

No. PFRD 032/2563

23 September 2020

RE: Notification of the Date of the 2020 Annual General Meeting of Unitholders of Samui Buri Property Fund (SBPF) and the Record Date

To: The President  
Stock Exchange of Thailand

Article 70 of the Notification of the Capital Market Supervisory Board No. 35/2562 (2019) Re: Property Fund Management dated 25 April 2019 requires the management company to arrange for the holding of an annual general meeting of unitholders within 4 months from the end of each accounting year of the property fund.

Therefore, Principal Asset Management Company Limited (“Management Company”) as the management company of Samui Buri Property Fund or “SBPF” in short (“**Fund**”) would like to notify the date of the 2020 Annual General Meeting of Unitholders of the Property Fund to be 28 October 2020 at 9.30 AM at Eastin Grand Hotel Sathorn Bangkok, Surasak 1 Ballroom, 11<sup>th</sup> Floor, 33/1 South Sathorn Road, Yan Nawa Sub-district, Sathorn District, Bangkok 10120 in order to consider several matters in accordance with the following detailed meeting agenda:

**Agenda 1: Matters to be informed by the chairman to the Meeting (For Acknowledgement);**

**The delivery of letter of request for resolutions of unitholders and the resolution results.**

As the Management Company has sent the letter No. PFRD 012/2563 RE: Request for Resolution of Unitholders of Samui Buri Property Fund (SBPF) dated 19 June 2020 (“Letter of Request for Resolution”), to the Unitholders of the Fund to request the Unitholders to pass the resolution in regard to the proposal of Samui Buri Beach Resort Company Limited (“Lessee”) to consider approving or disapproving the exemption of rental payment as proposed by the Lessee or as the Management Company deemed appropriate. The Management Company requested the Unitholders to cast their votes and return the voting form to the Management Company by 20 July 2020. The Unitholders returned the voting form to the Management Company in the total number of 45 persons, holding altogether 37,845,220 units which is equivalent to 45.71 percent of the Fund’s total units sold. (82,800,000 units). In this regard, the Unitholders have resolved as follows:

Agenda 1 : To consider approving or disapproving the exemption of rental payment as proposed by the Lessee (For Approval)

The Unitholders resolved to disapprove the exemption of rental payment as proposed by the Lessee, with the number of votes as follow:

Approve	6,301,700	units	or	equivalent to	21.59 percent*
Disapprove	22,073,700	units	or	equivalent to	75.64 percent*
Abstain	807,300	units	or	equivalent to	2.77 percent*
Void Ballot	0	units	or	equivalent to	0 percent*

\*Percentage of the total number of units of the Unitholders responding and having the right to cast their votes is 29,182,700 units. In this Agenda, the Unitholders who have the conflict of interest which have no right of voting are Samui Beach Resort Co., Ltd. holding 6,285,500 units and Miss Pornpat Praprutchob holding 2,377,020 units.

Agenda 2 : To consider approving or disapproving the exemption of rental payment as the Management Company deemed appropriate (For Approval)

The Unitholders resolved to disapprove the exemption of rental payment as the Management Company deemed appropriate, with the number of votes as follow:

Approve	6,636,600	units	or	equivalent to	22.74 percent*
Disapprove	21,758,800	units	or	equivalent to	74.56 percent*
Abstain	777,300	units	or	equivalent to	2.66 percent*
Void Ballot	10,000	units	or	equivalent to	0.04 percent*

\*Percentage of the total number of units of the Unitholders responding and having the right to cast their votes is 29,182,700 units. In this Agenda, the Unitholders who have the conflict of interest which have no right of voting are Samui Beach Resort Co., Ltd. holding 6,285,500 units and Miss Pornpat Praprutchob holding 2,377,020 units.

Since the Unitholders have resolved to disapprove the exemption of the rental payment as proposed by the Lessee and as the Management Company deemed appropriate, the Management Company considered that it is appropriate to propose the future management of the Fund to the Meeting of Unitholders as per details specified in Agenda 3.

**Agenda 2: To certify the minutes of the 2019 Annual General Meeting of Unitholders of the Fund (For Consideration);**

As the Management Company arranged for the holding of the 2019 Annual General Meeting of Unitholders of Fund on 25 October 2019, the Management Company has prepared and disclosed the minutes of the 2019 Annual General Meeting of Unitholders of the Fund as required by law. Therefore, the Management Company considered that it is appropriate to propose that the Meeting of Unitholders consider certifying the minutes of the 2019 Annual General Meeting of Unitholders of the Fund.

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

**3.1 Conditions of Properties**

From the annual property inspection on 22 July 2020, the hotel has closed down its business since April 2020 up until present (on 23 September 2020), the properties are overall in a normal condition and the Lessee has arranged for security guard(s) to look after the properties as appropriate.

