

No. PFRD 005/2564

4 March 2021

Re: Notification of the Date of the Extraordinary General Meeting of Unitholders of Samui Buri Property Fund (SBPF) No. 1/2021 and the Record Date

To: The President  
Stock Exchange of Thailand

Principal Asset Management Company Limited (“Management Company”), as management company of Samui Buri Property Fund or “SBPF” in short (“Fund”), organized the bidding to seek for a lessee or purchaser of the Fund’s property, and it appears to be no bids submitted.

The Management Company deems it expedient to arrange a meeting to propose courses of action for the Unitholders’ consideration, and hereby informs the scheduled date of the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021 on 9 April 2021 at 9:30 hrs. at Eastin Grand Hotel Sathorn Bangkok, Surasak 2 and 3 Ballroom, 11th Floor, 33/1 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120, to consider matters in the meeting agenda as detailed below.

**Agenda 1: Matters to be informed by the chairman to the Meeting (for acknowledgement)**

**Results of the bidding to seek for a lessee and/or purchaser of the Fund’s property**

The Management Company has carried out the general bidding process to seek for a lessee or purchaser of Samui Buri Beach Resort, the Fund’s property, from 1 November 2020 onwards, and the date of bid submission was scheduled on 11 February 2021.

The Management Company would like to report the result of the bidding process as follows.

Person interested in receiving bidding documents	14 persons
Person submitting a bid to purchase	None
Person submitting a bid to rent	None

As no one submitted a bid offer within the prescribed timeframe, the Management Company will propose the courses of action for the Unitholders' consideration in Agenda 4.

**Agenda 2: To certify the minutes of the 2020 Annual General Meeting of Unitholders of the Fund (for consideration)**

As the Management Company arranged for the holding of the 2020 Annual General Meeting of Unitholders of Fund on 17 December 2020, the Management Company has prepared and disclosed the minutes of the 2020 Annual General Meeting of Unitholders of the Fund as required by law. Therefore, the Management Company considers it appropriate to propose that the Unitholders' Meeting consider certifying the minutes of the 2020 Annual General Meeting of Unitholders of the Fund.

**Management Company's opinion**

The Management Company deems it appropriate that the Unitholders certifies the minutes of the 2020 Annual General Meeting of Unitholders of the Fund, held on 17 December 2020, as proposed above, since the record of the said minutes has been correctly prepared.

**Resolution**

This agenda item requires a resolution passed by a majority of votes out of the total number of investment units held by the Unitholders present at the meeting and entitled to vote.

**Agenda 3: To approve the amendment to the Fund Management Project and amendment to the legal bindings between the Unitholders of the Fund and the Management Company (for approval)**

**Agenda 3.1: To approve the amendment to Clause 34.4 of the Fund Management Project and amendment to the legal bindings between the Unitholders of the Fund and the Management Company (for approval)**

Clause 34.4 of the Fund Management Project prescribes that the Management Company shall dissolve the Fund Management Project upon receiving a resolution passed by a majority of votes from the Unitholders calculated based on the total number of issued investment units of the Fund and in

accordance with the Legal Bindings Between the Unitholders of the Fund and the Management Company, dated 5 July 2010 (as amended) (“Legal Bindings”), by which the Management Company and trustee of the Fund have agreed to be bound under the attached Fund Management Project, which shall be incorporated as an integral part of the Legal Bindings. However, the specified base for vote counting differs from that set forth for a resolution involving the Fund’s business operation prescribed by law currently applicable. That is, to pass a resolution, it requires a majority of votes out of the total number of investment units held by the Unitholders present at the meeting or responding and eligible to vote pursuant to clause 69 of the Notification of Capital Market Supervisory Board No. TorNor. 36/2562 Re: Property Fund Management, dated 25 April 2019 (as amended) (“Notification No. TorNor. 36/2562”), taken in conjunction with section 129/2 of the Securities and Exchange Act, B.E. 2535 (1992) (as amended) (“Securities and Exchange Act”).

The Management Company therefore deems it appropriate for the Meeting to consider approving the amendment to Clause 34.4 of the Fund Management Project and Legal Bindings concerning the resolution for the dissolution of the Fund to be consistent with the law currently applicable. The details are as follows.

Existing Project and Legal Bindings	Amended Project and Legal Bindings
<p>34.4 Upon receiving the resolution passed by a majority of votes from the Unitholders calculated based on the total number of issued investment units of the Fund. If the Management Company has managed the Fund for less than five years from the Fund’s incorporation date, the Management Company has the right to demand compensation from the Fund at the rate of the most recent annual management fee based on the said term of less than five years.</p>	<p>34.4 Upon receiving the resolution passed by a <del>majority of votes from the Unitholders calculated based on the total number of issued investment units of the Fund.</del> <u>a majority of votes out of the total number of investment units held by the Unitholders present at the meeting or responding and eligible to vote.</u> If the Management Company has managed the Fund for less than five years from the Fund’s incorporation date, the Management Company has the right to demand compensation from the Fund at the rate of the most recent annual management fee based on the said term of less than five years.</p>

**Legal advisor’s opinion**

The amendment to the Fund Management Project and Legal Bindings proposed above is in accordance with the rules and procedures prescribed by relevant notifications. As the Management

Company and trustee have agreed that the Fund Management Project shall be incorporated as an integral part of the Legal Bindings, the Management Company is obligated to abide by the stricter rules in requesting a resolution from the Unitholders for the amendment to the Fund Management Project and Legal Bindings with respect to the dissolution of the Fund as it is an amendment to the matter significantly affecting the rights of Unitholders, as prescribed by the Notification of Capital Market Supervisory Board No. TorNor. 37/2562 Re: Legal Bindings between Unitholders of a Property Fund and Management Company, dated 25 April 2019 (“Notification No. TorNor. 37/2562”). The amendment to the Fund Management Project and Legal Bindings with respect to the dissolution of the Fund requires an approving resolution passed by a majority of votes out of the total number of investment units held by the Unitholders entitled to cast a vote. Upon the Unitholders’ resolution approving the amendment to the said portion of the Project and Legal Bindings, the amendment to the Project and Legal Bindings shall be deemed to have become effective immediately.

#### **Management Company’s opinion**

The Management Company deems it appropriate to propose that the Meeting consider approving the amendment to the Fund Management Project and Legal Bindings to be consistent with the rules under the law currently applicable, as proposed.

#### **Resolution**

This agenda item requires a resolution passed by a majority of votes out of the total number of investment units held by the Unitholders entitled to cast a vote.

For this agenda, there are no Unitholders having special interest.

#### **Agenda 3.2: To consider and approve the amendment to Clause 23.2 (2) of the Fund Management Project and amendment to the Legal Bindings between the Unitholders of the Fund and the Management Company (for approval)**

Clause 23.2 (2) of the Fund Management Project prescribes that a request of a resolution for the amendment to the Project to be consistent with the increase of registered capital in accordance with the resolution passed by the Unitholders per Clause 23.2 (1) requires votes of more than half of the total number of issued investment units and the Legal Bindings by which the Management Company and

trustee of the Fund have agreed to be bound under the attached Fund Management Project, which shall be incorporated as an integral part of the Legal Bindings. However, the specified base for vote counting differs from that set forth for a resolution involving the Fund’s business operation prescribed by law currently applicable. That is, to pass a resolution, it requires a majority of votes out of the total number of investment units held by the Unitholders present at the meeting or responding and eligible to vote pursuant to clause 69 of the Notification No. TorNor. 36/2562 taken in conjunction with section 129/2 of the Securities and Exchange Act.

The Management Company therefore deems it appropriate for the Meeting to consider approving the amendment to clause 23.2 (2) of the Fund Management Project and Legal Bindings concerning the resolution for the amendment to the Project for the purpose of increase of registered capital to be consistent with the law currently applicable. The details are as follows.

Existing Project and Legal Bindings	Amended Project and Legal Bindings
23.2 (2) To request a resolution for the amendment to the Project to be consistent with the increase of registered capital in accordance with the resolution passed by the Unitholders per (1) which requires votes of more than half of the total number of issued investment units.	23.2 (2) To request a resolution for the amendment to the Project to be consistent with the increase of registered capital in accordance with the resolution passed by the Unitholders per (1) which requires <del>votes of more than half of the total number of issued investment units</del> <u>a majority of votes out of the total number of investment units held by the Unitholders attending the meeting or responding and entitled to cast a vote.</u>

**Legal advisor’s opinion**

The amendment to the Fund Management Project and Legal Bindings proposed above is in accordance with the rules and procedures prescribed by relevant notifications. The said amendment is not a matter significantly affecting the rights of Unitholders as stipulated in the Notification No. TorNor. 37/2562. The amendment to the Fund Management Project and Legal Bindings with respect to the resolution to amend the Project for the purpose of increase of registered capital requires an approving resolution passed by a majority of votes out of the total number of investment units held by the Unitholders attending the meeting and entitled to cast a vote. Upon the Unitholders’ resolution approving the

amendment to the said portion of the Project and Legal Bindings, the amendment to the Project and Legal Bindings shall be deemed to have become effective immediately.

