as the condition for the bidding of properties, there should be the fixing of the minimum selling price where the properties can be immediately sold as the guideline for negotiating with the interested purchaser of properties. In addition, the Meeting might resolve to fix the minimum net selling price of the properties which the Fund would receive from the sale of properties as the condition for the properties bidding. The Meeting might prescribe to sell the properties to the bidder who offered the highest price instead. However, the Unitholders' Meeting resolution should have the clear condition for taking action in order that the Management Company would be able to take further action.

Mr. Worapoj Wasinsangworn, a Unitholder, stated that, he acknowledged that the Fund's hotel had the old condition and it needed a lot of money for the renovation before utilizing it for the business operation. Some real estate investors had an opinion that the hotel selling price did not likely exceed 550 million THB. He had an opinion that the fixing of properties at the loss price was not worrying as same as the fixing of selling price of properties which the properties could not be actually sold, and then, there must be the reconsideration on this matter.

The Chairman stated and concluded the new topic being proposed to the Meeting for consideration on this Agenda that the Management Company proposed the Meeting to consider and approve to sell the Fund's properties at the net selling price (excluding commission, taxes, fees and expenses relating to the registration of the ownership transfer) of not less than THB 500,000,000 (five hundred million baht). In

this connection, the Management Company must recruit and enter into the properties sale agreement with the purchaser of properties according to the above-mentioned conditions and must notify the result of action to the Unitholders for acknowledgement via The Stock Exchange of Thailand, subject to the conditions as follows: -

1. For the purpose of the bidding of the new purchaser of properties, the Fund shall be entitled to pay the commission for selling the Fund's properties at the rate not exceeding 3% of the mutually agreed selling price of properties; and

2. The Management Company must recruit the new purchaser of properties within 4 months as from the date of the Unitholders' Meeting No. 1/2560;

In this regard, in case where the Meeting did not approve to sell the Fund's properties according to the above-mentioned guideline, the Management Company would lease the Fund's properties out. Then, the Management Company must recruit the lessee and must notify the result of action to the Unitholders for acknowledgement via The Stock Exchange of Thailand. Next, the Management Company would propose such matter to the Unitholders' Meeting for consideration and approval further. However, the Management Company did not propose the terms and conditions of the lease of the Fund's properties to the Meeting because the details of remuneration from leasing the properties out depended on the burden of the investment of properties' improvement of the new lessee. Accordingly, there must be the negotiation with the interested persons who intended to lease the Fund's properties further.

Mr. Thiti Kumnerddee, Legal Advisor, explained to the Meeting that, in this Agenda, it was the consideration and approval on the sale of properties according to the conditions proposed by the Management Company. In case where the Meeting did not resolve to approve the sale of properties, the Management Company would utilize them by leasing them out as stipulated by laws. The votes count in this Agenda would be the same as the procedure of the previous agenda, that is, in case any unitholder disagreed with the sale of properties according to the conditions proposed by the Management Company, or the unitholder intended to abstain from voting, the unitholder must put the mark on the ballot and raised his/her hand, then, the officer would collect the ballot. Regarding the unitholder who agreed with the sale of properties according to the conditions proposed by the Management Company, he/she was not required to send the ballot, it shall be deemed that such unitholder agrees with his/her full votes. Regarding the votes count, the disapproving votes and abstentions shall be deducted from the total votes of the Unitholders who attended the Meeting. However, as the topic proposed to the Meeting for consideration had been changed from the agenda prescribed in the Letter of Invitation of the Unitholders' Meeting, therefore, the votes casted in advance according to the Power of Attorney cannot be counted and the Management Company asked all Unitholders and proxies to cast their votes again.

The Chairman replied the inquiry of Mr. Somkiat Saleepatana, a Unitholder, that the minimum net selling price amounting to 500 million THB as proposed to the Meeting for approval was the selling price

having already been deducted by the commission for the properties' sale at 3% of the properties selling price.

Mr. Thiti Kumnerddee, Legal Advisor, replied to the inquiry of Mr. Thara Cholpranee that, in this Agenda, there was no unitholder with the special interest who has no right to cast the vote. With regard to the payment of commission for the properties' sale, it needed the amendment of the Fund's Project with the votes exceeding 50% of the total number of the sold investment units. In case where the Meeting resolved to approve the sale of properties according to the proposed conditions with the votes exceeding 50% of the total number of the sold investment units, it must be deemed that the Meeting resolved to amend the Fund's Project to be in line with the payment of commission of such properties sale as well. However, in case where the Meeting resolved to approve the sale of properties with the votes of not less than 50% of the Unitholders who attended the Meeting and had the voting right, but the votes did not exceed 50% of the total number of the sold investment units, then, the Management Company would take action to amend the Fund's Project by asking the circulating resolution from the Unitholders or to seek for the approval of the Office of The Securities and Exchange Commission further.

Then, the Chairman asked the Meeting to resolve.

**Resolution:** The Meeting resolved to disapprove the sale of the Fund's properties as proposed with the following votes:

|             |                     |               |                  |
|-------------|---------------------|---------------|------------------|
| Approved    | 27,988,620 units or | equivalent to | 44.7915 percent* |
| Disapproved | 34,337,820 units or | equivalent to | 54.9524 percent* |
| Abstained   | 160,000 units or    | equivalent to | 0.2561 percent*  |

*\* Percentage of the total investment units at the Meeting and entitled to vote.*

#### **Agenda 6: To Consider Other Matters**

The Chairman explained to the Meeting that, as the Meeting resolved to disapprove the sale of the Fund's properties as proposed in Agenda 5, therefore, the Management Company would utilize Fund's properties by leasing them out and the Management Company would further recruit the properties' lessee.

Mr. Worapoj Wasinsangworn, a Unitholder, stated that, the leasing properties out would incur other various expenses and the problems would not be solved by the Fund's dissolution. Thus, he intended to inquire whether it was possible to consider and resolve to sell the properties again by fixing the selling price at the higher minimum selling price or not. Moreover, he would like to know the guideline of the Management Company in recruiting the new lessee and the guideline in allocating the dividend (from the debt-payment money for settling the dispute having been received by the Fund). In addition, whether it is in need to use the money for the renovation of Fund's properties and how much.

The Chairman explained that, regarding the leasing properties out, the Management Company

would demand the properties' lessee to be responsible for the renovation by itself in order to be in accordance with the business plan of the properties' lessee. Besides, the Management Company would consider paying the dividend (from the debt-payment money for settling the dispute having been received by the Fund) as much as possible. With regard to the temporary leasing the properties out during the bidding of the new lessee, the term of such temporary lease shall not exceed 12 months and the Management Company might terminate the lease agreement prior to the due term of lease. In this connection, the Management Company expected that it must take approximately 3 months for the bidding of the new lessee.