Moreover, the Lessee has modified the properties in accordance with the conditions of the Property Lease Agreement dated 26 July 2018. The Management Company has entered and conducted a preliminary inspection on the modified properties and considered that the Lessee has proceeded pursuant to the asset improvement plan. Besides, the Lessee has conducted property improvement in addition to the plan and budget specified in the annexures to the Property Lease Agreement. That was because there were additional damages in the actual conditions of the properties than those in the past assessment result. The Management Company is in the process of examining the amount of work and the value of the asset improvement plan if they are in accordance with the agreed plan.

**3.2 Tourism and hotel market conditions in Samui Island and future tendency**

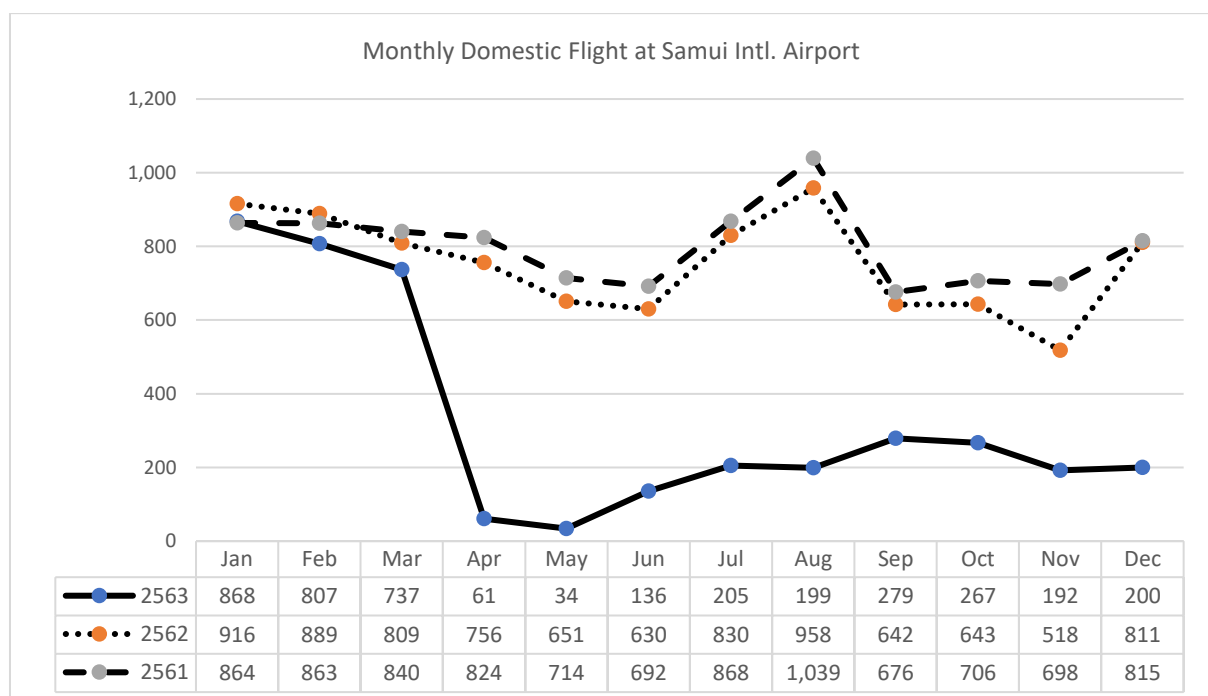
Due to the 2019 coronavirus (COVID-19) outbreak in China since late 2019 which has rapidly spread to several countries around the world, several countries including Thailand have implemented strict measures to prevent the spreading. State of emergency was declared on 25 March 2020 and has been in effect from 26 March 2020 onwards. Subsequently, on 26 May 2020, the declaration of state of emergency was expended for another time until 30 June 2020. Under such declaration of state of emergency, the Government has issued several measures including travel restrictions and closure of businesses and activities that pose a risk of spreading the disease.

Moreover, on 7 April 2020, the Provincial Governor of Surat Thani Province issued the Order of Surat Thani Province No. 2193/2563 (2020) RE: Urgent Measures to Prevent the Spreading of 2019 Coronavirus (COVID-19) (No. 9) requiring hotels and places for alike residential services, except for the hotels that are used by the Government as field hospitals or for any other governmental benefits, to close down from 8 April 2020 to 30 April 2020 which was extended to 31 May 2020 following the extension of the state of emergency declaration.