#### **Management Company's opinion**

The Management Company deems it expedient to propose that the Meeting consider approving the amendment to the Fund Management Project and Legal Bindings to be consistent with the rules under the law currently applicable, as proposed.

#### **Resolution**

This agenda item requires a resolution passed by a majority of votes out of the total number of investment units held by the Unitholders present at the meeting and entitled to vote.

For this agenda, there are no Unitholders having special interest.

#### **Agenda 4: To consider and approve the courses of action (for approval)**

The Management Company hereby reports the Fund's current situation to the Unitholders' Meeting for acknowledgement, as follows.

##### **(1) Initiation of bidding to seek for a lessee and/or purchaser of property**

The hotel has been closed down from April 2020 to present (as at 19 February 2021). Its overall condition is normal, and the Lessee has caused employees to properly maintain the property.

The Management Company has carried out the general bidding process to seek for a lessee or purchaser of Samui Buri Beach Resort, the Fund's property, from 1 November 2020 onwards, and the date of bid submission was scheduled on 11 February 2021.

It appears that no offers to rent or purchase the property were submitted on the said date.

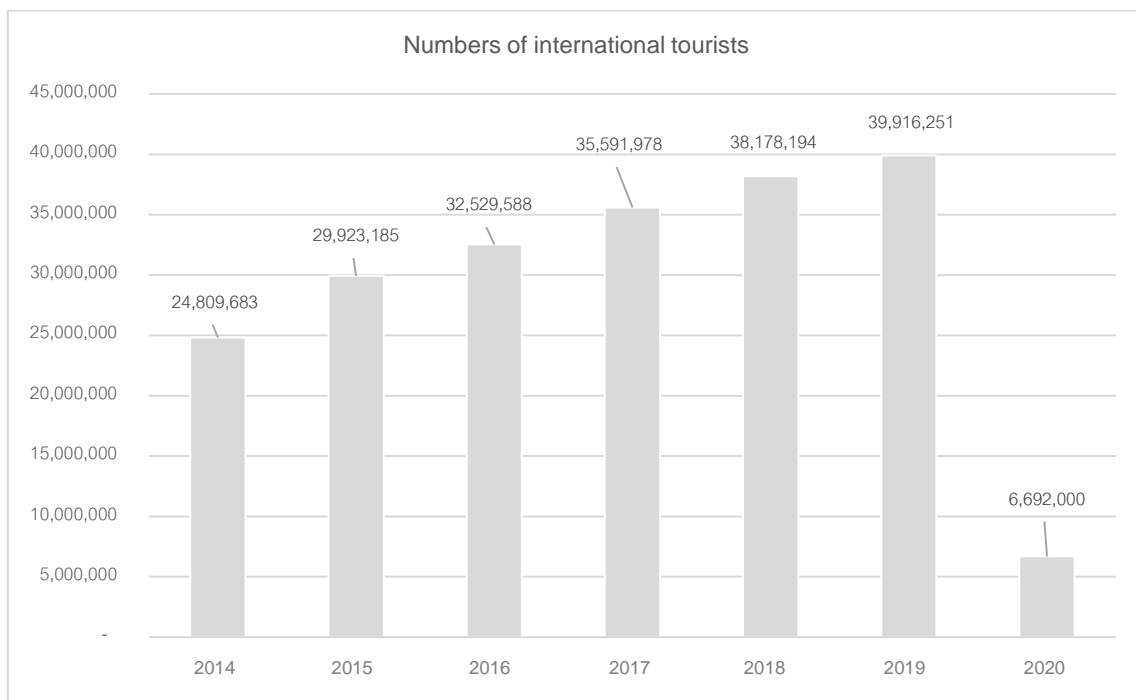
##### **(2) Tourism and hotel market conditions and future tendency**

Due to the 2019 coronavirus (COVID-19) outbreak in China since late 2019 which has rapidly spread to various countries around the world, several countries, including Thailand, have implemented strict measures throughout 2020 to prevent the spreading. Closure or restrictions of accommodations and businesses in connection with tourism such as restaurants have been ordered or stipulated. However, the overall situation has not improved.

Even though in the second half of 2020, the tourism market has been stimulated by promotion of domestic tourism, it rarely affected the tourism and hotel market on Samui Island.

The second wave outbreak at the end of 2020 that is continuing to the present puts off the hope of seeing recovery of the tourism sector until enough vaccines have been procured and provided to the public to the extent that the economic activities, including tourism, are acceptable again.

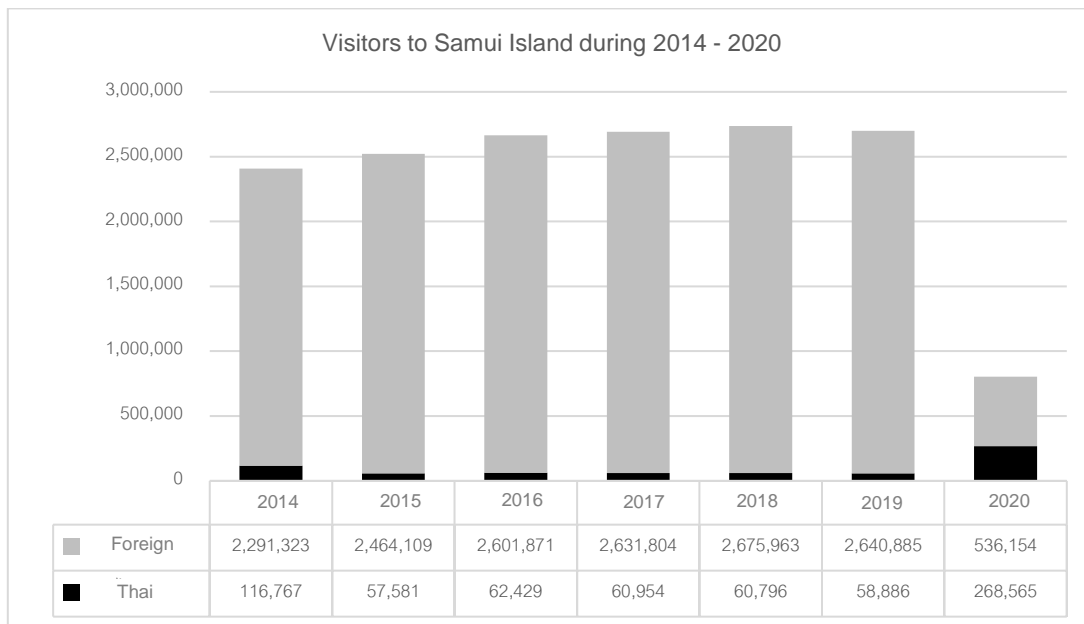
*(2.1) Tourism and hotel market conditions*



According to information from the Tourism Authority of Thailand<sup>1</sup>, there was a total number of 6,692,000 tourists entering Thailand in 2020 or decreased by 83.23 percent in comparison to the average number of approximately 37.89 million tourists during 2017 - 2019.

<sup>1</sup> As at 19 February 2021

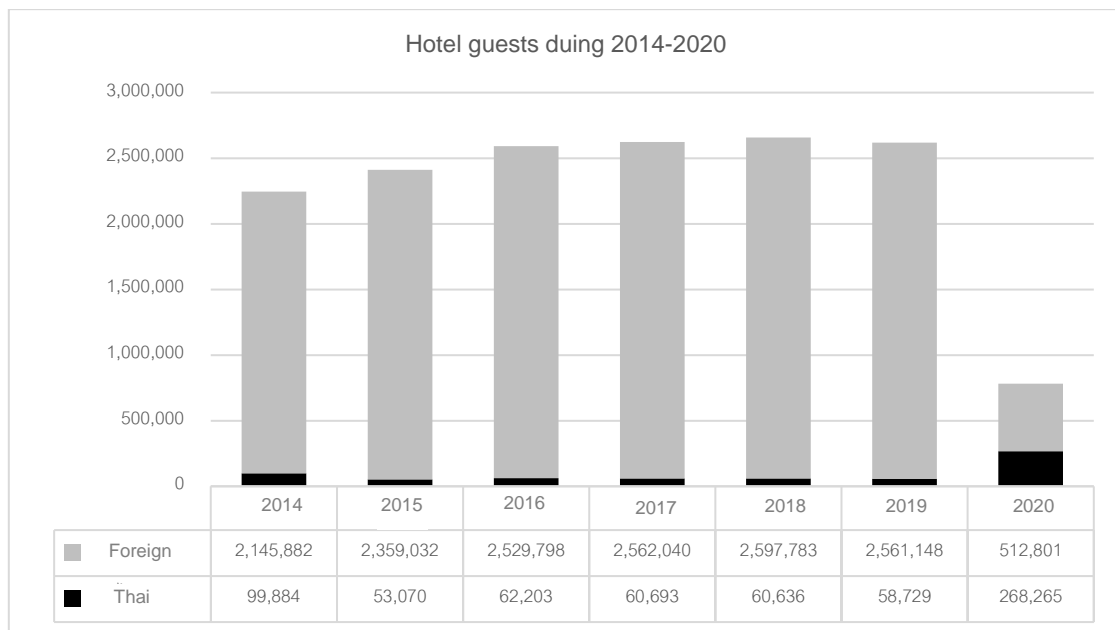
The said decrease is crucial and affects the country's tourism industry.



