

No.PFRD 010/2563

On 28 May 2020

RE: Report on Summary of Questions and Answers due to Additional Inquiry of Information by the Unitholders in case that the Information was delivered in lieu of holding the Annual General Meeting of Unitholders for the Year 2020

To: The President
Stock Exchange of Thailand

As Principal Asset Management Company Limited (“Management Company”) acting as the Management Company of Trinity Freehold and Leasehold Property Fund (TNPF) (“Fund”) has delivered the information to report various matters as prescribed by laws for the Unitholders’ acknowledgement, in lieu of holding the Annual General Meeting of Unitholders for the Year 2020. In addition, the Fund sent the Form of Questions and Opinion together with such information giving an opportunity to the Unitholders to send their additional questions and opinion to the Management Company, during 20 April 2020 to 15 May 2020. Upon the due date, the Unitholders have sent their additional questions to the Management Company and the questions, opinion and answers have been summarized as follows:

1. **Question:** If the lessee does not pay the rental due to the COVID-19 outbreak, how will the Management Company take action to make the Unitholders to suffer the least loss and damage?

Answer: At present, the lessee makes partial rental to the Fund, but the lessee asked the Fund to consider and relax by decreasing the rental and to change the condition on rental payment. The Management Company is negotiating with the lessee and studying the effect from the situation. If the Management Company deems appropriate to relax by decreasing the rental, the Management Company will present the matter to the Unitholders’ for further consideration. In case where the Unitholders disapprove the relaxation as requested by the lessee or disapprove the course of action proposed by the Management Company (if any) (as a result, the lessee breaches the lease agreement, or there is any other ground for the Management Company to terminate the lease agreement), the Fund will file lawsuit to the court until the legal execution is final and the Fund will further recruit a new lessee or sell property according to the resolution of the Unitholders’ Meeting.

2. **Opinion:** In case where the Fund does not receive rental payment, the Management Company should offer solution by decreasing a half of the Fund’s management fee in order to bear responsibility and to express sympathy to the Unitholders’ who suffer the loss. Moreover, the Management Company should ask the lessee to find solution by selling his partial properties to cut such loss, for instance, the lessee may sell his partial business in order to bring money for paying the rental, etc.

Answer: According to the prospectus of the Fund, it stipulates that the Management Company can collect the Fund's management fee at the rate of 0.40% (exclusive of value-added tax). However, at present, the Management Company collects only at 0.207% (exclusive of value-added tax) which is lower than the rate which he is entitled to collect such fee. In this connection, the Management Company will consider an appropriate action to be taken in order that the Fund will be able to further proceed.

3. **Opinion:** If the Fund is unable to enforce the lessee to pay the rental, filing lawsuit may not be a good solution. The Management Company should notify the Office of Securities and Exchange Commission or the Stock Exchange of Thailand to help negotiate in such case because the group of lessees has taken advantage against the Unitholders for a long time. The Management Company should take this opportunity to negotiate with the group of lessees successfully and may recruit investor to buy the Fund's property again because, at present, the group of lessees is likely unable to further operate the business. Accordingly, sale of property to other investor who can further operate the business will be more beneficial to the Fund.

Answer: The Management Company has continuously attended the meeting, discussed and reported the Fund's situation to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand for acknowledgement. The Management Company has negotiated on the condition of property lease and property improvement with the lessees and has already proposed such matter to the Annual General Meeting of Unitholders for the Year 2020. Currently, the Management Company still considers on the recruitment of investor to buy or to lease the Fund's property according to the resolution of the Unitholders' Meeting.

4. **Question:** After 30 April 2020, who are the lessees of the Fund's property?

Answer: Annual General Meeting of Unitholders for the Year 2020 resolved to approve the extension of term of lease agreement executed with Trinity At Silom Co., Ltd., Silomall Co., Ltd. and Trinity Asset Co., Ltd. for another 3 years, from 1 May 2019 to 30 April 2022. Accordingly, after 30 April 2020, Trinity At Silom Co., Ltd., Silomall Co., Ltd. and Trinity Asset Co., Ltd. are the lessees of the Fund's property.

5. **Question:** During the past period, when the dispute between the Fund and the group of lessees arise and the lawsuit was filed against each other and there was any legal proceedings, it took 4-5 years, as a result, the Unitholders suffer damage from such dispute. Therefore, the fact that the lessee is only enforced to provide guarantee for performance of agreement may be inadequate, there should be the condition to entitle the Management Company to audit and to monitor the working of group of lessees all the time that the group of lessees does not pay rental according to the agreement. In this connection, employees of the Management Company should become Co-Accountants to co-work with the accountants of the group of lessees, there may be 2-4 accountants working with them as deemed appropriate by the Management Company. As a result,

the Management Company will acknowledge information and documents relating to statements of incomes and expenses of group of lessees every quarter and to acknowledge the actual financial status of group of lessees to support the discussion or to enter into any agreement with them without no need to take legal proceedings in court or may wait for better situation.

Answer: According to the applicable lease agreement, the Fund can inspect the property at all times. During the time that the Fund has legal dispute with the lessees and the lessees asked to cut the unpaid debt, the lessees have agreed and facilitated the Fund to appoint auditor assigned by the Fund to audit the income and expenses and accounting information of the lessees' group of companies and such matter has already proposed to the Unitholders' Meeting for consideration. Therefore, if the lessees breach any agreement or if any dispute arises in the future, the Management Company will apply such method in negotiating with the lessees to further seek for mutual best solution.

Please be informed accordingly.

Yours sincerely,



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