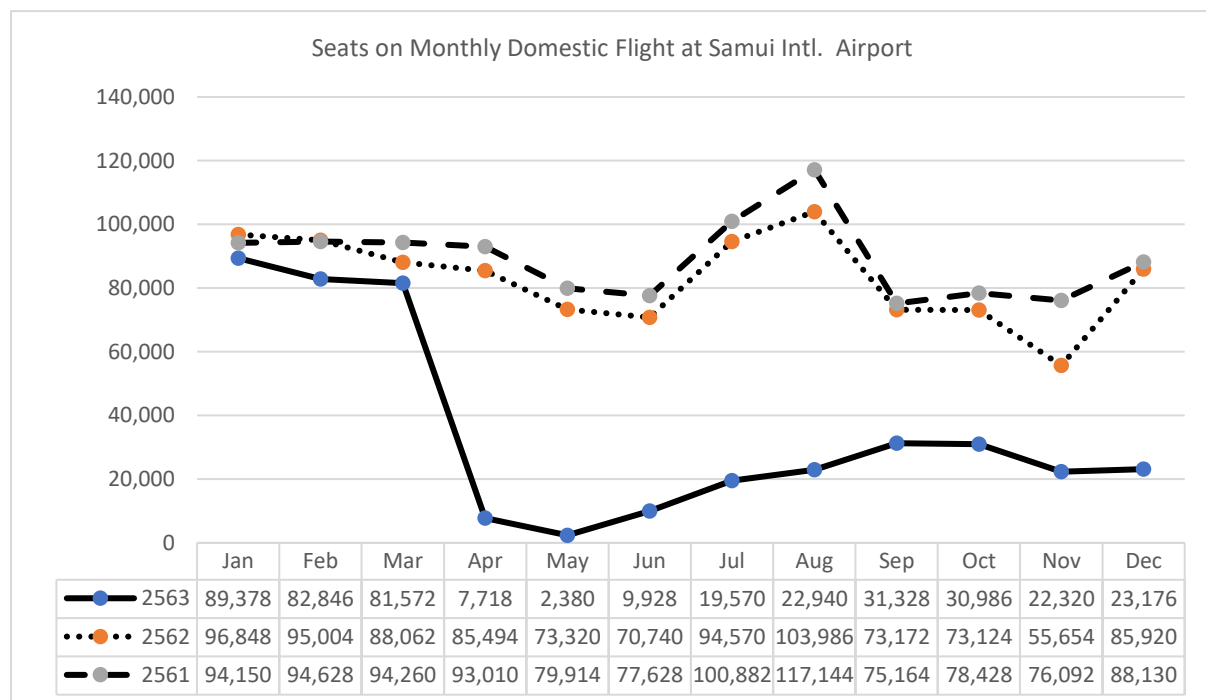
Although the Provincial Governor of Surat Thani Province issued the Order of Surat Thani Province No. 2727/2563 (2020) RE: Urgent Measures to Prevent the Spreading of 2019 Coronavirus (COVID-19) (No. 15) dated 2 May 2020 allowing hotels to open only hotel room and restaurant or dining room services and requiring them to strictly comply with the conditions for prevention of the spread from 3 May 2020 onwards until there is any change, the Civil Aviation Authority of Thailand issued a notification to extend the period during which international flights with passengers were temporarily prohibited from coming into Thailand from 1 May 2020 up until 30 June 2020.

Although Bangkok Airways which was the main airline for travelling to and from Samui has resumed its services since 15 May 2020, it would not cause any positive effect on the tourism industry in Samui anytime soon.