The aggregate number of both Thai and foreign tourists visiting Samui Island in 2020 was 804,719 tourists or decreased from the average number of 2.7 million annual tourists during 2016 - 2019. In this number, the number of foreign tourists decreased from the annual average of 2.65 million tourists to only 536,154 tourists, while the number of Thai tourists increased as a result of the measures to promote domestic tourism.

The number of tourists staying in hotels was also correspondent with the above information and in the same proportion.





### (2.2) Tendency in 2021 and 2022

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

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

The tendency of hotel business in 2021 and 2022 is as follows.

1. The key factors that will support tourism recovery include vaccines and medical measures which can efficiently deal with the outbreak and treat the illness, which should take another 1 - 2 years.
2. Thailand's and world's tourism businesses may take another 3 - 5 years to recover to the same level prior to the occurrence of the outbreak.

### (3) Current operation

The Management Company convened the 2020 Annual General Meeting of Unitholders of the Fund (Adjourned Meeting) on 17 December 2020 at 9:30 hrs. at Eastin Grand Hotel Sathorn Bangkok, Surasak 2 and 3 Ballroom, 11th Floor, 33/1 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120. The Unitholders' Meeting rendered the following resolutions.

**Agenda 6.1: To consider and approve the compensation benefits for the Unitholders in the form of cash vouchers (for approval)**

The Meeting resolved to disapprove the compensation benefits for the Unitholders in the form of cash vouchers, with the number of votes as follows:

Approve	5,604,589 units	or	equivalent to	13.11 percent*
Disapprove	37,141,401 units	or	equivalent to	86.89 percent*
Abstain	0 units	or	equivalent to	0 percent*
Void Ballot	0 units	or	equivalent to	0 percent*

\*Percentage of the total number of investment units held by the Unitholders attending the meeting and eligible to vote.

For this agenda, there were additional 20 Unitholders who attended the Meeting, holding 1,030,617 investment units. The total number of investment units held by the Unitholders attending the meeting and eligible to vote equaled 42,745,990 units. The Unitholders having special interest which were not entitled to vote on this agenda included Samui Buri Beach Resort Co., Ltd., holding 85,500 investment units, and Ms. Pornpat Praprutchob, holding 12,920 investment units.

**Agenda 6.2: To consider and approve debt reduction and payment period extension (for approval)**

The Meeting resolved to disapprove the debt reduction and payment period extension, with the number of votes as follows:

Approve	21,170,489 units	or	equivalent to	49.53 percent*
Disapprove	21,475,501 units	or	equivalent to	50.24 percent*
Abstain	100,000 units	or	equivalent to	0.23 percent*
Void Ballot	0 units	or	equivalent to	0 percent*

\*Percentage of the total number of investment units held by the Unitholders attending the meeting and eligible to vote.

For this agenda, there were no additional Unitholders attending the meeting. The total number of investment units held by the Unitholders attending the meeting and eligible to vote equaled 42,745,990 units. The Unitholders having special interest which were not entitled to vote on this agenda included Samui Buri Beach Resort Co., Ltd., holding 85,500 investment units, and Ms. Pornpat Praprutchob, holding 12,920 investment units.

As the Unitholders resolved to disapprove action in both directions, the Management Company will proceed with enforcing the terms and conditions of the Property Lease Agreement and is in the course of preparation for further legal action.

#### (4) Impacts on the Fund

##### 4.1 Financial status of the Fund

The Fund's income comes from the Property Lease Agreement made with the Lessee. In the past seeking of lessees or purchasers, it appears that no offers were made.

With respect to the current liquidity issue, the previous events presented by the Management Company to the Unitholders for acknowledgement that have been periodically considered and approved are summarized below.

Year	Income	Expenditure	Net Balance	Cash Status	Note
2013				1,176,439.24	Financial status as at 31/12/2013
2014	48,716,833.33	43,380,929.19	5,335,904.14	6,512,343.38	Lessee paid part of the rent for 2014.
2015	237,980.00	6,331,284.16	(6,093,304.16)	419,039.22	Lessee did not pay the total amount of rent for 2015.  In 2015, the Fund received compensation from the insurance company in the amount of THB 222,250

Year	Income	Expenditure	Net Balance	Cash Status	Note
					(waiting to repay it to Samui Buri Beach Resort Co., Ltd.)
2016	10,000,249.25	418,817.98	9,581,431.27	10,000,470.49	Compromised and settled with the Lessee by making the temporary lease agreement for a term of six months to seek for a new lessee and/or purchaser.  Repayment of compensation received from the insurance company in an amount of THB 222,250 to Samui Buri Beach Resort Co., Ltd. (for the advance payment of property's repair) according to the compromise agreement
2017	65,225,864.29	62,746,908.55	2,478,955.74	12,479,426.23	House and land tax for 2013 - 2017 was levied by Koh Samui Municipality.  No bids to rent or purchase the property were submitted. The temporary lease agreement was renewed with the existing Lessee for another year.
2018	7,368,884.25	12,038,316.74	(4,669,432.49)	7,809,993.74	No bids to rent or purchase the property were submitted. The temporary

Year	Income	Expenditure	Net Balance	Cash Status	Note
					lease agreement was renewed with the existing Lessee for another three year.
2019	7,364,709.15	7,686,612.11	(321,902.96)	7,488,090.78	
2020	1,865,702.25	6,951,740.95	(5,086,038.70)	2,402,052.08	The COVID-19 outbreak occurred. The hotel was closed, and foreign tourists were prohibited from entering Thailand.  The Fund received rent from the Lessee only for January – March 2020.  Cash (excluding unpaid cash) after deduction of unpaid expenses shall be THB 1,673,677.

The Fund's financial status in 2021 will be as follows.

	2021	2021 (adjusted*)	Note
Income			
Rental Fee	0	0	
Interest	600	600	
<b>Total Income</b>	<b>600</b>	<b>600</b>	
Expense			
Management Fee	2,532,000	0	Collection of fees suspended by the Management Company

	2021	2021 (adjusted*)	Note
Trustee Fee	504,000	504,000	The trustee being coordinated regarding consideration to suspend collection of fees
Registrar Fee	422,000	0	Collection of fees suspended by the Management Company
Legal Advisor Fee	900,000	1,000,000	Including estimated cost of the lawsuit against the Lessee
Audit Fee	930,000	300,000	Estimated fee. In the course of recruitment.
Registration Fee - Annual Basis	107,000	107,000	Activity imposed by legal provision
Property Appraisal Fee	125,000	125,000	Activity imposed by legal provision
Expense for Unitholders' Meeting	350,000	350,000	Activity imposed by legal provision
Insurance Premium	280,000	280,000	Activity imposed by legal provision
Other Expense	120,000	120,000	
<b>Total Expenses</b>	<b>6,274,800</b>	<b>2,789,400</b>	
<b>Net Income before house and land tax</b>	<b>-6,273,200</b>	<b>-2,788,800</b>	
Gross Cash (1 January)	1,673,677	1,673,677	
Net Cash (31 December)	<b>-4,599,523</b>	<b>1,115,123</b>	

\*Estimates made by the Fund Manager

The Fund still has an obligation to pay the house and land tax of 2018 and 2019 in the total amount of approximately THB 12 million. Such tax has neither been assessed nor levied by Koh Samui Municipality. Once it is levied, the Fund's liquidity will immediately become negative.

In the past 4 - 5 years, the Fund has gained enough income to cover only the expenses, but it cannot support fluctuations. Moreover, it reflects in the values of the Fund's property which have been decreasing annually, particularly in 2019 and 2020.

Market values of the property (THB million)

Year	2016	2017	2018	2019	2020
Market values	667.50	646.60	601.40	536.80	399.00

#### (5) Options of action

Subject to the hotel market condition and financial status, the Fund has three options of action, i.e., maintaining of the Fund's status, direct administration, and dissolution of the Fund.

The details of the three options are set out below.

##### 1. Direct administration

Direct administration is when the Fund employs a hotel operator to perform administration without a sole lessee. The Fund's income will be subject to the hotel's turnover, as well as a possibility of loss from operation.

Because of a property fund's limitations, the property fund must seek for benefits by having a business operator rent a property for operation (turn-key lease). It cannot directly hire a hotel operator and take risks from the operation of real estate business.

