

No. PFRD 050/2564

10 September 2021

Re: Notification of the Date of the 2021 Annual General Meeting of Unitholders of Samui Buri Property Fund (SBPF) and the Record Date

To: The President  
Stock Exchange of Thailand

Reference is made to clause 70 of the Notification of the Capital Market Supervisory Board No. TorNor. 36/2562 Re: Property Fund Management, dated 25 April 2019, prescribing that the management company shall organize an annual general meeting of unitholders within four months from the end of each accounting year of the property fund.

Principal Asset Management Company Limited (“Management Company”), as management company of Samui Buri Property Fund or “SBPF” in short (“Fund”), hereby informs the scheduled date of the 2021 Annual General Meeting of Unitholders of the Fund on 19 October 2021, at 9:30 hrs., that will be carried out via electronic method in accordance with the rules prescribed by the law on electronic meetings to consider matters in the meeting agenda as detailed below.

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

The Extraordinary General Meeting of Unitholders of Samui Buri Property No. 2/2021 on 30 July 2021 resolved to disapprove the disposal of the Fund’s property through general bidding carried out by the Management Company within the framework that was discussed at the Extraordinary General Meeting of Unitholders of Samui Buri Property No. 1/2021 on 9 April 2021. The Management Company reported at the said meeting that the Fund was facing the lack of liquidity issue. The fact that the Unitholders resolved to disapprove the disposal of the property would cause the Fund to have insufficient cash flow to maintain the fund status under relevant laws.

However, after the Meeting had resolved to disapprove the property disposal, the Management Company attempted to seek sources of loan from financial institutions to enable the Fund to sustain the situation through these 1 – 2 years. The details are as follows.

1. Loan amount: THB 15 million
2. Period: 3 years
3. Principal and interest payment: One-time payment upon expiration of the agreement.  
No principal or interest payment during the load period because the Fund has no income.

The Management Company contacted and coordinated with two financial institutions, i.e., CIMB Thai Bank and Government Savings Bank, and both financial institutions informed the Management Company that financial institutions currently have a policy to temporarily slow down the lending to hotel businesses, in conjunction with the financial institutions having no financial products suitable for the conditions required by the Fund and the Fund's financial status. Such action was initial coordination. The Management Company has not officially filed a loan application with the financial institutions.

The Management Company therefore deems it expedient to propose courses of action to the Meeting of Unitholders of the Fund for consideration. The details are shown in **Agenda 6: To consider and approve the dissolution of the Fund (for consideration)**.

**Agenda 2: To adopt the minutes of the Extraordinary General Meeting of Unitholders of the Fund No. 2/2021 (for consideration)**

As the Management Company arranged for the holding of the Extraordinary General Meeting of Unitholders of the Fund No. 2/2021 on 30 July 2021, the Management Company has prepared and disclosed the minutes of the Extraordinary General Meeting of Unitholders of the Fund No. 2/2021 as required by law. Therefore, the Management Company considers it appropriate to propose that the Unitholders' Meeting consider adopting the minutes of the Extraordinary General Meeting of Unitholders of the Fund No. 2/2021.

**Management Company's opinion**

The Management Company deems it appropriate that the Unitholders adopt the minutes of the Extraordinary General Meeting of Unitholders of the Fund No. 2/2021, held on 30 July 2021, 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 acknowledge the report on the Fund’s action and guideline for future management of the Fund (for acknowledgement)**

##### **3.1 Property condition**

With restrictions on travel to Koh Samui District, Surat Thani Province, during the Coronavirus disease 2019 (“COVID-19”) outbreak, the Management Company has scheduled an annual inspection of the property condition by the end of 2021. The Lessee has caused the staff to reasonably maintain the property. However, because the business has been closed from April 2020 to present, the property may have deteriorated.

##### **3.2 Conditions of tourism and hotel markets on Koh Samui and future trends**

Due to the 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 Koh Samui.

With the government’s implementation of Samui Plus Model on 15 July 2021 after Phuket Sandbox Program, the Tourism Authority of Thailand (TAT) anticipated that, in the first month during 15 July 2021 – 15 August 2021, there would be approximately 1,000 foreign tourists coming to visit Koh Samui, which would generate over THB 180 million of revenue, and then tourists would gradually come to visit in Q4 2021 and Q1 2022.