### 3.2.1 Conditions of tourism and hotel industry

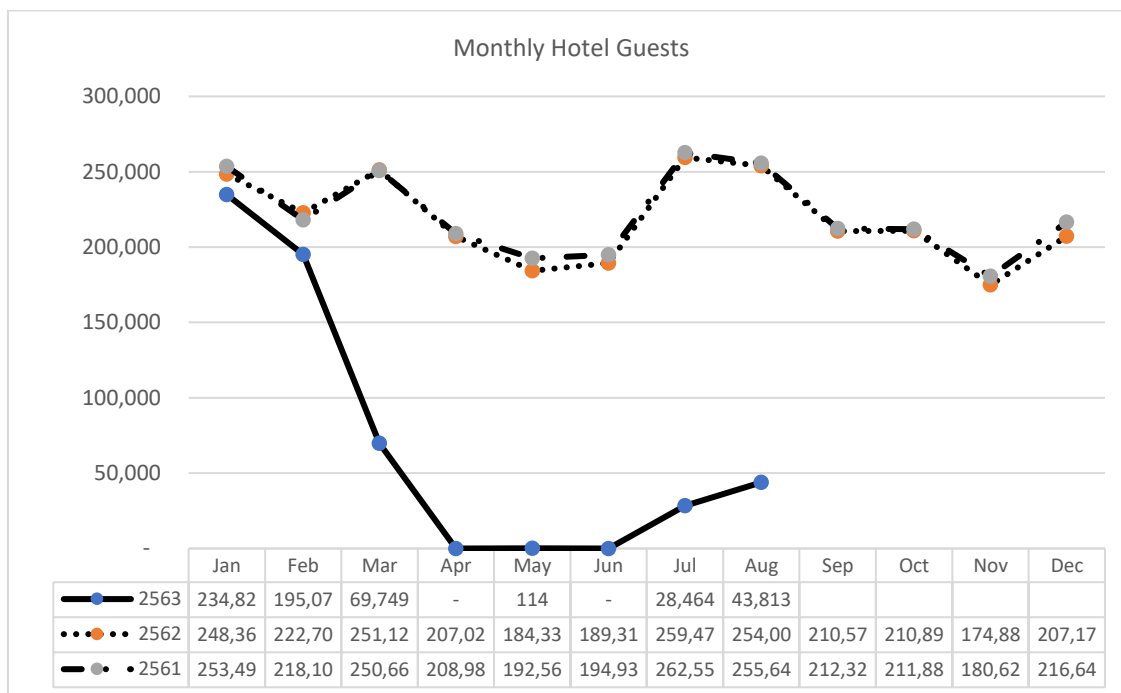
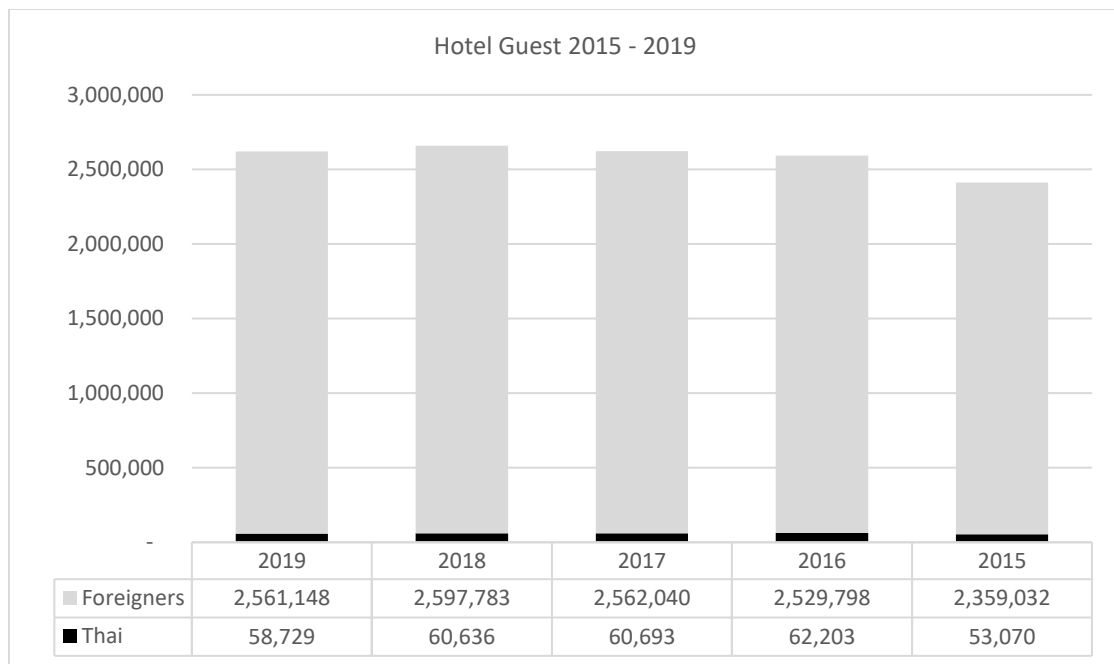


According to the information from the Tourism Authority of Thailand<sup>1</sup>, it was found that there were 199 flights as per the monthly flight plan of Samui International Airport in August 2020, which decreased from 205 flights in July 2020, whereby cargo flights were included in these figures. Based on such information, it was found that the number of flights decreased from 958 and 1,039 flights during the same month in 2019 and 2018 causing the decrease in the number of passenger seats from 103,986 and 117,144 seats in August 2019 and 2018 to only 22,940 seats in August 2020.



With respect to the proportion of tourists staying in hotels during 2015 – 2019, most of the tourists staying in hotels of approximately 97 percent were foreign tourists. Therefore, hotel business in Samui Island having foreign tourists as guests would suffer direct impacts from the outbreak of the disease, travel bans including the disease outbreak situation in, and impacts on the economies of, the countries of origin such as China and European countries.

<sup>1</sup> as at 8 September 2020



The number of tourists staying in hotels that was shown as zero in the above diagram was caused by the measure to close hotels in Surat Thani Province as mentioned above. The number of tourists staying in hotels in August 2020 decreased from an average of 250,000 tourists in the same month of 2019 and 2018 to only 43,813 tourists. The increase in the number of tourists staying in hotels

in July 2020 resulted from the Government's campaign(s) and measures to promote Thai people's travelling and tourism. Although the relevant authorities have relaxed several measures including allowing hotels to resume their services, the extension of the temporary ban on international flights to Thailand still cause negative impacts on the tourism industry.

### 3.2.2 Tendency in 2020 and 2021

With respect to the tourism industry in Samui Island, the main businesses which are connected to tourism being hotels, restaurants, tour services and others rely mainly on foreign tourists. Therefore, in considering the tendency of the hotel business on Samui Island, the key factors are mainly the impacts of the outbreak of the disease on the economies and the recovery of foreign markets.

Although during the beginning of the outbreak, the relevant authorities had tried to turn to the markets that had not yet been impacted such as India and Russia as to compensate the losing of Chinese and European tourists, it subsequently appeared that both India and Russia also suffered no less severe impacts than other countries.

This disease outbreak has widely caused impacts around the globe as well as several airlines have to temporarily shut down, cancel flights and lay off employees. It could be said that the economic impacts are greater than the direct impacts on health.