In taking this action, the Fund must obtain relaxation from the Office of the Securities and Exchange Commission ("SEC Office"), allowing temporary operation. However, a contract to engage the hotel operator generally has a minimum term of no less than 15 years. Moreover, the tourism market conditions worldwide may take another 3 - 5 years to recover to the level prior to the occurrence of the disease outbreak, which may contradict the temporary relaxation allowing the Fund to overcome this crisis.

Even though the SEC Office considers granting relaxation and allowing direct administration, the next obstacle is that the Fund's cash cannot support the said action. It is necessary for the Fund to increase capital or take out a loan, or both, to enable sufficient liquidity for operation.

If the Fund carries out direct administration, the amount of fund needed for operation is up to the selected hotel operator. This means that each hotel operator will have different target groups and market positioning. To be able to estimate the required budget, it is subject to the market positioning to occur, and the said budget consists of major renovation budget, including system work and office's internal system or back of the house, and rebranding and relaunching budget, not to mention annual budget that is necessary for business operation. Such operating budget will be obtained by raising capital or taking out a loan. The amount of fund needed from this capital increase or borrowing is not yet definite as the hotel operator must be appointed to set out directions and management budget first. The approval will be preliminary to allow determination of directions, and the Management Company will present the detailed budget after the hotel operator has been appointed and the operational plan has been concluded with the hotel operator.

With respect to capital increase, presently, a property fund cannot increase capital in order to invest in a new property pursuant to the Notification of Capital Market Supervisory Board No. TorNor. 36/2562. Now, increase of the Fund's registered capital may be carried out only for the purpose of improvements to the real property so that it is in good condition and available for exploitation. Even though the SEC Office may consider granting relaxation and allowing the Fund to proceed with it, there is a very low possibility that the Unitholders or other investors will fund the investment in the property which lacks business opportunities in the period of 3 - 5 years.

With respect to borrowing, a property fund may take out a loan to maintain the condition of the property. However, with the current business condition, there is hardly a possibility that a financial institution will give a loan to the business with no liquidity and income which will not earn income for the next 3 - 5 years.

The preliminary budget for operation consists of two main portions, i.e., annual expenditure of the Fund and renovation budget.

Item	Amount	Note
Fund's Annual Expenditure	THB 20 million	To cover costs and expenses for maintaining the Fund's status
Renovation and Marketing Costs*		To cover costs and expenses for renovation and marketing**



Item	Amount	Note
Construction Costs (Including Advisor Fee)	THB 62.79 million	
Marketing Cost	THB 30 million	
Total	THB 112.79 million	

*\*The said budget is a preliminary estimate which may be subject to change once the hotel operator has been recruited and appointed.*

*\*\*The Management Company will attach the detailed estimates to the meeting invitation.*

The preliminary budget in this course of action is approximately THB 112.79 million. The total amount of capital that must be raised is THB 120 million. The Management Company will divide the action into two phases. In the first phase, the capital will be raised by THB 20 million by issuing additional 2,000,000 investment units at an offering price of THB 10 per unit to the existing Unitholders of the Fund and completely carry it out within 60 days from the date on which approval is obtained from the SEC Office or take out a loan of THB 20 million within 90 days from the date on which the SEC Office notifies the consideration result disapproving the capital increase. In the second phase, if the operating budget concluded with the hotel operator does not exceed the estimated amount proposed by more than 15 percent, the Management Company will take further relevant action. If the operating budget exceeds the estimated amount by more than 15 percent, the Management Company will present the detailed work plan and budget to the Unitholders for another consideration. If there is any obstacle which prevents successful action, for example, approval is not obtained, no Unitholders are interested in raising capital in addition to the first capital increase, relaxation is not granted for operation, recruitment and appointment of the hotel operator, capital increase or borrowing, or the Unitholders resolve to disapprove the operating budget exceeding this estimated amount, the Management Company will take further action to dissolve the Fund.

Success in the taking of this course of action depends on the following factors.

- 1) Unitholders' preliminary approval for capital increase.
- 2) Necessary relaxation granted by the SEC Office.
- 3) Successful selection of the hotel operator in an uncertain business situation.
- 4) Unitholders' approval for capital increase to allow performance in accordance with the work plan.
- 5) Existing Unitholders' readiness to invest in the hotel business with an uncertain business tendency.

- 6) Financial institution’s consideration to give a loan to the hotel business with an uncertain business tendency.

The pros and cons of this course of action are listed below.

Pros	Cons
<p>1) It maintains the Fund’s status which enables the Unitholders to continue to purchase and sell investment units in the stock exchange.</p> <p>2) It reduces the risk of the Lessee failing to pay rent. Originally, there are risks from the Lessee and business condition. It will be reduced to only the risk from business operation.</p> <p>3) The Fund fully gains income from its operation.</p>	<p>1) It costs a large amount of money for operations.</p> <p>2) The amount will not be definite until the hotel operator has been appointed.</p> <p>3) Under the current market condition, there may be no hotel chain business operator who is interested in offering services.</p> <p>4) The Fund will take a risk of loss from operation.</p> <p>5) This course of action is not appropriate for the Fund’s financial status and the current market condition.</p> <p>6) There will be a process to obtain relaxation from the SEC Office which allows direct administration.</p>

## 2. Maintaining of the Fund’s status

The maintaining of the Fund’s status is to suspend the seeking for a lessee and/or purchaser of the property as the tourism and hotel market conditions are not yet favorable to the investors to come and rent or purchase the Fund’s property.

This course of action will require fundraising by increasing capital or taking out a loan to cover necessary costs and expenses for maintaining the Fund’s status until the situation of the tourism market improves enough to the extent that the seeking process for a lessee or purchaser can be carried out again. Based on the anticipated tendency of the tourism market, the Fund may need to remain without a lessee for an approximate period of three years. The expenditure estimates are as follows.

	2021	2022	2023	Note
Income				
Rental Fee	0	0	0	
Interest	600	0	0	
<b>Total Income</b>	<b>600</b>	<b>0</b>	<b>0</b>	
Expense				
Management Fee	0	0	0	Collection of fees suspended by the Management Company
Trustee Fee	504,000	504,000	504,000	The trustee being coordinated regarding consideration to suspend collection of fees
Registrar Fee	0	0	0	Collection of fees suspended by the Management Company
Legal Advisor Fee	1,000,000	200,000	200,000	Including estimated cost of the lawsuit against the Lessee
Audit Fee	300,000	300,000	300,000	Estimated fee. In the course of recruitment.
Registration Fee - Annual Basis	107,000	107,000	107,000	Activity imposed by legal provision
Property Appraisal Fee	125,000	125,000	125,000	Activity imposed by legal provision
Expense for Unitholders' Meeting	350,000	350,000	350,000	Activity imposed by legal provision
Insurance Premium	280,000	280,000	280,000	Activity imposed by legal provision
Other Expense	500,000	500,000	500,000	Including expenses for security guards looking

	2021	2022	2023	Note
				after the property and in case of emergency. Subject to change as appropriate.
<b>Total Expenses</b>	<b>3,169,400</b>	<b>2,369,400</b>	<b>2,369,400</b>	
<b>Net Income before house and land tax</b>	<b>-3,168,800</b>	<b>-2,369,400</b>	<b>-2,369,400</b>	
<i>Gross Cash (1 January)</i>	<i>1,673,677</i>	<i>-1,495,123</i>	<i>-3,864,523</i>	
<i>Net Cash (31 December)</i>	<i>-1,495,123</i>	<i>-3,864,523</i>	<i>-6,233,923</i>	
<b>Fund needed for operation</b>	<b>2,000,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>Total of THB 7 million (exclusive of expense for property maintenance)</b>
Expense for property maintenance	4,680,000	4,680,000	4,680,000	Total of THB 14,040,000

In summary, to maintain the Fund's status for a period of three years, there needs to be expenses for three years in a total amount of approximately THB 7 million. Moreover, the cost of property maintenance as necessary is required which the Management Company estimates by referring the expense for property maintenance spent by the lessee, approximately at THB 3.6 million per year. However, since the closed property without use will deteriorate faster, it is estimated that the higher cost will be occurred for approximately 30 percent or THB 4.68 million per year, totaling 3 years at THB 14.04 million. In addition, there is house and land tax of 2018 and 2019 in the total amount of approximately THB 12 million that has not been levied by Koh Samui Municipality. Once the tax is levied, the Fund must pay it accordingly before having the right to appeal. Therefore, to be able to maintain the Fund's status for three years will require funds in the total amount of approximately THB 19 million.

The Management Company will increase capital for a total amount of THB 35 million by issuing additional 3,500,000 investment units at an offering price of THB 10 per unit to the existing Unitholders of the Fund and completely carry it out within 60 days from the date on which approval is obtained from the SEC Office or take out a loan of THB 35 million within 90 days from the date on which the SEC Office notifies the consideration result disapproving the capital increase.