The Chairman replied the inquiry of Mr. Thara Cholpranee, a Unitholder, that, during the bidding of the new lessee, the Fund would renew the term of temporary lease of properties with the Previous Lessee not exceeding 12 months. However, the Management Company might immediately terminate the lease agreement prior to the due term of lease as soon as it leases the properties out to the new lessee.

The Chairman replied the inquiry of Mr. Somkiat Saleepatana, a Unitholder, that the Management Company would recruit the new lessee by mean of bidding and contact to the investors of real estate including the persons who were previously interested to purchase the Fund's properties to submit their offers to take lease of the Fund's properties instead. It was possible that they may be interested to do so. Moreover, it might create more opportunities for more persons who will be interested to purchase the Fund's properties in the future.

The Chairman replied the inquiry of Mr. Methae An-adirekgul, Unitholder and proxy, that, the leasing the Fund's properties out to the business operator will be the long-term lease because the new lessee will be responsible for the renovation which the rental of properties lease will be higher than the rental from temporary lease. In addition, he accepted the proposal asking the Management Company to reduce the fee for the Fund's administration expenses. Besides, he will discuss with the relevant persons regarding the request for the project which allows the Unitholders to visit the Fund's properties.

There were no other matters for consideration, then, the Chairman declared that the Meeting was adjourned at approximately 12.45 hrs.



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(Mr. Suttipan Kreemaha)

Chairman of the Meeting



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(Miss Ruttikarn Khongnakhorn)

Meeting Recorder

**SAMUI BURI PROPERTY FUND**

**STATUTORY FINANCIAL STATEMENTS**

**30 JUNE 2019**

## **Independent Auditor's Report**

To the Unitholders of Samui Buri Property Fund

### **My opinion**

In my opinion, the financial statements of Samui Buri Property Fund ("the Fund") present fairly, in all material respects, the financial position of the Fund as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### **What I have audited**

The Fund's financial statements comprise:

- the balance sheet as at 30 June 2019;
- the details of investments as at 30 June 2019;
- the statement of income for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended;
- significant financial information for the year then ended; and
- a summary of significant accounting policies and other notes.

### **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Fund in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key audit matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Key audit matter  | How my audit addressed the key audit matter   |
|---|---|
| <p><b><i>Valuation of investment in properties</i></b></p> <p>Refer to significant accounting policies no. 2.3 and notes to financial statements no. 7, the fair value of investment properties were carried at Baht 536.8 million as at 30 June 2019 with unrealised loss from investments of Baht 64.6 million.</p> <p>The investment properties comprises of the land, buildings (except sport club), public utilities, furniture and equipment for hotel business.</p> <p>Valuations were carried out by independent appraiser.</p> <p>There were significant judgements and estimates to be made in relation to the valuation of investment properties. The valuations is based on Income Approach.</p> <p>The most significant judgements and estimates affecting all the valuations of investment properties include estimated rental income, discount rate, which was determined from business type, the location of project, ability to generate income, competitive market and risk-free return rate. The appraiser applied discounted cash flow for valued asset based on yield rate of government bond plus market, operational, and liquidity risk.</p> <p>The unrealised loss was incurred from lower estimated rental income, which was unfavourably reflected from lower demand of customers and fixed costs.</p> <p>The significant estimation could result in material effect to investment in properties at fair value, which is why I have given specific audit focus and attention to this area.</p> | <p>All investment properties are appraised by an independent valuer, who hold a recognised relevant professional qualification and has recent experience in the segment of the investment properties valued.</p> <p>I assessed the competence, independence and objectivity and verified their qualifications.</p> <p>I obtained the valuation reports and agreed fair value in valuation report to accounting record. I discussed directly with external valuer and challenged on the appropriateness of the methodology and assumptions used. The property information in the valuation was tested by tracing a sample of data inputs underpinning the valuation for properties, including rental income and related cost/ expenses with lease agreement of Mercure Samui Buri Resort. I, therefore, held a discussion with the Fund's management to ensure the appropriateness, completeness and correctness of data input by the valuer.</p> <p>In addition, I challenged the unfavourable movements in the valuation and obtained the explanations and related reference of supporting evidences from independent valuer.</p> <p>From procedures mentioned above, I found that the management's significant judgements and estimates were appropriated in an acceptable range.</p> |



## **Other information**

The Fund's management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the Fund's management.

## **Responsibilities of the Fund's management for the financial statements**

The Fund's management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as the Fund's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund's management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund's management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund's management is responsible for overseeing the Fund's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund's management.
- Conclude on the appropriateness of the Fund's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Fund's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Fund's management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Fund's management, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



**Sa-nga Chokenitisawat**  
Certified Public Accountant (Thailand) No. 11251  
Bangkok  
22 August 2019

**Samui Buri Property Fund**  
**Balance Sheet**  
**As at 30 June 2019**

|   | <b>Notes</b> | <b>2019<br/>Baht</b> | <b>2018<br/>Baht</b> |
|---|--------------|----------------------|----------------------|
| <b>Assets</b>   |              |                      |                      |
| Investment in properties at fair value<br>(at cost Baht 828,000,000)  | 7            | 536,800,000          | 601,400,000          |
| Cash and cash equivalents   | 8            | 8,239,320            | 10,092,547           |
| Rental receivable from a related party                                |              | 1,100,000            | -                    |
| Other receivable from a related party                                 |              | 1,661,000            | -                    |
| Prepaid expenses  |              | 148,298              | 158,891              |
| Other assets  |              | 22,542               | 35,906               |
| <b>Total assets</b>   |              | <b>547,971,160</b>   | <b>611,687,344</b>   |
| <b>Liabilities</b>  |              |                      |                      |
| Accrued expenses  | 11           | 15,964,671           | 3,484,745            |
| Other payable from related party                                      |              | 1,107,028            | -                    |
| Other liabilities   |              | 6,605                | 5,846                |
| <b>Total liabilities</b>  |              | <b>17,078,304</b>    | <b>3,490,591</b>     |
| <b>Net assets</b>   |              | <b>530,892,856</b>   | <b>608,196,753</b>   |
| <b>Net assets:</b>  |              |                      |                      |
| Capital received from unitholders<br>(82,800,000 units, Baht 10 each) | 9            | 828,000,000          | 828,000,000          |
| Deficits  | 9            | (297,107,144)        | (219,803,247)        |
| <b>Net assets</b>   |              | <b>530,892,856</b>   | <b>608,196,753</b>   |
| Net assets value per unit (Baht)                                      |              | 6.4117               | 7.3453               |
| Number of units issued at the end of the year (units)                 |              | 82,800,000           | 82,800,000           |

The notes to financial statements from pages 11 to 23 are an integral part of these financial statements.