Tendency of hotel business in 2020 and 2021 is as follows:

1. It is believed that during the second half of 2020 and the whole 2021, tourism in Thailand (including Samui Island) needs to mainly rely on domestic market. The main issue that should be considered is Thai economy is highly dependent on exports and tourism. The economic impacts in Thailand and groups of countries which are the main market would of course affect the domestic manufacturing sectors that rely on such markets. Therefore, the domestic purchasing power during the second half of the year may still not be strong enough to support Thailand's tourism.

2. In the past, there were only 2 – 3 percent of Thai tourists in the hotel industry in Samui Island. Speed expansion of this group of tourists to grow by 15 – 20 times of such percentage in order to compensate foreign tourists within a limited period of time (12 – 18 months) is unlikely possible under the purchasing power deterioration due to the condition of Thai economy.

3. The Government allowing hotels to resume their services, airport to reopen and airlines to resume their services does not mean there will be tourists who will travel and use the services.

4. During late 2020, domestic tourists will likely be short-distance travels within driving distance where crowded public transportations will be avoided. Samui Island may not be the tourists' destination during this period.

5. Social distancing measure will be the main factor that will cause higher travel expenses. That is because public transportation operators need to implement social distancing; therefore, they cannot sell all existing seats.

6. Moreover, there are news saying the Chinese Government will still prohibit Chinese people from travelling to other countries but will allow domestic travels instead in order to stimulate the Chinese economy itself. That will cause direct impacts as China is an important tourism market of Thailand.

7. The group of nearby countries also starts to have 'Travel Bubble' policy allowing travels between the contracting countries without having to quarantine for 14 days pursuant to the current measure. However, there has not yet been a conclusion that will lead to actions.

8. The key factor which will support the recovery of tourism is the vaccine or the medical measure that is able to deal with the outbreak and treat the illness efficiently. That should take 1 – 2 more years.

9. Thailand's and global tourism industry may have to take around 3 – 4 more years to get back to the same level before the outbreak.

### 3.3 Current operation

The Management Company received a letter of request for temporary waiver of rental fees from the Lessee according to the Letter No. SMB6303/001 dated 27 March 2020 under which the Lessee informed that the Lessee has suffered impacts from the COVID-19 outbreak situation. Such letter can be summarized as follows:

1. It has been necessary for the Lessee to cease its operation and have the employees temporarily stop working from 27 March 2020 onwards until the situation gets back to normal.

2. During this period, the Lessee still arranges security guard(s) to look after the properties at its best.

3. The Lessee requested that the Fund consider to preliminarily assist by waiving the rental fees for April 2020 to December 2020.

4. The Lessee requested that all cheques for advance rental fees that were placed with the Fund be cancelled.

5. The Lessee requested that the situation is assessed with the Fund again within October 2020.

6. If the disease outbreak situation and the tourism condition gets better or the Lessee is able to resume its hotel operation before the period during which the Lessee requested for waiver of rental fees, the Lessee will consider to further proceed in accordance with the Agreement.



Thereafter, the Lessee had coordinated with the Fund in order to discuss and explain the process to assess if the situation is normal. The situation assessment criteria can be summarized as follows:

1. The Government's orders requiring the close-down of hotels and businesses relating to tourism such as restaurants are cancelled resulting in hotels being able to resume their normal operations.
2. The orders to prohibit flights, travelling and international entries and exits and to quarantine, etc. are cancelled.
3. The International Samui Airport is open as normal.
4. The numbers of flights and passengers entering Samui Island are not less than 50 percent of the figure during the same period in the previous year.

If the above 4 criteria are met, the Lessee agreed to start to pay rental fees within 60 days as per the rental fee rate under the Agreement as at the payment date and such payment shall be considered the rental fee for the month in which the rental fee is paid.

In this regard, the Management Company considered that an appropriate waiver of rental fees would be for no more than October 2020. Therefore, it proposed that the unitholders consider as follows:

1. Waiver of rental fees for the period from April 2020 to October 2020
2. The Lessee to remain having duties to look after the properties to be in good conditions and ready for use.

Therefore, the Management Company has sent a letter of request for resolutions of Unitholders according to the details appearing in Agenda 1 as informed to the Meeting above. The Unitholders had resolved not to approve the waiver of rental fees as requested for by the Lessee and as the Management Company considered appropriate. As a result, the Management Company has to proceed further in accordance with the terms and conditions of the Property Lease Agreement.

Initially, the Management Company has appointed Siam City Law Offices DR Limited as legal counsel in this case. On 31 June 2020, the legal counsel has filed a complaint to the inquiry officer at Koh Samui Police Station, Surat Thani Province, requesting for prosecution against the Lessee and its authorized director on offences arising from the uses of cheques since the Management Company was unable to cash 4 pre-dated cheques for rental fees during April – July 2020. The inquiry officer received the complaint as the criminal case no. 716/2563 (2020). Subsequently, on 4 August 2020, the Management Company already sent a demand notice to the Lessee demanding for the outstanding rental

fees. The Management Company will further proceed to enforce the Agreement as per the legal rights to which the Fund is entitled. That includes filing a lawsuit with the competent court.