For this course of action, capital increase or loan taken out will be spent to cover costs and expenses and will not generate income, but this will sustain the Fund in this 3-year period so that the Fund can wait for the time to initiate the seeking for a lessee and/or purchaser and hope that offers to rent or purchase the Fund’s property will be submitted.

The pros and cons of this course of action are listed below.

Pros	Cons
<ol style="list-style-type: none"> <li>1) It maintains the Fund’s status which enables the Unitholders to continue to purchase and sell investment units in the stock exchange.</li> <li>2) It still gives an opportunity for interested persons to make offers to rent or purchase the property, and the business opportunity is still open.</li> <li>3) The property’s selling price in the future (in the next 2 – 3 years) may be higher than the current forced sale price.</li> </ol>	<ol style="list-style-type: none"> <li>1) The capital that the Fund wishes to increase to cover the costs and expenses for maintaining the Fund’s status is exclusive of the costs for maintaining the property. There will be no income generated from the property.</li> <li>2) In the past, the Fund carried out the seeking of the lessee and/or purchaser several times but has been unsuccessful. There is a very low chance that offers will be made.</li> <li>3) The property’s condition which deteriorates quickly due to its closure without use will require the person interested in renting the property to invest in improving the property at a high budget, which in return, generates low rent.</li> <li>4) The deteriorating condition of the property may cause the purchase price to be lower than the current forced sale price.</li> <li>5) If the situation does not improve or a lessee or purchaser cannot be found within the 3-year period, the Fund will return to the current condition which is lacking liquidity to continue operating.</li> </ol>

If the Unitholders passes an approving resolution in this agenda item, the Management Company will take further relevant action in accordance with relevant laws and notifications. If there is any obstacle, for example, approval for capital increase is not obtained, no Unitholders are interested in raising

capital, or loan is not obtained from a financial institution, which prevents successful capital increase and/or borrowing, the Management Company will further proceed with the dissolution of the Fund.

### 3. Dissolution of the Fund

This course of action includes dissolving the Fund and selling the property to average out the money back to the Unitholders. The disadvantage of this course of action is the property’s selling price will be a price for sale by auction. However, this will be an absolute solution to the problem, similarly to the Unitholders selling off the investment units held by them. The Unitholders’ consideration and approval of the dissolution of the Fund will automatically cause the property to be sold at the liquidation stage (by the liquidator), and it is not necessary to propose that the Unitholders consider and approve sale of the property in a separate agenda item.

This course of action comprises the following steps.

- 1) The Unitholders resolve to approve the dissolution of the Fund.
- 2) The Management Company appoints the liquidator.
- 3) The liquidator has the powers and duties to carry out proceedings, including collection and acceptance inspection of the property of the Fund or properties to which the Fund is entitled to receive from others, disposal of the property of the Fund for the purpose of gathering cash, bank savings or promissory notes issued by a commercial bank or finance company and distribute them back to the Unitholders.
- 4) The liquidator shall be responsible for sale at auction by bidding or any other mean as the liquidator deems appropriate without the minimum price. The selling price at auction may be lower than a forced sale price specified under the appraisal report. However, it shall reflect the market’s perspective over the property according to the then-current circumstance and condition.

The pros and cons of this course of action are listed below.

Pros	Cons
1) It is an absolute solution to the problem. There will no longer be issues regarding the lessee and liquidity.	1) The property’s selling price may be the price at auction which may be lower than a forced sale price specified under the appraisal report. However, it shall reflect the market’s

Pros	Cons
2) The Unitholders will receive money that is proportionally averaged back to them. 3) Capital increase or borrowing is not required. It will not add further burden to the Unitholders.	perspective over the property according to the then-current circumstance and condition.

However, if the Unitholders do not approve of any of the courses of action due to the limitation being the existing cash, the Fund has no choice but to close off the property and wait for the tourism market to recover or for offers to rent and/or purchase the property to be made. Therefore, the Management Company is required to cut off some expenses, with only necessary ones remaining, to maintain and for the property to last for as long as possible, which will prevent the Fund from performing activities imposed by legal provisions and cause the Fund to be delisted. The expenses to incur are as follows.

	2021	Note
Income		
Rental Fee	0	
Interest	600	
<b>Total Income</b>	<b>600</b>	
Expense		
Management Fee	0	
Trustee Fee	0	
Registrar Fee	0	
Legal Advisor Fee	1,000,000	Including lawyer's fee for bringing a lawsuit against the existing Lessee and enforce the agreement in accordance with the resolution of the Unitholders' Meeting
Audit Fee	0	
Registration Fee - Annual Basis	0	
Property Appraisal Fee	0	

	2021	Note
Expense for Unitholders' Meeting	0	The Management Company will mainly report updates through the stock exchange.
Insurance Premium	280,000	
Other Expense	300,000	Including expenses for security guards looking after the property during August - December. Subject to change as appropriate.
<b>Total Expenses</b>	<b>1,580,000</b>	
<b>Net Income before house and land tax</b>	<b>-1,579,400</b>	
Gross Cash (1 January)	1,673,677	
Net Cash (31 December)	94,277	

The delisting will result in the Unitholders no longer being able to purchase or sell these investment units in the stock exchange.

#### Legal advisor's opinion

The Fund's legal advisor considers the foregoing courses of action and is of the view as follows.

##### 1. Direct administration and maintaining of the Fund's status

For the direct administration and maintaining of the Fund's status, it is necessary for the Management Company to raise funds by increasing registered capital in order to follow both courses of action. The Notification No. TorNor. 36/2562 prescribes that increase of registered capital may be done only for the purpose of improvements to the real property so that it is in good condition and available for exploitation, and it requires a resolution from the Unitholders' Meeting passed by votes of no less than three-fourths of the total number of investment units held by the Unitholders attending the meeting and entitled to cast a vote, or in case of a letter requesting a resolution from the Unitholders, it requires votes of more than half of the number of investment units held by the Unitholders entitled to cast a vote. The



Unitholders eligible to vote must not be those with interest who give the right to the real property to the Fund, those who are given the right to allot the portion of investment units for offering for sale to specific investors in the case that investment units are to be offered for sale by private placement, or those having the relationship in the way that is regarded as the same group of persons. In case of increase of registered capital by offering investment units for sale specifically to certain existing Unitholders, the Unitholders holding an aggregate number of investment units exceeding 10 percent of the total number of issued investment units must not oppose the capital increase.

The Management Company shall file a request for approval of the increase of registered capital with the SEC Office, and the SEC Office will notify the consideration result within 100 days from the date on which it receives correct and complete documentation. If approval is granted, the Management Company shall completely offer investment units for sale within a year from the date on which approval is obtained. After the offering for sale of investment units, the Management Company has the duty to submit a request for amendment to registered capital in accordance with relevant notifications.

## 2. Dissolution of the Fund

If the Meeting resolves to dissolve the Fund, the Management Company has the duty to appoint a liquidator approved by the SEC Office to carry out disposal of the Fund's property, settle the Fund's liabilities, gather and distribute money or property back to the Unitholders in proportion to the number of investment units held by each Unitholder per the register of Unitholders, perform other acts necessary to complete the liquidation, and notify the trustee.

Pursuant to the Notification of Capital Market Supervisory Board No. TorNor. 15/2562 Re: Rules, Conditions and Procedures for Liquidation of Mutual Funds, dated 9 April 2019 (as amended), a liquidator has the powers and duties to carry out proceedings, including collection and acceptance inspection of the property of the Fund or properties to which the Fund is entitled to receive from others, and disposal of the property of the Fund for the purpose of gathering cash, bank savings or promissory notes issued by a commercial bank or finance company. The liquidator may assign the Management Company to carry out the disposal of property. If there is a necessary and reasonable event preventing the disposal of the Fund's property, the liquidator, Management Company and trustee of the Fund shall jointly consider proceeding with such property as deemed fit, by mainly taking into account the benefits that the Fund will receive. Once the liquidator has completely settled debts on behalf of the Fund, the liquidator shall allot and deliver the remaining money or property to the Unitholders.

The direct administration and maintaining of the Fund's status which require increase of registered capital may take longer steps and time than the dissolution of the Fund, which may affect the Fund's operation during the period in which the Fund requests for approval of the increase of registered capital from both the Unitholders and the SEC Office. This could lead the Fund to face operational issues as to being unable to comply with the rules on procedures for management of mutual funds in accordance with relevant notifications, for example, inspection of real property condition, insurance, procurement of benefits from the real property on the basis of regular income determined, property appraisal, holding of a Unitholders' Meeting, and submission of the Fund's financial statements. The Management Company may request that the SEC Office relax the procedures for management which may be a limitation to the Fund's problem solving. Nonetheless, as the relevant notifications do not clearly stipulate the criteria for relaxation granted by the SEC Office, the said consideration to approve relaxation of mutual fund management procedures may be subject to facts in each case.