However, the country's COVID-19 outbreak situation is an important factor for the foreign tourists in the decision to visit. On 17 July 2021, the European Union (EU) updated the list of safe third countries whose residents may enter EU countries, and Thailand and Rwanda were removed from the list due to Thailand's COVID-19 outbreak situation which showed the ratio of infected cases to population being higher than that determined by the EU. This therefore affected Samui Plus Program that has just commenced for only two days.

On 14 August 2021, the number of foreign tourists who flew with two Bangkok Airways flights from Suvarnabhumi Airport to Koh Samui was 20; the accumulated number of tourist arrivals was 320. The accumulated number of infected cases was 2. No tourists from Phuket Sandbox Program entered Koh Samui.

The second wave outbreak at the end of 2020, continuing to the third wave outbreak in May 2021, put 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.<sup>1</sup>

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

1. It is believed that in the second half of 2021 and throughout 2022, Thailand's tourism (including Koh Samui's) needs to rely mainly on domestic market. The issue that should be considered is the fact that Thai economy highly depends on exports and tourism. The economic impact in the countries and groups of countries which are primary markets naturally affects the production sector in a country depending on such markets. Therefore, the domestic purchasing power in the second half of 2021 may not be strong enough to help supporting Thailand's tourism.

2. In the past, the percentage of Thai tourists in the hotel market on Koh Samui was only 2 – 3 percent. To rapidly increase the number of these tourists to grow by 15 – 20 times to compensate foreign tourists in a limited period of time (12 – 18 months) is hardly possible, especially with the decreasing purchasing power due to Thai economic conditions.

3. The fact that the government sector allows hotels and airports to open and airlines to operate flights does not mean that tourists will start traveling and using services.

4. At the end of 2021, domestic tourism likely involves short, drivable trips to avoid crowded public transport. Therefore, Koh Samui may unlikely be their destination during this time.

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<sup>1</sup> Source: Matichon Online, Regional News, 15 August 2021 at 11.13 hours.

5. The key factor that will support tourism recovery includes vaccines or medical measures which can efficiently deal with the outbreak and treat the illness, which should take another 1 - 2 years.

6. Thailand's and world's tourism businesses may take another 3 - 4 years to recover to the same level prior to the occurrence of the outbreak.

### **3.3 Current operation**

#### *3.3.1 Fund's Amendment to the Management Project*

The Extraordinary General Meeting of Unitholders of Samui Buri Property No. 2/2021 on 30 July 2021 resolved to approve the amendment to the Fund Management Project with respect to fees and expenses charged to the subscribers or unitholders and the Fund, effective from the date of resolution.

Furthermore, according to the Notification of the Capital Market Supervisory Board No. TorChor. 34/2563 Re: Rules, Conditions and Procedures for Disclosure of Mutual Funds and Real Estate Investment Trusts or Infrastructure Trusts (No. 6), dated 9 June 2020; Notification of the Capital Market Supervisory Board No. TorNor. 16/2564 Re: Property Fund Management (No. 2), dated 4 March 2021; Notification of the Capital Market Supervisory Board No. TorChor. 17/2564 Re: Rules, Conditions and Procedures for Disclosure of Mutual Funds and Real Estate Investment Trusts or Infrastructure Trusts (No. 8), dated 4 March 2021; the Notification of the Capital Market Supervisory Board No. TorNor. 37/2564 Re: Property Fund Management (No. 3), dated 5 May 2021, certain criteria have been amended with respect to management and disclosure of property funds. The Fund Management Project also prescribes that dissolution of the Fund 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, which a base for vote counting determined under the criteria issued by virtue of the provisions of the previous Securities and Exchange Act, B.E. 2535 (1992) ("Securities and Exchange Act"), in force at the time of the Fund's establishment. Therefore, the Management Company amended the Fund Management Project with respect to real estate investment criteria, dividend payment, investment unit holding restrictions, disclosure of information, real estate inspection, and passing of resolution for dissolution of the Fund Management Project. The amended contents have been adjusted to be in compliance with relevant notifications and the amended Securities and Exchange Act to be in line with the laws currently applicable, which will be beneficial to the Unitholders and in accordance with the spirit of relevant laws.