### 3.4 Impacts on the Fund

#### 3.4.1 Financial status of the Fund

The Fund's revenue was from the Property Lease Agreement that was made with the Lessee. Under the current Property Lease Agreement, the annual rental fee is close to the Fund's expenses. Since the COVID-19 outbreak occurred causing direct impacts on the tourism and hotel industry, the Fund's financial status suffered impacts.

In the past seeking of lessees, it appeared that no offer was made. Therefore, it was necessary to renew the Property Lease Agreement with the original Lessee. Although, in the past, Central Group had contacted to make a lease offer with the same rental fee and the same lease term with those currently received by the Fund. The Management Company considered that in seeking new lessee to commence during November 2020, there may not be any lease offer which is beneficial to the Fund. Also, under the current situation of tourism and hotel industry, it may be possible that the current Lessee will not renew the Agreement and deliver the properties back to the Fund as to reduce its costs.

If so, the Fund's financial status during 2020 – 2022 which the Management Company assessed based on the assumptions that the Fund will not receive the rental fees until the end of 2020 and will start to receive the rental fees pursuant to the Agreement from January 2021 up until the end of the lease term under the Property Lease Agreement (July 2021) and will not be able to seek for a new lessee, and although the Management Company will refrain from collecting management fees, will be as follows:

	2020	2021	2022
Income			
Rental fees	1,800,000	4,900,000	0
Interest	4,000	4,000	4,000
<b>Total Income</b>	<b>1,804,000</b>	<b>4,904,000</b>	<b>4,000</b>
Expense			
Management Fee	2,743,050	0	0
Trustee Fee	648,000	648,000	648,000
Registrar Fee	540,000	540,000	540,000

	2020	2021	2022
Legal Advisor Fee	240,000	240,000	240,000
Audit Fee	930,000	930,000	930,000
Registration Fee -Annual Basis	107,000	107,000	107,000
Property Appraisal Fee	125,000	125,000	125,000
Expense for Unitholders' Meeting	350,000	350,000	350,000
Insurance Premium	280,000	280,000	280,000
Other Expense	120,000	120,000	120,000
<b>Total Expenses</b>	<b>6,549,950</b>	<b>3,340,000</b>	<b>3,340,000</b>
<b>Net Income before property and land tax</b>	<b>-4,745,950</b>	<b>1,564,000</b>	<b>-3,336,000</b>
Gross Cash (1 January)	6,582,257	1,836,307	3,400,307
Net Cash (31 December)	1,836,307	3,400,307	64,307

The Fund still has an obligation to pay the annual house and building tax of 2018 and 2019 in the total amount of approximately THB 12 million. Such tax has not yet been assessed nor levied by Koh Samui Municipality. Once it is levied, the Fund's liquidity will immediately be negative.

The current financial status of the Fund is exposed to the risk in relation to limited liquidity. It cannot support the fluctuations that may occur in the future including unexpected events. For example, if it is necessary to enforce the Agreement against the Lessee, the Fund's financial status might be a restriction to proceed with legal measures.

### 3.4.2 Property value of the Fund

The Management Company has appointed Real Estate Appraisal Company Limited to be appraiser of market value of properties for 2020 on 16 March 2020. From the situation occurred, the Fund has suffered impacts from the decrease in property values due to the business condition. The Fund determined that the Income Approach shall be mainly used in the appraisal of market values of the Fund's properties as it is an investment in income generated properties and the Income Approach is standard for market value appraisal of this type of properties. However, under abnormal circumstances, the appraisal using the Income Approach will cause a significant change in the market value, especially in this case where it is expected that the properties might not be able to general incomes anytime soon.

On the other hand, if the Replacement Cost Approach is used (which property funds do not use such approach in determining the market values of its properties), it will be found that the construction

costs may not change significantly. However, there may be an issue to consider with regard to the land price because, under the current situation, land sale and purchase may not occur. The surveyed market value may not reflect the sale and purchase price of a sale and purchase that could actually occur.

Under uncertain circumstances, the Forced Sell Value may be the value that correspond to the situation inferior to the Income Approach as it is the value or the price at which it is expected to be sold.

The market values of properties as per the appraisal are as follows:

1. Market Value	THB	399.00	million
2. Forced Sell Value	THB	299.25	million

Comparing the past market values, it is found that the market value of the Fund's properties tended to decrease continuously. That was caused by high competition in the tourism and hotel industry. The significant decrease in 2020 was caused by the COVID-19 outbreak situation causing global travel to stop short.

Market values of properties (Million Baht)

2016	2017	2018	2019	2020
667.50	646.60	601.40	536.80	399.00

### 3.5 Future operation

The Management Company will arrange for a bidding as to seek for a lessee or purchaser. A Bid Manager will be appointed with the following duties:

1. providing advice on, and assisting in, the preparation of bidding conditions;
2. providing advice on, and assisting in, the preparation of bidding documents;
3. representing the Fund in contacting investors, advertising and publicizing the bidding;
4. representing the Fund in taking the interested investors to view the properties, gathering questions and coordinating with the Fund in responding to the questions;
5. representing the Fund in receiving the bids/offers, summarizing and presenting the bid result to the Fund;
6. providing advice to the Fund on the negotiation of the terms and conditions.