**Samui Buri Property Fund**  
**Details of Investments**  
**As at 30 June 2019**

| Type of investment   | Cost               |                    | Fair value         |                    | Percentage of investment |            |
|--|--------------------|--------------------|--------------------|--------------------|--------------------------|------------|
|  | 2019               | 2018               | 2019               | 2018               | 2019                     | 2018       |
|  | Baht               | Baht               | Baht               | Baht               | %                        | %          |
| <b>Investment in properties (Note 7)</b>   |                    |                    |                    |                    |                          |            |
| Land and Buildings   |                    |                    |                    |                    |                          |            |
| 1) 5 plots of land, total area of 13-0-27 rai,   |                    |                    |                    |                    |                          |            |
| 2) buildings, total area approximately of 15,772.86 sqm. and facilities, swimming pool, dining room, and parking area for hotel business | 828,000,000        | 828,000,000        | 536,800,000        | 601,400,000        | 100                      | 100        |
| <b>Total investment in properties</b>  | <b>828,000,000</b> | <b>828,000,000</b> | <b>536,800,000</b> | <b>601,400,000</b> | <b>100</b>               | <b>100</b> |

The notes to financial statements from pages 11 to 23 are an integral part of these financial statements.

**Samui Buri Property Fund**  
**Statement of Income**  
**For the year ended 30 June 2019**

|   | <b>Notes</b> | <b>2019<br/>Baht</b>       | <b>2018<br/>Baht</b>       |
|---|--------------|----------------------------|----------------------------|
| <b>Investment income</b>                            |              |                            |                            |
| Rental income                                       |              | 7,200,000                  | 7,093,458                  |
| Interest income                                     |              | <u>4,286</u>               | <u>8,736</u>               |
| <b>Total income</b>                                 |              | <u><u>7,204,286</u></u>    | <u><u>7,102,194</u></u>    |
| <b>Expenses</b>                                     |              |                            |                            |
| Management fee                                      | 10, 11       | 3,696,567                  | 4,102,155                  |
| Trustee fee   | 10           | 740,942                    | 820,431                    |
| Registrar fee                                       | 10, 11       | 616,095                    | 683,692                    |
| Professional fee                                    |              | 1,777,913                  | 432,000                    |
| Other expenses                                      |              | <u>13,076,666</u>          | <u>36,788,254</u>          |
| <b>Total expenses</b>                               |              | <u><u>19,908,183</u></u>   | <u><u>42,826,532</u></u>   |
| <b>Net investment (expenses)</b>                    |              | <u><u>(12,703,897)</u></u> | <u><u>(35,724,338)</u></u> |
| <b>Net (loss) from investment</b>                   |              |                            |                            |
| Net unrealised (loss) from investment               | 7            | <u>(64,600,000)</u>        | <u>(45,200,000)</u>        |
| <b>Total net unrealised (loss) from investment</b>  |              | <u><u>(64,600,000)</u></u> | <u><u>(45,200,000)</u></u> |
| <b>Net (decrease) in net assets from operations</b> |              | <u><u>(77,303,897)</u></u> | <u><u>(80,924,338)</u></u> |

The notes to financial statements from pages 11 to 23 are an integral part of these financial statements.

**Samui Buri Property Fund**  
**Statement of Changes in Net Assets**  
**For the year ended 30 June 2019**

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|   | <b>Note</b> | <b>2019<br/>Baht</b>      | <b>2018<br/>Baht</b>      |
|---|-------------|---------------------------|---------------------------|
| <b>(Decrease) in net assets from operations during the year</b> |             |                           |                           |
| Net investment (expenses)                                       |             | (12,703,897)              | (35,724,338)              |
| Net unrealised (loss) from investment                           | 7           | <u>(64,600,000)</u>       | <u>(45,200,000)</u>       |
| <b>Net (decrease) in net assets from operations</b>             |             | <u>(77,303,897)</u>       | <u>(80,924,338)</u>       |
| <b>(Decrease) in net assets during the year</b>                 |             | (77,303,897)              | (80,924,338)              |
| Net assets at the beginning of the year                         |             | <u>608,196,753</u>        | <u>689,121,091</u>        |
| <b>Net assets at the end of the year</b>                        |             | <u><u>530,892,856</u></u> | <u><u>608,196,753</u></u> |

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The notes to financial statements from pages 11 to 23 are an integral part of these financial statements.

**Samui Buri Property Fund**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

|  | <b>Note</b> | <b>2019<br/>Baht</b> | <b>2018<br/>Baht</b> |
|--|-------------|----------------------|----------------------|
| <b>Cash flows from operating activities</b>  |             |                      |                      |
| Net (decrease) in net assets from operations   |             | (77,303,897)         | (80,924,338)         |
| Adjustments to reconcile net increase (decrease)<br>in net assets from operations to net cash<br>provided by operating activities: |             |                      |                      |
| Interest income  |             | (4,286)              | (8,736)              |
| Net unrealised loss from investment  | 7           | 64,600,000           | 45,200,000           |
| (Increase) in rental receivable from a related party   |             | (1,100,000)          | -                    |
| (Increase) in other receivable from a related party  |             | (1,661,000)          | -                    |
| Decrease in prepaid expenses   |             | 10,593               | 60,536               |
| Decrease in other assets   |             | 12,769               | 14,652               |
| Increase (decrease) in accrued expenses  |             | 12,479,926           | (999,612)            |
| Increase (decrease) in other payable from related party  |             | 1,107,028            | (7,622,608)          |
| Increase (decrease) in other liabilities   |             | 759                  | (579,901)            |
| Cash (used in) operating activities  |             | (1,858,108)          | (44,860,007)         |
| Cash received from interest income   |             | 4,881                | 9,001                |
| <b>Net cash (used in) operating activities</b>   |             | <b>(1,853,227)</b>   | <b>(44,851,006)</b>  |
| <b>Net (decrease) in cash and cash equivalents</b>   |             | <b>(1,853,227)</b>   | <b>(44,851,006)</b>  |
| Cash and cash equivalents at the beginning of the year   |             | 10,092,547           | 54,943,553           |
| <b>Cash and cash equivalents at the end of the year</b>  |             | <b>8,239,320</b>     | <b>10,092,547</b>    |

The notes to financial statements from pages 11 to 23 are an integral part of these financial statements.