If it is not in the SEC Office's authority to grant relaxation and the Management Company is unable to take action in accordance with the prescribed rules, the Management Company may be deemed as failing to comply with the law on securities and exchange, which falls within the scope of grounds for delisting the Fund's investment units pursuant to the Regulation of the Stock Exchange of Thailand Re: Listing and Delisting Investment Units of a Mutual Fund, B.E. 2560 (2017) (BorJor./Ror 04-00), dated 25 December 2017 (as amended) ("Regulation on Listing and Delisting of Investment Units"). During the SET's consideration to delist or while the mutual fund is causing the grounds for delisting to be extinguished, the SET may order temporary prohibition to purchase or sell investment units or mark up the investment units. Nevertheless, if the Management Company is unable to cause the grounds for delisting to be extinguished, the Board of Governors of the Stock Exchange of Thailand may order the investment units delisted. Once the delisting has been ordered, the Management Company will have to duty to further carry out the dissolution of the Fund in accordance with relevant rules.

### **Management Company's opinion**

For the three courses of action mentioned above, their pros and cons are summarized below.

	<b>Course of Action 1 Capital increase for direct administration</b>	<b>Course of Action 2 Capital increase to maintain the Fund's status</b>	<b>Course of Action 3 Dissolution of the Fund</b>
Required Amount	THB 120 million (preliminary estimate; subject to change)	THB 35 million	-
Expected Result	Adjust administrative structure from chartering to direct administration of the hotel. Earn income directly from the business.	Maintain the Fund's status for three years.	Dissolve the Fund and distribute money back to Unitholders.
Pros	<ul style="list-style-type: none"> <li>• It maintains the Fund's status which enables the Unitholders to continue to purchase and sell investment units in the stock exchange.</li> <li>• It reduces the risk of the Lessee failing to pay rent. Originally, there are risks from the Lessee and business condition. It will be reduced to only the risk from business operation.</li> <li>• The Fund fully gains income from its operation.</li> </ul>	<ul style="list-style-type: none"> <li>• It maintains the Fund's status which enables the Unitholders to continue to purchase and sell investment units in the stock exchange.</li> <li>• It still gives an opportunity for interested persons to make offers to rent or purchase the property, and the business opportunity is still open. The property's selling price in the future (in the next 2 – 3 years) may be higher than the current forced sale price.</li> </ul>	<ul style="list-style-type: none"> <li>• It is an absolute solution to the problem. There will no longer be issues regarding the lessee and liquidity.</li> <li>• The Unitholders will receive money that is proportionally averaged back to them.</li> <li>• Capital increase or borrowing is not required. It will not add further burden to the Unitholders.</li> </ul>

	<b>Course of Action 1 Capital increase for direct administration</b>	<b>Course of Action 2 Capital increase to maintain the Fund's status</b>	<b>Course of Action 3 Dissolution of the Fund</b>
Cons	<ul style="list-style-type: none"> <li>• It costs a large amount of money for operations.</li> <li>• The amount will not be definite until the hotel operator has been appointed.</li> <li>• Under the current market condition, there may be no hotel chain business operator who is interested in offering services.</li> <li>• The Fund will take a risk of loss from operation.</li> <li>• This course of action is not appropriate for the Fund's financial status and the current market condition.</li> <li>• There will be obtain relaxation from the SEC Office which allows direct administration.</li> </ul>	<ul style="list-style-type: none"> <li>• The capital that the Fund wishes to increase to cover the costs and expenses for maintaining the Fund's status is exclusive of the costs for maintaining the property. There will be no income generated from the property.</li> <li>• In the past, the Fund carried out the seeking of the lessee or purchaser several times but has been unsuccessful. There is a very low chance that offers will be made.</li> <li>• The property's condition which deteriorates quickly due to its closure without use will require the person interested in renting the property to invest in improving the property at a high budget, which in</li> </ul>	<ul style="list-style-type: none"> <li>• The property's selling price may be the price at auction which may be lower than a forced sale price specified under the appraisal report. However, it shall reflect the market's perspective over the property according to the then-current circumstance and condition.</li> </ul>

	<b>Course of Action 1 Capital increase for direct administration</b>	<b>Course of Action 2 Capital increase to maintain the Fund's status</b>	<b>Course of Action 3 Dissolution of the Fund</b>
		<p>return, generates low rent.</p> <ul style="list-style-type: none"> <li>• The deteriorating condition of the property may cause the purchase price to be lower than the current forced sale price.</li> <li>• If the situation does not improve or a lessee or purchaser cannot be found within the 3-year period, the Fund will return to the current condition which is lacking liquidity to continue operating.</li> </ul>	
Management Company's opinion	<ul style="list-style-type: none"> <li>• This is a poorer option than the dissolution of the Fund, but a better option than maintaining of the Fund's status.</li> </ul>	<ul style="list-style-type: none"> <li>• This is the poorest option.</li> </ul>	<ul style="list-style-type: none"> <li>• This course of action will cause the least damage in both short and long terms.</li> </ul>

Considering the foregoing courses of action, the Management Company is of the view that the option of dissolution of the Fund will cause the least damage in both short and long terms. The Management Company hereby proposes that the Unitholders' Meeting consider and approve the courses of action. If the Meeting resolves to disapprove the three courses of action, the Management Company will close off the property, and with the limitation being the Fund's cash flow, the Management Company

will refrain from carrying out the activities prescribed by applicable legal provisions, notifications and requirements, e.g., appointment of an auditor and property appraisal to reserve cash for necessary activities such as hiring of security guards and property inspection. Not only does this cause the property to be improperly maintained and to deteriorate faster than a property which is open for use, but also cause the Fund to be delisted from the Stock Exchange of Thailand, which will result in the Unitholders being unable to purchase and sell investment units in the stock exchange.

However, with respect to necessary activities, the Management Company will carry them out as much as the Fund's cash allows. If the Fund's cash runs out, the Management Company will need to cease operations.

In this agenda item, the Management Company would like to propose that the Unitholders' Meeting consider approving or disapproving the courses of action that are divided into three sub-agenda items. Because the three sub-agenda items are connected and in connection with Agenda 5, if the Meeting renders an approving resolution for Agenda 4.1, there will not be consideration for Agendas 4.2 and 4.3, and the Management Company will further propose that the Meeting consider the matter in Agenda 5.1 without consideration for Agenda 5.2. If the Meeting passes a disapproving resolution in Agenda 4.1, but an approving resolution in Agenda 4.2, there will not be consideration for Agenda 4.3, and the Management Company will further propose that the Meeting consider the matter in Agenda 5.2 without consideration for Agenda 5.1. If the Meeting passes disapproving resolutions for Agendas 4.1 and 4.2, the Management Company will proceed with the meeting with respect to Agenda 4.3, without consideration for Agenda 5.1 and 5.2.

If the Unitholders pass disapproving resolutions for Agendas 4.1, 4.2 and 4.3, there will not be consideration for Agenda 5.1 and 5.2, and the Management Company will close off the property and refrain from carrying out activities which are necessary for maintaining the Fund's status, as informed above.

**Agenda 4.1: To consider and approve the capital increase to support direct administration (for approval)**

For this agenda item, the Management Company would like to propose that the Meeting consider approving or disapproving the capital increase in the amount of THB 120 million to support direct administration. The details of the estimated expenditure are as analyzed above.

If the Unitholders render an approving resolution for this agenda item, the Management Company will take further relevant action in accordance with applicable legal provisions and notifications. In the first phase, the capital will be raised by THB 20 million by issuing additional 2,000,000 investment units at an offering price of THB 10 per unit to the existing Unitholders of the Fund and completely carry it out within 60 days from the date on which approval is obtained from the SEC Office or take out a loan of THB 20 million within 90 days from the date on which the SEC Office notifies the consideration result disapproving the capital increase. In the second phase, if the operating budget concluded with the hotel operator does not exceed the estimated amount proposed by more than 15 percent, the Management Company will take further relevant action. If the operating budget exceeds the estimated amount by more than 15 percent, the Management Company will present the detailed work plan and budget to the Unitholders for another consideration. If there is any obstacle which prevents successful action, for example, approval is not obtained, no Unitholders are interested in raising capital in addition to the first capital increase, relaxation is not granted for operation, recruitment and appointment of the hotel operator, capital increase or borrowing, or the Unitholders resolve to disapprove the operating budget exceeding this estimated amount, the Management Company will further proceed with the dissolution of the Fund.