Preliminary bidding conditions

Those who are interested may submit their bid/offer to lease or purchase the properties on the following conditions:

1. Property lease
  - 1) Lease term of 30 years
  - 2) Fund to deliver the properties on an as is where is basis
  - 3) Lessee to be responsible for all expenses for property modifications
2. Property purchase
  - 1) Minimum purchase price of THB 400 million
  - 2) Fund to deliver the properties on an as is where is basis

Bidding schedule

1 November 2020 – 31 January 2021	Opening for the interested persons to receive the bidding conditions and information, visit and view the properties for bid preparation
11 February 2021	Bid/offer submission
7 May 2021	Extraordinary Meeting of Unitholders to consider the bid result

Remark: The schedule may be subject to changes as appropriate.

In the case where no property lease or purchase offer is made, the Management Company will proceed to close the properties and request for an approval from the Office of the Securities and Exchange Commission to stop its annual operations as to cease or reduce as much annual operating costs as possible. Meanwhile, the Management Company will further proceed to find the appropriate and most beneficial way for the unitholders. Also, the Management Company will invite the Unitholders to consider approving such actions again.

**Agenda 4: To acknowledge the financial status and the performance of the Fund and the financial statement for the accounting year ending on 30 June 2020 as audited and opined by the auditor (For Acknowledgement);**

**4.1 The financial status and the performance of the Fund as appearing in the financial statement for the accounting year ending on 30 June 2020 as audited and opined by the Fund’s auditor can be summarized as follows:**

#### Summary of the balance sheet

Total assets	THB 408,747,170
Total liabilities	THB 17,271,223
Net assets	THB 391,475,947
Net assets per unit	THB 4.7279
Number of units outstanding as at the end of the year	82,800,000 units

For the past 2019 accounting year, the Fund's net assets were THB 391,475,947 which decreased from those of the previous accounting year being THB 530,892,856 by approximately 26.26 percent and its net worth was THB 4.7279 per investment unit.

#### Summary of the income statement

Total income	THB 7,203,723
Total income	THB 8,820,632
Net investment income (expense)	THB (1,616,909)
Net unrealized (loss) profit from investments	THB (137,800,000)
Net (decrease) increase in net assets from operations	THB (139,416,909)

The Fund's total revenues were THB 7,203,723 and it suffered an investment loss of THB 1,616,909. Moreover, there was an investment accounting loss due to the decrease in the property appraisal price from THB 536,800,000 in the previous year to THB 399,000,000 in 2020. That amounted to the decrease in value by THB 137,800,000 or approximately 25.67 percent.

#### Summary of the cashflow statement

Net cash provided by (paid for) operating activities	THB (1,713,745)
Cash flows from financing activities (Dividend paid)	THB 0
Net increase (decrease) in cash and cash equivalents	THB (1,713,745)
Cash and cash equivalents as at the beginning of the year	THB 8,239,320
Cash and cash equivalents as at the end of the year	THB 6,525,575

For the past 2019 accounting year, the Fund refrained from dividend payment and its cash and cash equivalents as at the accounting year end were THB 6,525,575. The Management Company will consider managing such money as appropriate.

## 4.2 Material financial information

### 4.2.1 Securities price as at 30 June 2020<sup>2</sup>

Closing Price	2.50	THB / Investment Unit
Market Price	207,000,000	THB
Trading Value	470	THB / Day
Investment Unit Value	4.7279	THB / Investment Unit
Net Asset Value (NAV)	391,475,947.15	THB

### 4.2.2 History of dividend payments

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

### 4.2.3 History of registered capital reduction

- None -

### 4.2.4 Expenses charged from the Fund (1 July 2019 – 30 June 2020)

Fund's Direct Expenses*	Amount Unit : Baht Thousand	Percentage of Net Asset Value
Management Fee	3,087.86	0.622
Fund Supervisor Fee	617.57	0.124
Registrar Fee	514.64	0.104

<sup>2</sup> Last trade was on 26 June 2020.

<b>Fund's Direct Expenses*</b>	<b>Amount Unit : Baht Thousand</b>	<b>Percentage of Net Asset Value</b>
Expenses of Advertising, Public Relations and Sale Promotion		
- During Initial Public Offering		
- After Initial Public Offering	-	-
Legal Fee	909.75	0.183
House and Land Tax	310.63	0.063
Audit Fee	945.50	0.190
Fee of Listing in SET - Annual Basis	103.64	0.021
Insurance Premium	277.41	0.056
Expense for Unitholders' Meeting	213.59	0.043
Other Expenses	40.03	0.008
<b>Total Expenses **</b>	<b>7,020.62</b>	<b>1.414</b>

Remark: \* Fees and expenses are already inclusive of Value Added Tax, Special Business Tax or other similar taxation (if any).