**Samui Buri Property Fund**

**Significant Financial Information and Ratios**

**For the year ended 30 June 2019**

|  | <b>2019</b>      | <b>2018</b>      | <b>2017</b>    | <b>2016</b>      | <b>2015</b>     | <b>2014</b>    |
|--|------------------|------------------|----------------|------------------|-----------------|----------------|
|  | <b>Baht</b>      | <b>Baht</b>      | <b>Baht</b>    | <b>Baht</b>      | <b>Baht</b>     | <b>Baht</b>    |
| <b>Operating performance (per unit)</b>  |                  |                  |                |                  |                 |                |
| Net assets value at the beginning of the years   | 7.3453           | 8.3227           | 7.2504         | 9.9193           | 10.2682         | 10.5003        |
| Income (expenses) from investment activities:  |                  |                  |                |                  |                 |                |
| <u>Add</u> Net investment income (expenses)  | (0.1534)         | (0.4315)         | 0.7003         | (0.1705)         | (0.1888)        | 0.4884         |
| Realised and unrealised gain (loss) from investment  | (0.7802)         | (0.5459)         | 0.3720         | (2.4984)         | (0.0801)        | (0.0205)       |
| Total income (expenses) from investment activities   | (0.9336)         | (0.9774)         | 1.0723         | (2.6689)         | (0.2689)        | 0.4679         |
| <u>Less</u> Dividend paid  | -                | -                | -              | -                | (0.0800)        | (0.7000)       |
| <b>Net assets value at the end of the years</b>  | <b>6.4117</b>    | <b>7.3453</b>    | <b>8.3227</b>  | <b>7.2504</b>    | <b>9.9193</b>   | <b>10.2682</b> |
| <b>Ratio of net (loss) profit to average net assets value during the years (%)</b>   | <b>(13.0877)</b> | <b>(12.5082)</b> | <b>14.4116</b> | <b>(27.6721)</b> | <b>(2.5730)</b> | <b>4.4670</b>  |
| <b>Significant financial ratios and additional information</b>   |                  |                  |                |                  |                 |                |
| Net assets value at the end of the years (Baht)  | 530,892,856      | 608,196,753      | 689,121,091    | 600,334,485      | 821,318,438     | 850,206,955    |
| Ratio of total expenses to average net assets value during the years (%)   | 3.3705           | 6.6196           | (8.9421)       | 1.7674           | 7.9341          | 3.0115         |
| Ratio of investment income to average net assets value during the years (%)  | 1.2197           | 1.0978           | 0.4701         | -                | 6.1273          | 7.6745         |
| Ratio of weighted average investment purchases and sales during the years to average net assets value during the years (%) | -                | -                | -              | -                | -               | -              |
| Weighted average net assets value during the years (Baht)  | 590,658,601      | 646,968,367      | 616,075,821    | 798,578,989      | 865,310,598     | 867,235,057    |

The notes to financial statements from pages 11 to 23 are an integral part of these financial statements.



## **1 General information**

Samui Buri Property Fund (“the Fund”) was registered on 22 July 2010 with indefinite expiration date. The purpose of the Fund is to raise funds from the investors to invest in properties which consist of land, building (except sport club), public utilities, furniture and equipment for hotel business.

As at 30 June 2019, the major unitholder is Government Savings Bank, holding 41.54% of total authorised units.

On 26 November 2013, the Fund registered with Securities and Exchange Commission to change its name from “Mercure Samui Property Fund” to Samui Buri Property Fund”.

Principal Asset Management Company Limited is the Fund’s Management Company (“the Management Company”). Citibank N.A. has been appointed as the Fund’s Trustee.

On 22 April 2019, the Management Company had informed the Securities and Exchange Commission to change its name from “CIMB Principal Asset Management Company Limited” to “Principal Asset Management Company Limited”.

These financial statements were authorised for issue by authorised manager of the Management Company on 22 August 2019.

### **Financial position**

As at 30 June 2019, the Fund has a deficits of Baht 297.11 million and experienced a net decrease in net assets from operations for the year ended 30 June 2019 of Baht 77.30 million. However, Principal Asset Management Company Limited, the Fund’s Management Company, has been paying in advance for the Fund’s operating expenses. This is to support the Fund to continue it’s operating. The advance prepayments will be repaid back to the Management Company upon availability of liquidity in the Fund. At the present, the fund is fully repaid from the ex-lessee. Accordingly, these financial statements have been prepared on a going concern basis.

## **2 Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. In addition, the financial statements have been prepared under the basis and format as required by the Thai Accounting Standard No. 106 “Accounting for Investment Companies”. The primary financial statements (i.e. balance sheet, the details of investments, statement of income, statement of changes in net assets, statement of cash flows and significant financial information and Ratios) are prepared in the full format as required by the Securities and Exchange Commission.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

## **2 Accounting policies (Cont'd)**

### **2.1 Basis of preparation (Cont'd)**

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

An English language version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### **2.2 Revised accounting standards, revised financial reporting standards, and related interpretations**

2.2.1 Revised accounting standard are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Fund.

TAS 7 (revised 2017)

Statement of Cash Flows

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

The authorised management of the Management Company has assessed and considered that the above revised standards do not have a significant impact on the Fund except for disclosure.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 Thailand Federation of Accounting Professions has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Fund has not early adopted this standard.

This standard will supersede the following standard:

TAS 18 (revised 2017)

Revenue

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the company satisfies a performance obligation

## 2 Accounting policies (Cont'd)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

#### 2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 Thailand Federation of Accounting Professions has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Fund has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements.
- As with any new standard, there are also increased disclosures.

The authorised management of the Management Company has assessed and considered that the above new standard does not have a significant impact on the Fund.

2.2.2.2 Revised accounting standard will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Fund. The Fund has not yet adopt these standards.

#### TAS 40 (revised 2018) Investment Property

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The authorised management of the Management Company has assessed and considered that the above new standard does not have a significant impact on the Fund.

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

|        |                                     |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
| TFRS 7 | Financial Instruments: Disclosures  |
| TFRS 9 | Financial Instruments               |

## 2 Accounting policies (Cont'd)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

The above new standards will supersede the following standards:

|         |  |
|---------|--|
| TAS 101 | Bad and Doubtful Debts                                   |
| TAS 105 | Accounting for Investment in Debts and Equity securities |
| TAS 106 | Accounting for Investment Companies                      |
| TAS 107 | Financial Instruments: Disclosure and Presentation       |

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for a Fund's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the Fund is exposed during the period and at the end of the reporting period, and how the company manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the Fund's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
  - Equity instrument financial assets shall be measured at fair value through profit or loss. The Fund can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
  - Financial liabilities are classified and measured at amortised cost. The Fund can choose to measure a liability at fair value through profit or loss when the conditions are met.
  - Derivatives are classified and measured at fair value through profit or loss.

## 2 Accounting policies (Cont'd)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The Fund always accounts for expected credit losses which involves a three stage approach. The stage dictates how the Fund measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an Fund's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an Fund has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

The authorised management of the Management Company is currently assessing the impact of initial adoption of these standards.

### 2.3 Investment in properties

Investment in properties is stated at fair value. The Management Company measured its fair value as at first balance sheet date at the acquisition cost of the properties. At the subsequent balance sheet dates, it is presented at fair value which is based on appraisal value by independent valuers approved by the Securities and Exchange Commission. The Management Company will conduct appraisal of properties every two years from the date of the appraisal for purchase or lease of the properties and will conduct a review of appraisal every year after the date of the latest appraisal. The Management Company will not appoint any appraiser to appraise the properties or leased properties for more than 2 consecutive times.

Unrealised gain or loss from changing in fair value of investment in properties will be recognised in the statement of income in that period.

## **2 Accounting policies (Cont'd)**

### **2.4 Cash and cash equivalents**

Cash and cash equivalents include savings account deposits with banks and other short-term highly liquid investment with maturity of three months or less from the date of acquisition.