#### **Legal advisor's opinion**

For the capital increase to support direct administration, the Management Company is required to obtain approval from the SEC Office and to offer for sale of the investment units in accordance with the prescribed rules. The increase of registered capital may take long steps and time, which may affect the Fund's operation and it could lead the Fund to face operational issues as to being unable to comply with the rules on procedures for management of mutual funds in accordance with relevant notifications, for example, inspection of real property condition, insurance, procurement of benefits from the real property on the basis of regular income determined, property appraisal, holding of a Unitholders' Meeting, and submission of the Fund's financial statements. The Management Company may request that the SEC Office relax the procedures for management which may be a limitation to the Fund's problem solving. The Management Company is required to obtain relaxation from the SEC Office with respect to procurement of benefits from the Fund's real property in order to take action in accordance with the direct administration because such action does not conform with the rules on procurement of benefits as prescribed by the notifications. Nonetheless, as the relevant notifications do not clearly stipulate the criteria for relaxation granted by the SEC Office, the said consideration to approve relaxation of mutual fund management procedures may be subject to facts in each case.

If it is not in the SEC Office's authority to grant relaxation, and the Management Company is unable to take action in accordance with the prescribed rules, it may be a ground for delisting the Fund's investment units under the regulation on listing and delisting of investment units. During the SET's consideration to delist or while the mutual fund is causing the grounds for delisting to be extinguished, the SET may order temporary prohibition to purchase or sell investment units or mark up the investment units. However, if the Management Company is unable to cause the grounds for delisting the Fund's investment units to be extinguished or the grounds for delisting cannot be remedied and extinguished, the SET Board of Governors may order the investment units delisted. Once the delisting has been ordered, the Management Company will have the duty to further carry out the dissolution of the Fund in accordance with relevant rules.

### **Management Company's opinion**

The Management Company opines that, under current circumstances of the tourism market and uncertain tendency in the near future of 3 - 5 years, this course of action presents a relatively high business risk as the Fund's income will be directly subject to the turnover.

In the event of a normal market situation, this course of action will be the best option in real estate investment and will reduce risks from the fact that the Fund's income relies on a sole lessee where there is always a chance of breach of the lease agreement. However, subject to limitations of the Fund's financial status and Thailand's and world's tourism market conditions, this course of action is not appropriate for the limitations and situation. Even though this course of action is better than approving no courses of action at all and leave the property to deteriorate, this course of action is a poorer option than the dissolution of the Fund which will be an absolute solution to the problem.

### **Resolution**

This agenda item requires a resolution passed by votes of no less than three-fourths of the total number of investment units held by the Unitholders attending the meeting and entitled to cast a vote.

#### **Unitholders with special interest**

Based on the list of the Fund's Unitholders as of 24 November 2020, the Unitholders having special interest which are not entitled to vote on this agenda include Samui Buri Beach Resort Co.,



Ltd., holding 85,500 investment units, and Ms. Pornpat Praprutchob, holding 12,920 investment units, or equivalent to an aggregate of 0.12 percent of the total number of issued investment units of the Fund, that will not be included by the Management Company in the vote counting for this agenda item.

**Agenda 4.2: To consider and approve the capital increase to cover costs and expenses for maintaining the Fund's status (for approval)**

**If the Meeting passes an approving resolution in Agenda 4.1, there will be no consideration in this agenda item.**

In this agenda item, the Management Company would like to propose that the Meeting consider approving or disapproving capital increase in the amount of THB 35 million to cover the costs and expenses in 2021 - 2023 to maintain the Fund's status. The details of the estimated annual expenditure are as shown above.

If the Unitholders render an approving resolution for this agenda item, the Management Company will take further relevant action in accordance with applicable legal provisions and notifications. If there is any obstacle which prevents the Management Company from successfully carrying out the capital increase or taking out a loan, the Management Company will further proceed with the dissolution of the Fund.

**Legal advisor's opinion**

For the capital increase to cover the costs and expenses for maintaining the Fund's status, the Management Company is required to obtain approval from the SEC Office and to offer for sale of the investment units in accordance with the prescribed rules. The increase of registered capital may take long steps and time, which may affect the Fund's operation and it could lead the Fund to face operational issues as to being unable to comply with the rules on procedures for management of mutual funds in accordance with relevant notifications, for example, inspection of real property condition, insurance, procurement of benefits from the real property on the basis of regular income determined, property appraisal, holding of a Unitholders' Meeting, and submission of the Fund's financial statements. The Management Company may request that the SEC Office relax the procedures for management which may be a limitation to the Fund's problem solving. Nonetheless, as the relevant notifications do not clearly stipulate the criteria for

relaxation granted by the SEC Office, the said consideration to approve relaxation of mutual fund management procedures may be subject to facts in each case.

If it is not in the SEC Office's authority to grant relaxation, and the Management Company is unable to take action in accordance with the prescribed rules, it may be a ground for delisting the Fund's investment units under the regulation on listing and delisting of investment units. During the SET's consideration to delist or while the mutual fund is causing the grounds for delisting to be extinguished, the SET may order temporary prohibition to purchase or sell investment units or mark up the investment units. However, if the Management Company is unable to cause the grounds for delisting the Fund's investment units to be extinguished or the grounds for delisting cannot be remedied and extinguished, the SET Board of Governors may order the investment units delisted. Once the delisting has been ordered, the Management Company will have the duty to further carry out the dissolution of the Fund in accordance with relevant rules.

#### **Management Company's opinion**

The Management Company views that, under current circumstances of the tourism market and uncertain tendency in the near future of 3 - 5 years, this course of action is to buy time and hope that any offer to rent or purchase the Fund's property will be made within this period. The Fund might face this liquidity issue again in the next three years.

After comparing between the three courses of action, even though this one is better than approving no courses of action at all and leave the property to deteriorate, this course of action is the poorest option, while the dissolution of the Fund will be an absolute solution to the problem.

#### **Resolution**

This agenda item requires a resolution passed by votes of no less than three-fourths of the total number of investment units held by the Unitholders present at the meeting and entitled to vote.

#### **Unitholders with special interest**

Based on the list of the Fund's Unitholders as of 24 November 2020, the Unitholders having special interest which are not entitled to vote on this agenda include Samui Buri Beach Resort Co., Ltd., holding 85,500 investment units, and Ms. Pornpat Praprutchob, holding 12,920 investment units, or

equivalent to an aggregate of 0.12 percent of the total number of issued investment units of the Fund, that will not be included by the Management Company in the vote counting for this agenda item.

**Agenda 4.3: To consider and approve the dissolution of the Fund (for approval)**

**If the Meeting passes an approving resolution in Agendas 4.1 or 4.2, there will be no consideration in this agenda item.**

For this agenda item, the Management Company would like to propose that the Meeting consider approving or disapproving the dissolution of the Fund. If the Unitholders resolve to approve the dissolution of the Fund, the Management Company will appoint a liquidator to carry out the liquidation under the relevant legal provisions and notifications, as well as selling the property by auction in order to proportionally distribute money back to the Unitholders.

If the Meeting resolves not to approve any of the courses of action, the Management Company will close off the property, and with the limitation being the Fund's cash flow, the Management Company will refrain from carrying out the activities prescribed by applicable legal provisions, notifications and requirements, e.g., appointment of an auditor and property appraisal to reserve cash for necessary activities such as hiring of security guards and property inspection. Not only does this cause the property to be improperly maintained and to deteriorate faster than a property which is open for use, but also cause the Fund to be delisted from the Stock Exchange of Thailand, which will result in the Unitholders being unable to purchase and sell investment units in the stock exchange.

Nonetheless, with respect to necessary activities, the Management Company will carry them out as much as the Fund's cash allows. If the Fund's cash runs out, the Management Company will need to cease operations.

**Legal advisor's opinion**

If the Meeting resolves to dissolve the Fund, the Management Company has the duty to appoint a liquidator approved by the SEC Office to carry out disposal of the Fund's property, settle the Fund's liabilities, gather and distribute money or property back to the Unitholders in proportion to the number of investment units held by each Unitholder per the register of Unitholders, perform other acts necessary to complete the liquidation, and notify the trustee.

The liquidator has the powers and duties to carry out proceedings, including collection and acceptance inspection of the property of the Fund or properties to which the Fund is entitled to receive from others, and disposal of the property of the Fund for the purpose of gathering cash, bank savings or promissory notes issued by a commercial bank or finance company. The liquidator may assign the Management Company to carry out the disposal of property. If there is a necessary and reasonable event preventing the disposal of the Fund's property, the liquidator, Management Company and trustee of the Fund shall jointly consider proceeding with such property as deemed fit, by mainly taking into account the benefits that the Fund will receive. Once the liquidator has completely settled debts on behalf of the Fund, the liquidator shall allot and deliver the remaining money or property to the Unitholders.

#### **Management Company's opinion**

The Management Company views that, under current circumstances of the tourism market and uncertain tendency in the near future of 3 - 5 years, after comparing the pros and cons of the three courses of action, the dissolution of the Fund will cause the least damage and will be an absolute solution to the problem.

#### **Resolution**

[In case the Unitholders' Meeting resolves to approve the amendment to the Project in Agenda 3.1]

This agenda item requires a resolution passed by a majority of votes out of the total number of investment units held by the Unitholders present at the meeting and entitled to vote.