In this connection, the Management Company amended the Fund Management Project with respect to fees and expenses charged to the subscribers or unitholders and the Fund (clause 27.2 (9), clause 27.3 (2), and clause 27.4 of the Fund Management Project) to be in accordance with the resolution of the Extraordinary General Meeting of Unitholders of Samui Buri Property No. 2/2021, effective from 30 July 2021 onwards, and deemed it expedient to amend the Fund Management Project with respect to other aspects aside from the abovementioned fees and expenses (clause 6.1.8, clauses 6.1.13 – 6.1.14, clause 7.1, clause 7.2.1, clauses 8.1.1 – 8.1.2, clauses 8.2 – 8.7, clause 26.1.24, clauses 32.1 – 32.2, and clause 34.4 of the Fund Management Project), effective from 9 August 2021, to conform with the Securities and Exchange Act, as well as notifications, rules and orders issued by virtue thereof. This action was allowed and deemed to have been approved by the SEC Office under clause 22 (2) of the SEC Office Notification No. SorNor. 41/2562 Re: Details of Management Project of Property Fund, dated 25 April 2019.

### 3.3.2 Bid opening for sale of the property

The Management Company has carried out the bidding process to seek for a purchaser of the Fund's property without fixing a minimum bid price in accordance with the guideline provided in the discussion at the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021, and the date of bid submission was scheduled on 10 June 2021. The results of this action are as follows.

1. In the bid opening, there were a total of nine persons interested in signing the confidentiality documents and receiving bid documents, six of which made contact through brokers and three of which directly contacted the Management Company, as follows.

#### 1.1 Six persons made contact through brokers:

Broker	Interested Investor
Knight Frank Chartered (Thailand) Co., Ltd.	Blue Whale Assets Co., Ltd. and Banyan Tree Co., Ltd. Syntec Construction PCL
Phoenix Property Development and Consultancy Co., Ltd.	Ratket Co., Ltd. (KW Capital Co., Ltd.) Sathorn Park Co., Ltd.
Mr. Kaiwan Worathepnitinan	Chayo Asset Management Co., Ltd.
Mr. Pakinai Sawatnavin	Palm Beach Samui Asset Co., Ltd.

- 1.2 Three persons directly contacted the Management Company:
- (a) Propmaxx Co., Ltd.
  - (b) Sinthoranee Property Co., Ltd.
  - (c) Khun Jitapha Apipunya.

2. After the date for bid submission became due on 10 June 2021, there were two persons submitting bids, i.e., Chayo Asset Management Co., Ltd. and Palm Beach Samui Asset Co., Ltd.

From the results of bidding process to sell the Fund's property, the summarized analysis of the received offers are as follows.

	Chayo Asset Management Co., Ltd.	Palm Beach Samui Asset Co., Ltd.	Remark
Bid price	THB 203,500,000	THB 230,000,000	No minimum bid price fixed.  This is in accordance with the discussion at the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021, held on 9 April 2021.  The prices are lower than the forced sale price by approximately 31.94 percent and 23.08 percent, respectively.
Other condition	If the Fund is unable to transfer the property on 2 August 2021, the Fund will be given an extension of	The bidder will assume the responsibility to pay outstanding obligation/debt	

	Chayo Asset Management Co., Ltd.	Palm Beach Samui Asset Co., Ltd.	Remark
	120 days to remedy it, without being charged with penalty interest.  If the Fund still cannot remedy it, it will be given another extension of 180 days and charged with penalty interest.	between the Fund and the Lessee, as well as Koh Samui Municipality.	
Direct expenses related to bidding process			
Brokerage fee (3 percent)	THB 6,105,000	THB 6,900,000	To be paid by the Fund to the broker.
Other expenses except for those related to dissolution and liquidation of the Fund			
Legal costs	THB 200,000	-	
<b>Bid price after initial expenses</b>	<b>THB 197,195,000</b>	<b>THB 223,100,000</b>	
<b>Average bid price after initial expense per investment unit</b>	<b>THB 2.38</b>	<b>THB 2.69</b>	The average price in the past six months equals THB 2.42.
<b>Conclusion</b>	The Fund has the burden to evict the current Lessee (if it refuses to move out), which may take indefinite time. There are other obligations between the Fund and the current Lessee and Koh Samui Municipality.  The bid price is lower than the forced sale value by 31.94 percent.	The Fund has no burden to evict the current Lessee and no other obligations between the Fund and the current Lessee and Koh Samui Municipality.  The bid price is lower than the forced sale value by 23.08 percent.	