### **2.5 Rental receivable**

Rental receivable is carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the rental receivable and the amount expected to be collectible. Bad debt are written-off during the year in which they are identified and recognised in statement of income as the Fund's expenses.

### **2.6 Revenues and expenses recognition**

Rental income under operating leases is recognised in the statement of income on the straight-line basis over the lease term.

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

Expenses are recognised on an accrual basis.

### **2.7 Income taxes**

The Fund is exempted from Thailand corporate income tax. No provision for corporate income tax has been made in the accompanying financial statements.

## **3 Fair value measurement**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial assets that are measured and recognised at fair value.

|                          | <b>30 June<br/>2019<br/>Level 3<br/>Baht</b> | <b>30 June<br/>2018<br/>Level 3<br/>Baht</b> |
|--------------------------|--|--|
| Investment in properties | 536,800,000                                  | 601,400,000                                  |
| Total                    | <u>536,800,000</u>                           | <u>601,400,000</u>                           |

**3 Fair value measurement (Cont'd)**

The Fund uses discounted cash flow analysis to determine fair value for the remaining financial instruments.

During the year, there was no transfers within the fair value hierarchy.

**4 Dividend payment policy**

Regulations, policy and criteria for paying dividends to unitholders are as follows:

- 1) If the Fund has net profit in each year, the Fund shall pay dividend to unitholders at the rate of no less than 90 percent of the adjusted net profit for the year ended. The adjusted net profit means the net profit that deducts unrealised gain from appraisal or reviewed appraisal of real estate or leasehold rights to real estate including other adjustments to align with cash status of the Fund according to the guideline of Securities and Exchange Commission.
- 2) If the Fund has accumulated profits, the Fund may pay dividend to unitholders out of the accumulated profits provided that dividend payment under (1) must not cause increase in its deficit in the period which dividend is paid.

In considering the payment of dividends, if the value of interim dividend per unit to be paid is lower than or equal to Baht 0.10, the Fund reserves the right not to pay dividend at that time and to bring such dividend forward for payment together with the year end dividend payment.

**5 Critical accounting estimates, assumptions and judgments**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**a) Fair value of investment in properties**

The fair value of investment in properties that are not traded in an active market is determined by using discounted expected future cash flows received from investment in properties by the appropriate discount rate which reflect related risks. The Fund engages independence appraiser to assess the fair value of properties.

**b) Allowance for doubtful accounts**

The Management Company considers an allowance for doubtful accounts to reflect impairment of account receivable relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Management Company's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default and consideration of market trends.



## **6 Capital risk management**

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Fund may adjust the amount of dividends paid to unitholders, return capital to unitholders, issue new shares or sell assets to reduce debt.

## **7 Investment in properties at fair value**

Investment in properties at fair value as at 30 June 2019 and 2018 comprise the following:

|  | <b>2019<br/>Baht</b> | <b>2018<br/>Baht</b> |
|--|----------------------|----------------------|
| Investment in properties at the beginning of the year                    | 601,400,000          | 646,600,000          |
| Net unrealised (loss) from the revaluation of investment during the year | <u>(64,600,000)</u>  | <u>(45,200,000)</u>  |
| Investment in properties at the end of the year                          | <u>536,800,000</u>   | <u>601,400,000</u>   |

On 28 July 2010, the Fund invested in properties, the Mercure Samui Buri Resort sized of 88 rooms, consisted of 1) 5 plots of land, total area is approximately 13-0-27 rai, 2) buildings, total area is approximately 15,772.86 sqm. close to the river with beach width of 6.5 metre and facilities swimming pool, dining room and parking area, totally amount of Baht 828 million. The land and building are located at 26/24, Soi Wat Nha Pra Lan, Tambon Mae Nam, Amphur Koh Samui, Surat Thani.

For the year ended 30 June 2019, the Fund hired an independent appraiser, Real Estate Appraisal Co., Ltd., to appraise its investment in properties by using the Income Approach derived from cumulative of present value of net income based on the period of 6 years and its present value of such assets at the end of year 6th report dated 13 May 2019. The valuation technique used significant unobservable inputs such that the Fund classified the fair value measurement as Level 3 of fair value hierarchy according to TFRS13 Fair value measurement.

As at 30 June 2019, the Fund adjusted investment in properties to fair value of Baht 536.8 million and recognised net unrealised loss from investment in the statement of income for the year at Baht 64.6 million.

**7 Investment in properties at fair value (Cont'd)**

As at 30 June 2019, the Fund has on operating lease agreement for a term of 3 years with Samui Buri Resort Co., Ltd. (Beginning on 1 August 2018 and ending on 31 July 2021) which involved in Commercial Real Estate that consists of land, building (excluding sport club), infrastructure, furniture and equipment for hotel operation. Future minimum rental income to be generated under this operating lease is as follows.

|                              | <u><b>In Million Baht</b></u> |
|------------------------------|-------------------------------|
| Due within 1 year            | 7.20                          |
| Due within 2 years - 3 years | 7.80                          |

**Valuation processes**

The Management Company arranges the valuation of investment in properties by independent professionally qualified valuer ("independent valuer") who hold a recognised relevant professional qualification and has recent experience in the segment of the investment properties valued. The independent valuer reports directly to the Management Company. For financial reporting purpose, the Management Company reviews the valuation performed by the independent valuer. Review of valuation process and result is held between the Management Company and the Trustee which will evaluate in each accounting period, in line with the Fund's reporting dates.

The main information that the appraiser used for fair value assessment Level 3 such as discount rate was determined from business type, the location of project, generated income, competitive market and risk-free return rate. The appraiser applied 12% of discounted cash flow for valued asset based on yield rate of government bond plus market risk, operational risk, and liquidity risk.

Changes in fair value are analysed at each reporting date by the Management Company and the Trustee. As part of this review, the Management Company presents valuation assumption of the independent valuer to explain the reasons for changes in fair value.

There were no changes to the valuation techniques during the year.

**Sensitivity analysis for each significant assumptions**

|   | <u><b>Impact on<br/>fair value<br/>increase/<br/>(decrease)<br/>2019<br/>Million Baht</b></u> |
|---|---|
| <b>Discount rate</b>                          |   |
| Discount rate, decrease of 0.50 percent       | 11.50   |
| Discount rate, increase of 0.50 percent       | (11.20)   |
| <b>Capitalisation rate</b>                    |   |
| Capitalisation rate, decrease of 0.50 percent | 24.60   |
| Capitalisation rate, increase of 0.50 percent | (22.00)   |
| <b>Rental growth rate</b>                     |   |
| Rental growth rate, decrease of 0.50 percent  | (13.70)   |
| Rental growth rate, increase of 0.50 percent  | 13.90   |

## **8 Cash and cash equivalents**

As at 30 June 2019 and 2018, the Fund has the details of cash and cash equivalents as follows:

|  | <b>Principal</b>     |                      | <b>Interest rate per annum</b> |                   |
|--|----------------------|----------------------|--------------------------------|-------------------|
|  | <b>2019<br/>Baht</b> | <b>2018<br/>Baht</b> | <b>2019<br/>%</b>              | <b>2018<br/>%</b> |
| Deposits in bank saving account<br>- Citibank N.A. | 8,239,320            | 10,092,547           | 0.05                           | 0.05              |
| <b>Total cash and cash equivalents</b>             | <b>8,239,320</b>     | <b>10,092,547</b>    |                                |                   |

## **9 Unitholders' equity**

As of 30 June 2019 and 2018, there are 82,800,000 units of Baht 10 par value registered, issued and paid-up.