\*\* This is exclusive of underwriting/arranger fee and fees arising from securities trading and doubtful account transactions. With respect to the annual property appraisal cost, it was charged from the Fund after 30 June 2020. Therefore, such transaction does not appear in this accounting period but it will appear in the accounting year ending on 30 June 2021 which may be higher than the amount with respect to the past normal year as it is a total amount of 2020 and 2021.

**Agenda 5: To acknowledge the appointment of the Fund's auditors and audit fees and expenses for the accounting year ending on 30 June 2021 (For Acknowledgement);**

The Management Company has appointed the auditor of PricewaterhouseCoopers ABAS Ltd. to be the Fund's auditor for the accounting year ending on 30 June 2021. The details of the auditors and the audit fee are as follows:



Auditors	Mr. Sa-nga Chokenitisawat Miss Wanvimol Preechawat Mr. Kan Tanthavirat	CPA Registration No. 11251 CPA Registration No. 9545 CPA Registration No. 10456
Location	15 <sup>th</sup> Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathorn District, Bangkok 10120	
Fees	<p>THB 940,000 exclusive of Value Added Tax</p> <p>Divided as per each accounting period as follows:</p> <p>Review the financial statements for the three-month ending on 30 September 2020: THB 160,000</p> <p>Review the financial statements for the half-year period ending on 30 December 2020: THB 160,000</p> <p>Review the financial statements for the nine-month period ending on 31 March 2021: THB 160,000</p> <p>Review the financial statements for the accounting year ending on 30 June 2021: THB 460,000</p>	
Other expenses*	As actually paid	

**Agenda 6: To consider the proposal on payment process of outstanding rental fees as proposed by the lessee (For Consideration);**

As the Management Company has sent a letter of request for resolutions of Unitholders according to the details appearing in Agenda 1 as informed to the Meeting above. The Unitholders had resolved not to approve the waiver of rental fees as requested for by the Lessee and as the Management Company considered appropriate. As a result, the Lessee currently has outstanding rental fees to the Fund in the total amount of THB 4,500,000 (exclusive of Value Added Tax) (rental fees for April 2020 – October 2020).

Since the current overall conditions of the tourism and hotel business in both Samui Island and Thailand still continuously suffer the impacts from the COVID-19 outbreak, the Lessee still has to close the hotel from April 2020 up until present. Therefore, the Lessee has no liquidity to pay its outstanding rental fees to the Fund.

The Management Company has received the letter No. SMB 18092563-1 regarding the proposal on the Property Lease Agreement dated 18 September 2020. The Lessee has notified the Fund the current condition of the hotel which it is uncertain when the hotel business operation will be resumed although the Lessee plans to reopen the hotel service in January 2021. Subsequently, the Lessee has outstanding rental fees and the rental fees to be accrued until the expiration of the lease term under the Property Lease Agreement in the total amount of THB 10,800,000. In this regard, the Lessee therefore requests the Fund to consider the proposal on payment process of outstanding rental fees as follows:

1. Reduction of the total outstanding fees from THB 10,800,000 to THB 4,800,000 which the Lessee will make the payment of the reduced rental fees in the following installments:

- First tranche of THB 1,000,000 to be paid within 1 December 2020;
- Second tranche of THB 1,000,000 to be paid within 31 July 2021;
- Third tranche of THB 1,000,000 to be paid within 30 June 2022;
- Fourth tranche of THB 1,800,000 to be paid within 31 December 2022.

2. Long-term lease for 30 years with the rental rate not less than the current rate under the Property Lease Agreement so that the Lessee will be able to request for financial support from the financial institution since the Lessee has conducted the asset improvement having a higher value than the agreed limit under the Property Lease Agreement but the Lessee is unable to utilize the property during the lease term under the Property Lease Agreement.

In this regard, the Management Company is in the process of considering the said proposal and analyze an impact on the Fund. The Management Company will discuss with the Lessee about the conditions of the proposal and further notify the Unitholders regarding the conclusion of the conditions as per the discussion.

Since the details of the conditions of the proposal on payment process of outstanding rental fees are still uncertain which may be changed upon the discussion, the Management Company will therefore present the details of the conclusion of conditions and result of analysis together with the opinion of the Management Company regarding the proposal on payment process of outstanding rental fees as proposed by the Lessee in the Invitation Notice of 2020 Annual General Meeting of Unitholders to be further delivered to the Unitholders for their consideration in this agenda of the Meeting.

**Agenda 7: Other matters (if any).**

The Management Company will send the Invitation Notice to the 2020 Annual General Meeting of Unitholders and the supporting documents with respect to each agenda to the Unitholders for not less than 14 days before the date of the Meeting of Unitholders. The Management Company has set the Record Date to be 7 October 2020.

Please be informed accordingly.

Yours sincerely,



(Mr. Suttipan Kreemaha)

Senior Vice President

Head of the Property Fund and  
Real Estate Investment Trust Department

Property Fund and Real Estate Investment Trust Department

Tel: 0-2018-3446