	Chayo Asset Management Co., Ltd.	Palm Beach Samui Asset Co., Ltd.	Remark
	The average bid price after initial expenses per unit is lower than the average price in the past six months.	The average bid price after initial expenses per unit is higher than the average price in the past six months.	

In conclusion, the bid opening for sale of the property was openly carried out which gave interested persons an opportunity to receive information and inspect the property in order to prepare their offers. The received bids therefore reflect the investors' views towards the Fund's property. The bid prices are deemed to have been considered by the investors.

The Management Company analyzed both offers and proposed them to the Unitholders for consideration and approval at the Extraordinary General Meeting of Unitholders of the Fund No. 2/2021, held on 30 July 2021.

At the said meeting, the Management Company was of the view that the bid received from Palm Beach Samui Asset Co., Ltd. was a good offer and was more beneficial to the Fund and the Unitholders, and therefore, deemed it expedient to first propose the same to the Unitholders for consideration and approval.

For the benefit of the Unitholders and for time and cost saving, the Management Company proposed that the Unitholders' Meeting consider approving the disposal of property in the following order.

1. To approve the disposal of the Fund's property to Palm Beach Samui Asset Co., Ltd. on the following key conditions.
  - (a) Sale price: THB 230,000,000.
  - (b) The purchaser pays the outstanding rental fees on the current Lessee's behalf in the amount of THB 8,694,000 and approves waiver of interest and penalty.
  - (c) The purchaser pays the excess improvement cost of THB 12,301,007 on the Fund's behalf directly to the current Lessee.

(d) The purchaser pays, on the Fund's behalf, house and land tax for 2018 and 2019, as well as land and building tax, that have not been levied, to relevant authority upon collection.

(e) The purchaser pays the fee for registration of ownership transfer, and the Fund pays withholding tax, corporate income tax, specific business tax and any other taxes related to the ownership transfer.

(f) The Fund pays the brokerage fee of THB 6,900,000 (3 percent of the sale price).

2. In the event that Palm Beach Samui Asset Co., Ltd. is unable to accept the property transfer on the scheduled date of 20 August 2021 or within any period of time the Management Company deems proper to be extended, to approve the disposal of the Fund's property to Chayo Asset Management Co., Ltd. on the following conditions.

(a) Sale price: THB 203,500,000.

(b) If the Fund is unable to transfer the property as scheduled from the date on which the purchaser receives written notice from the Fund, the purchaser agrees to extend the transfer period for 120 days without charging penalty or interest.

(c) If the period of 120 days expires, and the Fund is still unable to carry out the property transfer, both parties agree to extend the transfer period for another 180 days. Additionally, the Fund shall be charged with interest at 10 percent per annum accrued on the purchase deposit principal placed by the purchaser with the Fund.

(d) The Fund pays the brokerage fee of THB 6,105,000 (3 percent of the sale price).

If the Meeting resolves to disapprove the disposal of property as proposed, the Management Company will close off the property and take necessary action to maintain the property as long as the liquidity allows, including possible inability to comply with the prescribed rules and legal provisions, which may cause the Fund to be delisted from the stock exchange. This action shall be deemed to have been taken in accordance with the Unitholders' approval at this meeting.

*3.3.3 Result of the consideration of the bids to purchase the property received from the general bid opening*

The Meeting resolved to disapprove the disposal of the Fund’s property, with the number of votes as follows:

Approve	21,279,001 units	or	equivalent to	50.5965 percent*
Disapprove	20,100,000 units	or	equivalent to	47.7931 percent*
Abstain	677,300 units	or	equivalent to	1.6105 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.

The approval for disposal of the property in this agenda item requires a resolution passed by votes of no less than three-fourths of the total number of the Unitholders attending the meeting and entitled to cast a vote. Even though the majority Unitholders, both the numbers of Unitholders and investment units, approved the disposal of the property as proposed by the Management Company, it was deemed that the Meeting resolved to disapprove the disposal of the Fund’s property.