Movements in capital account are as follows:

|   | <b>2019</b>                |                    | <b>2018</b>                |                    |
|---|----------------------------|--------------------|----------------------------|--------------------|
|   | <b>Number of<br/>units</b> | <b>Baht</b>        | <b>Number of<br/>units</b> | <b>Baht</b>        |
| Units registered, issued and<br>paid-up | 82,800,000                 | 828,000,000        | 82,800,000                 | 828,000,000        |
| Beginning balance                       | 82,800,000                 | 828,000,000        | 82,800,000                 | 828,000,000        |
| Issue of units                          | -                          | -                  | -                          | -                  |
| <b>Ending balance</b>                   | <b>82,800,000</b>          | <b>828,000,000</b> | <b>82,800,000</b>          | <b>828,000,000</b> |

Movements in deficits are as follows:

|   | <b>2019<br/>Baht</b> | <b>2018<br/>Baht</b> |
|---|----------------------|----------------------|
| Beginning balance   | (219,803,247)        | (138,878,909)        |
| <u>Add</u> Net (decrease) in net assets from operations<br>during the years | (77,303,897)         | (80,924,338)         |
| <b>Ending balance</b>   | <b>(297,107,144)</b> | <b>(219,803,247)</b> |

## **10 Fees**

The management fee, trustee fee, and registrar fee are calculated as follows:

### **Management fee**

The Management Company is entitled to receive a monthly management fee from the Fund at a rate not exceeding 1.00% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net assets value of the Fund as calculated by the Management Company and verified by the Trustee.

## **10 Fees (Cont'd)**

### **Trustee fee**

The Trustee is entitled to receive a monthly remuneration at a rate not exceeding 0.50% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net assets value of the Fund as calculated by the Management Company and verified by the Trustee. The foregoing does not include other expenses as actually incurred such as the expenses for the inspection of assets of the Fund.

### **Registrar fee**

The registrar fee shall be at a rate not exceeding 0.10% per annum (exclusive of value added tax, specific business tax or any other similar tax) of the net assets value of the Fund as calculated by the Management Company and verified by the Trustee.

## **11 Related party transactions**

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Fund, including holding entities, subsidiaries and fellow subsidiaries are related parties of the Fund. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Fund that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Fund and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Types of relationship of related company are as follows:

| <b>Name of company</b>               | <b>Type of relationship</b>                 |
|--------------------------------------|---|
| Principal Asset Management Co., Ltd. | The Fund's Management Company and Registrar |

The following significant transactions were carried out with related party:

Significant income and expenses for the years then ended 30 June 2019 and 2018 were as follows:

|   | <b>2019<br/>Baht</b> | <b>2018<br/>Baht</b> |
|---|----------------------|----------------------|
| <u>Principal Asset Management Co., Ltd.</u> |                      |                      |
| Management fee                              | 3,696,567            | 4,102,155            |
| Registrar fee                               | 616,095              | 683,692              |

Balances as at 30 June 2019 and 2018 with related party were as follows:

|   | <b>2019<br/>Baht</b> | <b>2018<br/>Baht</b> |
|---|----------------------|----------------------|
| <u>Principal Asset Management Co., Ltd.</u> |                      |                      |
| Accrued management fee                      | 280,333              | 653,733              |
| Accrued registrar fee                       | 46,722               | 108,955              |

## **12 Financial risk management**

### **12.1 Financial risk factors**

As at 30 June 2019, the principal financial risks faced by the Fund are interest rate risk, credit risk, and liquidity risk.

#### **Interest rate risk**

Interest rate risk is the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments. The financial asset that potentially subjects the Fund to the interest rate risk is deposit with banks.

#### **Credit risk**

Credit risk is the risk that counterparties might not discharge their obligation causing the Fund to incur a financial loss. Credit risk arises from risk in the collectability of lease rental from counterparties. The Fund may have a concentration of credit risk with respect to an account receivable as it has only one customer. The carrying amount of financial assets as recorded in balance sheet represents the Fund's maximum exposure to credit risk.

#### **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of funding from the unitholders which is sufficient for the activities of the Fund.

### **12.2 Fair value estimation**

The carrying amounts of the Fund's financial assets and liabilities as at 30 June 2019 as presented in the financial statements approximate their fair value since they are predominantly subject to market interest rate and will be due in a short period.

## **13 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as that makes strategic decisions.

The Fund operates in business which is the investment in properties and the business is only operated in Thailand. Income and expenses from this segment are the same amount with the statement of income. Therefore, the presentation of segment information is not necessary.

## **14 Commitments**

The Fund is committed to pay a management fee, trustee fee, and registrar fee under the terms and conditions specified in the agreements or memorandum.

## **15 Lawsuit**

### Property tax

On 24 April 2017, the Fund received the notice from the Koh Samui City Municipality to pay additional property tax from 2013 to 2017, thereafter the Fund appealed to the Koh Samui City Municipality for the property tax re-assessment on 8 May 2017 and also informed this matter to unitholders in the Unitholders' Meeting no. 1/2017.

On 10 August 2017, the Fund received the final consideration from the Koh Samui City Municipality to pay the additional taxes in the total amount of Baht 31,457,935. Therefore, the Fund had paid such taxes to the Koh Samui City Municipality on 31 August 2017 and recognised to statement of income for the year ended 30 June 2018.

On 18 August 2017, the Fund had appointed Siam City Law Offices Limited to launch the civil lawsuit against the Koh Samui City Municipality with the Central Tax Court as a Black Case No. Por 182/2017 on 8 September 2017 for claiming of the revocation of the property tax re-assessment including refund the taxes' payment from the Koh Samui Citi Municipality.

On 22 July 2019, the Central Tax Court dismissed the case that the Fund claimed the revocation of the property tax re-assessment including refund the taxes' payment from the Koh Samui Citi Municipality as a Black Case No. Por. 182/2017 and a Red Case No. Por. 77/2018. As at the audit report date, authorised manager of the Management Company is preparing to appeal this case to the Supreme Tax Court.

**How to register and authorize proxy for Unitholders' Meeting of  
Samui Buri Property Fund  
Friday October 25, 2019 at 9.30 AM at Surasak 1 Room, 11<sup>th</sup> Floor  
Eastin Grand Hotel Sathorn Bangkok  
33/1 Sathorn Tai Road, Yannava Subdistrict, Sathorn District, Bangkok 10120**

---

1. Registration

- Unitholders or proxy can register and submit documents or evidences to be verified at the meeting from 8.00 AM of Friday October 25, 2019 onwards.