[In case the Unitholders' Meeting resolves to disapprove the amendment to the Project in Agenda 3.1]

This agenda item requires a resolution passed by a majority of votes from the Unitholders calculated based on the total number of issued investment units of the Fund.

For this agenda, there are no Unitholders having special interest.

**Agenda 5: To consider and approve the amendment to clause 2 of the Fund Management Project and amendment to the Legal Bindings between the Unitholders of the Fund and the**

**Management Company to be consistent with the increase of registered capital of the Fund (for approval)**

**If the Meeting passes an approving resolution in Agenda 4.3, there will be no consideration in this agenda item.**

**Agenda 5.1: To consider and approve the amendment to Clause 2 of the Fund Management Project and amendment to the Legal Bindings between the Unitholders of the Fund and the Management Company to be consistent with the increase of registered capital of the Fund in Agenda 4.1 (for approval)**

**If the Meeting passes an approving resolution in Agenda 4.2, there will be no consideration in this agenda item.**

This is consequential to the Meeting’s consideration to approve the increase of registered capital of the Fund in Agenda 4.1 above. For this agenda item, the Management Company would like to propose that the Meeting consider approving the amendment to Clause 2 of the Fund Management Project and amendment to the Legal Bindings between the Unitholders of the Fund and the Management Company by which the Management Company and trustee of the Fund have agreed to be bound under the attached Fund Management Project, which shall be incorporated as an integral part of the Legal Bindings, to be consistent with the increase of registered capital of the Fund. The details are as follows.

Existing Project and Legal Bindings	Amended Project and Legal Bindings
<p><b>2. The Fund Management Project’s amount of capital of, par value, number, type, offering price of investment unit, and minimum subscription price</b></p> <p>2.1 The Project’s capital is no more than THB 828,000,000.</p> <p>2.2 The number of investment units is no more than 82,800,000 units.</p> <p>2.3 The par value is THB 10 per investment unit.</p> <p>2.4 The type of investment unit is investment unit issued with a name certificate.</p>	<p><b>2. The Fund Management Project’s amount of capital of, par value, number, type, offering price of investment unit, and minimum subscription price</b></p> <p>2.1 The Project’s capital is no more than THB <del>828,000,000</del> 848,000,000.</p> <p>2.2 The number of investment units is no more than <del>82,800,000</del> 84,800,000 units.</p> <p>2.3 The par value is THB 10 per investment unit.</p> <p>2.4 The type of investment unit is investment unit issued with a name certificate.</p>

Existing Project and Legal Bindings	Amended Project and Legal Bindings
<p>2.5 Initial offering of investment units</p> <p>(1) The amount of capital from the offering for sale is THB 828 million.</p> <p>(2) The number of investment units offered for sale is 82,800,000 units.</p> <p>(3) The price of investment unit offered for sale is THB 10.</p> <p>(4) The minimum subscription price is THB 10,000.</p>	<p>2.5 Initial offering of investment units</p> <p>(1) The amount of capital from the offering for sale is THB 828 million.</p> <p>(2) The number of investment units offered for sale is 82,800,000 units.</p> <p>(3) The price of investment unit offered for sale is THB 10.</p> <p>(4) The minimum subscription price is THB 10,000.</p>

### **Legal advisor's opinion**

The amendment to the Fund Management Project and Legal Bindings as proposed above is in accordance with the rules and procedures prescribed by relevant notifications. The said amendment is not a matter significantly affecting the rights of Unitholders as stipulated in the Notification No. TorNor. 37/2562. The amendment to the Fund Management Project and Legal Bindings with respect to the Project's capital requires a resolution passed by a majority of votes out of the total number of investment units held by the Unitholders attending the meeting and entitled to cast a vote in the case that the Unitholders' Meeting resolves to approve the amendment to the Project in Agenda 3.2, or by votes of more than half of the total number of issued investment units in the case that the Unitholders' Meeting resolves to disapprove the amendment to the Project in Agenda 3.2. Upon the Unitholders' resolution approving the amendment to the said portion of the Project and Legal Bindings, the amendment to the Project and Legal Bindings shall be deemed to have become effective immediately.

### **Management Company's opinion**

The Management Company deems it appropriate to propose that the Meeting consider approving the amendment to the Fund Management Project and Legal Bindings to be consistent with the increase of registered capital of the Fund, as proposed.

### **Resolution**

[In case the Unitholders' Meeting resolves to approve the amendment to the Project in Agenda 3.2]

This agenda item requires a resolution passed by a majority of votes out of the total number of investment units held by the Unitholders present at the meeting and entitled to vote.

[In case the Unitholders' Meeting resolves to disapprove the amendment to the Project in Agenda 3.2]

This agenda item requires a resolution passed by votes of more than half of the total number of issued investment units.

For this agenda, there are no Unitholders having special interest.

**Agenda 5.2: To consider and approve the amendment to Clause 2 of the Fund Management Project and amendment to the Legal Bindings between the Unitholders of the Fund and the Management Company to be consistent with the increase of registered capital of the Fund in Agenda 4.2 (for approval)**

**If the Meeting passes an approving resolution in Agenda 4.1, there will be no consideration in this agenda item.**

This is consequential to the Meeting's consideration to approve the increase of registered capital of the Fund in Agenda 4.2 above. For this agenda item, the Management Company would like to propose that the Meeting consider approving the amendment to Clause 2 of the Fund Management Project and amendment to the Legal Bindings between the Unitholders of the Fund and the Management Company by which the Management Company and trustee of the Fund have agreed to be bound under the attached Fund Management Project, which shall be incorporated as an integral part of the Legal Bindings, to be consistent with the increase of registered capital of the Fund. The details are as follows.

Existing Project and Legal Bindings	Amended Project and Legal Bindings
<p><b>2. The Fund Management Project's amount of capital of, par value, number, type, offering price of investment unit, and minimum subscription price</b></p> <p>2.1 The Project's capital is no more than THB 828,000,000.</p>	<p><b>2. The Fund Management Project's amount of capital of, par value, number, type, offering price of investment unit, and minimum subscription price</b></p> <p>2.1 The Project's capital is no more than THB <del>828,000,000</del> 863,000,000.</p>

Existing Project and Legal Bindings	Amended Project and Legal Bindings
2.2 The number of investment units is no more than 82,800,000 units.	2.2 The number of investment units is no more than <del>82,800,000</del> 86,300,000 units.
2.3 The par value is THB 10 per investment unit.	2.3 The par value is THB 10 per investment unit.
2.4 The type of investment unit is investment unit issued with a name certificate.	2.4 The type of investment unit is investment unit issued with a name certificate.
2.5 Initial offering of investment units	2.5 Initial offering of investment units
(1) The amount of capital from the offering for sale is THB 828 million.	(1) The amount of capital from the offering for sale is THB 828 million.
(2) The number of investment units offered for sale is 82,800,000 units.	(2) The number of investment units offered for sale is 82,800,000 units.
(3) The price of investment unit offered for sale is THB 10.	(3) The price of investment unit offered for sale is THB 10.
(4) The minimum subscription price is THB 10,000.	(4) The minimum subscription price is THB 10,000.

#### **Legal advisor's opinion**

The amendment to the Fund Management Project and Legal Bindings as proposed above is in accordance with the rules and procedures prescribed by relevant notifications. The said amendment is not a matter significantly affecting the rights of Unitholders as stipulated in the Notification No. TorNor. 37/2562. The amendment to the Fund Management Project and Legal Bindings with respect to the Project's capital requires a resolution passed by a majority of votes out of the total number of investment units held by the Unitholders attending the meeting and entitled to cast a vote in the case that the Unitholders' Meeting resolves to approve the amendment to the Project in Agenda 3.2, or by votes of more than half of the total number of issued investment units in the case that the Unitholders' Meeting resolves to disapprove the amendment to the Project in Agenda 3.2. Upon the Unitholders' resolution approving the amendment to the said portion of the Project and Legal Bindings, the amendment to the Project and Legal Bindings shall be deemed to have become effective immediately.

#### **Management Company's opinion**

The Management Company deems it appropriate to propose that the Meeting consider approving the amendment to the Fund Management Project and Legal Bindings to be consistent with the increase of registered capital of the Fund, as proposed.



**Resolution**

[In case the Unitholders' Meeting resolves to approve the amendment to the Project in Agenda 3.2]

This agenda item requires a resolution passed by a majority of votes out of the total number of investment units held by the Unitholders present at the meeting and entitled to vote.

[In case the Unitholders' Meeting resolves to disapprove the amendment to the Project in Agenda 3.2]

This agenda item requires a resolution passed by votes of more than half of the total number of issued investment units.

For this agenda, there are no Unitholders having special interest.

**Agenda 6: Other matters (if any)**

The Management Company will send out the invitation to the 2021 Extraordinary General Meeting of Unitholders and supporting documents for each agenda no less than 14 days prior to the date of the said meeting. In addition, the Management Company has scheduled the record date on 19 March 2021.

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

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