### 3.3.4 Enforcement of the lease agreement on the existing Lessee

The current temporary lease agreement expired on 31 July 2021 due to the fact that the Unitholders’ Meeting resolved to disapprove the capital increase and disposal of the property in accordance with the bids received from the general bid opening as proposed by the Management Company to the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021 and No. 2/2021.

As of 31 August 2021, the Lessee has outstanding rental fees of THB 8,694,000 and interest of THB 1,158,862.55, totaling THB 9,852,862.55, with respect to rental fees for August 2020 to July 2021 (last year of the temporary lease agreement’s term).

For the outstanding rental fees for April to July 2020, the Management Company has appointed Siam City Law Offices DR Ltd. to act as lawyer in this case. On 31 July 2020, the lawyer lodged a complaint with the inquiry officer at Koh Samui Police Station, Surat Thani Province, requesting prosecution against the Lessee and its authorized directors for the offense arising from the use of checks based on the fact that the Management Company was unable to clear four pre-dated checks (for rental fees for April – July 2020). The inquiry officer accepted the complaint under criminal case no. 716/2563. In this regard, the Management Company received payment for the outstanding rental fees for April 2020 to July 2020 in the

amount of THB 2,484,000 under the checks for which the complaint was filed with the inquiry officer and will further go to the relevant inquiry officer to withdraw the complaint.

In taking action to enforce the agreement, the Management Company will do so under further legal rights available to the Fund, including filing an action with the court of jurisdiction. Initially, the lawyer estimates it will take approximately a year for proceedings in the court of first instance, approximately a year in the court of appeal, and approximately another year and six months in the supreme court. However, because the situation of the COVID-19 outbreak in Thailand is getting more severe, it may cause the hearing date in court to be postponed as the court deems proper for the purposes of prevention of the spread of COVID-19, which results in the case proceedings taking longer than the time estimated by the lawyer.

### 3.4 Impacts on the Fund

#### 3.4.1 Financial status of the Fund

The Fund's income is derived from the temporary property lease agreements made with the Lessee, and the current temporary property lease agreement expired on 31 July 2021. The Management Company is in the course of demanding return of property from the Lessee and payment of outstanding rental fees to the Fund.

The Management Company made an evaluation on the fact that the Fund has no lessee and will suspend payment of management fee, registrar fee and trustee fee. The Fund's financial status in accounting year 2021 (July 2021 – August 2022) will be as follows.

	July 2021 – August 2022	Note
Income		
Rental Fee	0	
Interest	0	
<b>Total Income</b>	<b>0</b>	
Provision Expenses for 2020 to be Charged		
Legal Advisor Fee	1,014,090	
Audit Fee (PWC, final instalment)	460,000	

	July 2021 – August 2022	Note
Registration Fee	107,000	
Expense for Unitholders' Meeting	76,000	
<b>Total Provision Expenses for 2020 to be Charged</b>	<b>1,657,090</b>	
Expenditure		
Management Fee		Payment suspended
Trustee Fee		Payment suspended
Registrar Fee		Payment suspended
Legal Advisor Fee	240,000	Estimate, actual amount
Lawyer's Fee for Action against Lessee	800,000	Action for enforcement of lease agreement
Audit Fee	450,000	Auditor changed from PWC to ASV
Registration Fee - Annual Basis	107,000	
Property Appraisal Fee	125,000	
Expense for Unitholders' Meeting	150,000	
Insurance Premium	290,000	
Other Expense	120,000	
<b>Total Expenses</b>	<b>2,282,000</b>	
<b>Total Expenses and Provision to be Charged</b>	<b>3,939,090</b>	
<b>Net Income Before House and Land Tax</b>	<b>-3,939,090</b>	
<i>Beginning cash (1 July 2021)</i>	<i>3,147,497</i>	
<i>Ending cash (30 June 2022)</i>	<i>-791,593</i>	<i>Shortage of cash flow will begin in about January 2022.</i>

The Fund still has an obligation to pay 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.

### 3.4.2 Value of the Fund's property

The Management Company has appointed Global Asset Valuer Co., Ltd. to be appraiser of market values of the property for 2021, and the appraisal was carried out on 10 March 2021. Because of the occurring situation, the Fund has suffered impacts from the decrease in property value due to business condition. The Fund decides that the income approach shall be mainly used in the determination of market value of the Fund's property as it is an investment in income generated property, and the income approach is standard for market value appraisal of this type of property.