2. Attending the meeting in person

As an individual

- Show the Unitholder's valid national or governmental ID card or ID cards issued by the government or passport.

As a juristic entity

- The juristic entity Unitholder must authorize the proxy to attend the meeting and vote in accordance with the Proxy form as attached.

3. Authorization of proxy

- The Unitholder must authorize only one proxy to attend the meeting and vote in accordance with the Proxy form as attached.
- For convenience, please submit the Proxy form and documents or evidences to the Company at least 1 day before the meeting. Make sure to fill in all required information and affix appropriate signatures. Should there be any corrections of important information, the Unitholder must sign their name at every correction. The proxy must be affixed with the 20 baht duty stamp. The Company has already arranged for a return envelope for the Unitholder

Required documents for proxy authorization

(1) If the grantor is an individual, the grantor shall submit the following documents:

- The Proxy form signed by the grantor
- Copy of the grantor's valid national or governmental ID card or ID cards issued by the government or passport (if the grantor is a foreigner) affixed with signature to certify the true copy by the grantor
- Copy of the proxy's valid national or governmental ID card or ID cards issued by the government or passport (if the proxy is a foreigner) affixed with signatures to certify the true copy by the proxy
- The proxy must show valid national or governmental ID card or ID cards issued by the government or passport (if the proxy is a foreigner) to register



(2) If the grantor is a juristic entity, the grantor shall submit the following documents:

- The Proxy form signed by the authorized representative(s) who act on behalf of the juristic entity according to the juristic entity certificate along with the seal (if applicable)
- Copy of the authority's valid national or governmental ID card or ID cards issued by the government or passport (if the authorized representative(s) of a juristic person is a foreigner) affixed with signatures to certify the true copy by the authorized representative(s).
- In the case where the grantor is a juristic entity registered in Thailand, a copy of the juristic entity certificate issued within 3 months by the Department of Business Development, Ministry of Commerce, and affixed with signatures of the authorized representative(s) to certify the true copy together with the seal of a juristic entity be affixed (if any).
- In the case where the grantor is a foreign juristic entity, a copy of the juristic entity certificate specifying the authority of its representative(s), issued by a governmental unit of the country where a juristic entity is located, issued within 3 months and affixed with signatures of the authorized representative(s) to certify the true copy
- In the case of foreign juristic entity, non-English documents must have an English translation attached when submitted and the authorized representative(s) who act on behalf of the juristic entity must sign and certify the correctness of the translation
- Copy of the proxy's valid national or governmental ID card or ID cards issued by the government or copy passport (if the proxy is a foreigner) affixed with signatures to certify the true copy by the proxy
- The proxy must show valid national or governmental ID card or ID cards issued by the government or passport (if the proxy is a foreigner) to register



หนังสือมอบฉันทะ  
PROXY

เขียนที่ \_\_\_\_\_  
Written at \_\_\_\_\_  
วันที่ \_\_\_\_\_ เดือน \_\_\_\_\_ พ.ศ. \_\_\_\_\_  
Date \_\_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_

① ข้าพเจ้า \_\_\_\_\_ สัญชาติ \_\_\_\_\_ อยู่บ้านเลขที่ \_\_\_\_\_ ถนน \_\_\_\_\_  
I/We \_\_\_\_\_ Nationality \_\_\_\_\_ Residing at \_\_\_\_\_ Street  
ตำบล/แขวง \_\_\_\_\_ อำเภอ/เขต \_\_\_\_\_ จังหวัด \_\_\_\_\_ รหัสไปรษณีย์ \_\_\_\_\_  
Tambol/Khwaeng \_\_\_\_\_ Amphur/Khet \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_

② เป็นผู้ถือหน่วยลงทุนของ กองทุนรวมอสังหาริมทรัพย์ สมุยบุรี (SBPF) โดยถือหน่วยลงทุนจำนวนทั้งสิ้นรวม \_\_\_\_\_ หน่วย  
being a Unit Holder of Samui Buri Property Fund (SBPF) holding a total amount of \_\_\_\_\_ units,  
และออกเสียงลงคะแนนได้เท่ากับ \_\_\_\_\_ เสียง  
and being entitled to the voting rights in total of \_\_\_\_\_ vote(s).

③ ขอมอบฉันทะให้ \_\_\_\_\_ อายุ \_\_\_\_\_ ปี อยู่บ้านเลขที่ \_\_\_\_\_ ถนน \_\_\_\_\_  
Hereby appoint \_\_\_\_\_ age \_\_\_\_\_ years , residing at \_\_\_\_\_ Street  
ตำบล/แขวง \_\_\_\_\_ อำเภอ/เขต \_\_\_\_\_ จังหวัด \_\_\_\_\_ รหัสไปรษณีย์ \_\_\_\_\_  
Tambol/Khwaeng \_\_\_\_\_ Amphur/Khet \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_

☐ หรือผู้จัดการกองทุน  
Or the fund manager

นายสุทธิพันธ์ กรีมหา \_\_\_\_\_ อายุ \_\_\_\_\_ 55 ปี อยู่บ้านเลขที่ \_\_\_\_\_ 99/399 ถนน \_\_\_\_\_  
Mr. Suttipan Kreemaha \_\_\_\_\_ age \_\_\_\_\_ years , residing at \_\_\_\_\_ Street  
ตำบล/แขวง \_\_\_\_\_ นาเกลือ \_\_\_\_\_ อำเภอ/เขต \_\_\_\_\_ พระสมุทรเจดีย์ \_\_\_\_\_ จังหวัด \_\_\_\_\_ สมุทรปราการ \_\_\_\_\_ รหัสไปรษณีย์ \_\_\_\_\_ 10290  
Tambol/Khwaeng \_\_\_\_\_ Amphur/Khet \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_

เป็นผู้แทนของข้าพเจ้าเพื่อเข้าประชุมสามัญผู้ถือหน่วยลงทุนกองทุนรวมอสังหาริมทรัพย์ สมุยบุรี ประจำปี 2562 ในวันที่ 25 ตุลาคม 2562 เวลา 09.30 น.  
ณ ห้องประชุมสุรศักดิ์ 1 ชั้น 11 โรงแรมอีสติน แกรนด์ สาทร กรุงเทพฯ เลขที่ 33/1 ถนนสาทรใต้ แขวงยานนาวา เขตสาทร กรุงเทพฯ 10120  
หรือที่จะพึงเลื่อนไปในวัน เวลา และสถานที่อื่นด้วย  
to be my/our Proxy to attend and vote on my/our behalf at the Annual General Meeting of Unitholders for the year 2019 on 25 October 2019  
at 09.30 at Surasak 1 Conference Room, Floor 11, Eastin Grand Hotel Sathorn Bangkok at 33/1 South Sathorn Rd., Yannawa, Sathorn,  
Bangkok 10120, or any adjourment at any date, time and place thereof.

④ ข้าพเจ้าขอมอบฉันทะให้ผู้รับมอบฉันทะออกเสียงลงคะแนนแทนข้าพเจ้าในการประชุมครั้งนี้ ดังนี้  
I/We hereby authorize the Proxy to vote on my/our behalf at the meeting as follows:

- (1) วาระที่ 1 : เรื่องที่ประธานแจ้งให้ที่ประชุมทราบ (เพื่อทราบ)  
Agenda 1 : Chairman’s matters for acknowledgement (For Acknowledgement)

(2) วาระที่ 2 : รับรองรายงานการประชุมผู้ถือหุ้นหน่วยลงทุนของกองทุนรวม ครั้งที่ 1/2560 (เพื่อพิจารณา)

**Agenda 2 : To approve the minutes of the Unitholders' Meeting No. 1/2560 (For Consideration)**

- ☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นควร
- (a) To grant my/our Proxy to consider and vote on my/our behalf as he/ she deems appropriate in all respects.
- ☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้าดังนี้
- (b) To grant my/our Proxy to vote at my/our desire as follows:
- |                                 |                                    |                                     |
|---------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> รับรอง | <input type="checkbox"/> ไม่รับรอง | <input type="checkbox"/> งดออกเสียง |
| Approve                         | Disapprove                         | Abstain                             |

(3) วาระที่ 3 : รับทราบรายงานการดำเนินการของกองทุนรวมและแนวทางการจัดการกองทุนรวมในอนาคต (เพื่อทราบ)

**Agenda 3 : To acknowledge the report of the Fund's operation and course of action for future management of the Fund (For Acknowledgement)**

(4) วาระที่ 4: รับทราบฐานะการเงิน ผลการดำเนินงานของกองทุนรวม และงบการเงินสำหรับปีบัญชีสิ้นสุด ณ วันที่ 30 มิถุนายน 2562 ที่ผ่านการตรวจสอบและแสดงความเห็นจากผู้สอบบัญชีแล้ว (เพื่อทราบ)

**Agenda 4 : To acknowledge the financial status, operating result and financial statement for fiscal year ending on 30 June 2019 which has been audited and given opinion by the auditor (For Acknowledgement)**

(5) วาระที่ 5: พิจารณารับทราบการแต่งตั้งผู้สอบบัญชีของกองทุนรวมและค่าใช้จ่ายในการสอบบัญชี สำหรับปีบัญชีสิ้นสุด ณ วันที่ 30 มิถุนายน 2563 (เพื่อทราบ)

**Agenda 5 : To acknowledge the appointment of the Fund's auditor and auditing expense for fiscal year ending on 30 June 2020 (For Acknowledgement)**

(6) วาระที่ 6 : เรื่องอื่น ๆ (ถ้ามี)

**Agenda 6 : To consider other business (if any).**

- ☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นควร
- (a) To grant my/our Proxy to consider and vote on my/our behalf as he/ she deems appropriate in all respects.
- ☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้าดังนี้
- (b) To grant my/our Proxy to vote at my/our desire as follows:
- |                                   |                                      |                                     |
|-----------------------------------|--------------------------------------|-------------------------------------|
| <input type="checkbox"/> เห็นด้วย | <input type="checkbox"/> ไม่เห็นด้วย | <input type="checkbox"/> งดออกเสียง |
| Approve                           | Disapprove                           | Abstain                             |

5 การลงคะแนนเสียงของผู้รับมอบฉันทะในวาระใดที่ไม่เป็นไปตามที่ระบุไว้ในหนังสือมอบฉันทะนี้ให้ถือว่าการลงคะแนนเสียงนั้นไม่ถูกต้องและไม่ถือเป็นการลงคะแนนเสียงของข้าพเจ้าในฐานะผู้ถือหุ้นหน่วยลงทุน

Voting by the Proxy on any agenda that does not coincide with my/our instructions specified on this Proxy Form shall be considered invalid and not my/our votes as a Unit Holder.

6 ในกรณีที่ข้าพเจ้ามิได้ระบุความประสงค์ในการออกเสียงลงคะแนนในวาระใดไว้ หรือระบุไว้ไม่ชัดเจน หรือในกรณีที่ประชุมมีการพิจารณาหรือลงมติในเรื่องใดนอกเหนือจากเรื่องที่ระบุไว้ข้างต้น รวมถึงกรณีที่มีการแก้ไขเปลี่ยนแปลงหรือเพิ่มเติมข้อเท็จจริงประการใด ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร

In case I/we have not specified my/our voting instruction in any agenda or not clearly specified or in case the meeting considers or passes resolutions in any matters other than those specified above, including in case there is any amendment or addition of any fact, the proxy shall have the right to consider and vote on my/our behalf as he/she may deem appropriate in all respects.

กิจการใดที่ผู้รับมอบฉันทะได้กระทำไปในการประชุม เว้นแต่กรณีที่ผู้รับมอบฉันทะไม่ออกเสียงตามที่ข้าพเจ้าระบุในหนังสือมอบฉันทะ  
ให้ถือเสมือนว่าข้าพเจ้าได้กระทำการทุกประการ

Any business carried out by Proxy at the said meeting, except in case that the Proxy does not vote according to my/our intention(s)  
specified in the Proxy Form, shall be deemed as having been carried out by myself/ourselves in all respects.

ลงชื่อ/Signed ..... ผู้มอบฉันทะ/Grantor  
( ..... )

ลงชื่อ/Signed ..... ผู้รับมอบฉันทะ/Proxy  
( ..... )

#### หมายเหตุ

- 1 ผู้ถือหน่วยลงทุนที่มอบฉันทะจะต้องมอบฉันทะให้ผู้รับมอบฉันทะเพียงรายเดียวเป็นผู้เข้าร่วมประชุมและออกเสียงลงคะแนนไม่สามารถแบ่งแยก  
จำนวนหน่วยลงทุนให้ผู้รับมอบฉันทะหลายคนเพื่อแยกการลงคะแนนเสียงได้

The Unit Holder appointing the Proxy must authorize only one proxy to attend and vote at the meeting and may not split the number  
of investment units to several proxies for splitting votes.

- 2 กรุณาติดอากรแสตมป์ 20 บาท

Please affix duty stamp of Baht 20.

## แผนที่ของสถานที่จัดประชุม

### Map of the meeting venue

ห้องประชุมสุรศักดิ์ 1 ชั้น 11 โรงแรมอีสติน แกรนด์ สาทร กรุงเทพฯ  
เลขที่ 33/1 ถนนสาทรใต้ แขวงยานนาวา เขตสาทร กรุงเทพฯ

Surasak Rooms 1, Floor 11, Eastin Grand Hotel Sathorn Bangkok

At 33/1 South Sathorn Rd., Yannawa, Sathorn, Bangkok