Under uncertain circumstances, the forced sell value is likely the value which corresponds to the situation, secondary to the value through use of the income approach, as it is the value or price at which it is expected to be sold.

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

1. Market Value THB 387.20 million
2. Forced Sell Value THB 271.04 million

The comparison of the past market values shows that the market values of the Fund's property tend to decrease continuously as a result of high competition in the tourism and hotel markets and significant decrease since 2020 due to the situation of COVID-19 outbreak, causing global tourism disruption.

Market values of the property (THB million)

Year	2016	2017	2018	2019	2020	2021
Market value	667.50	646.60	601.40	536.80	399.00	387.20

### 3.5 Future operation

The Extraordinary General Meeting of Unitholders of the Fund No. 2/2021, held on 30 July 2021, resolved to disapprove the disposal of the Fund's property through the general bidding carried out by the Management Company within the framework that was discussed at the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021 on 9 April 2021. The Management Company reported at the said meeting that the Fund was facing the lack of liquidity issue. The fact that the Unitholders resolved to

disapprove the disposal of the property would cause the Fund to have insufficient cash flow to maintain the mutual fund status under relevant laws.

However, after the Meeting had resolved to disapprove the property disposal, the Management Company attempted to seek sources of loan from financial institutions to enable the Fund to sustain the situation through these 1 – 2 years. The details are as follows.

1. Loan amount: THB 15 million
2. Period: 3 years
3. Principal and interest payment: One-time payment upon expiration of the agreement.  
No principal or interest payment during the load period because the Fund has no income.

The Management Company contacted and coordinated with two financial institutions, i.e., CIMB Thai Bank and Government Savings Bank, and both financial institutions informed the Management Company that financial institutions currently have a policy to temporarily slow down the lending to hotel businesses, in conjunction with the financial institutions having no financial products suitable for the conditions required by the Fund and the Fund's financial status. Such action was a preliminary coordination. The Management Company has not officially filed a loan application with the financial institutions.

The Management Company therefore deems it expedient to propose courses of action to the Meeting of Unitholders of the Fund for consideration. The details are shown in **Agenda 6: To consider and approve the dissolution of the Fund (for consideration)**.

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

The Management Company deems it appropriate to report the Fund's action and guideline for future management of the Fund to the Meeting for acknowledgement.

#### **Resolution**

As this agenda item is for acknowledgement, no voting is required.

**Agenda 4: To acknowledge the financial position and operating results of the Fund and the financial statement for the accounting year ending on 30 June 2021 as audited and opined by the auditor (for acknowledgement).**

**4.1 The Fund’s financial position and operating results shown in the financial statement for the accounting year ending on 30 June 2021 as audited and opined by the auditor can be summarized as follows.**

Summarized balance sheet

Total Assets	THB 391,461,734
Total Liabilities	THB 15,235,934
Net Assets	THB 376,225,800
Net Value per Unit	THB 4.5437
Total Number of Issued Units at Year-End	82,800,000 units

In the accounting period of 2020, the Fund’s net assets stood at THB 376,225,800, decreased from THB 391,475,947 in the previous accounting period by approximately 3.90 percent. The net value stood at THB 4.5437 per unit.

Summarized income statement

Total income	THB 7,200,446
Total expenses	THB 10,650,593
Net investment income (expenses)	THB (3,450,147)
Total net unrealized gain (loss) on investments	THB (11,800,000)
Net increase (decrease) in net assets resulting from operations	THB (15,250,147)

The Fund’s total income was THB 7,200,446 and loss on investment was THB 3,450,147. Moreover, there was an accounting loss on investments as the property’s appraised price decreased from THB 399,000,000 in the previous year to THB 387,200,000 in 2021, equivalent to a decrease in value of THB 11,800,000 or approximately 2.96 percent.



#### Summarized cash flow statement

Net cash provided by (paid for) operating activities	THB (3,378,078)
Net cash used in financing activities (dividend payout)	THB 0
Net increase (decrease) in cash and cash equivalent	THB (3,378,078)
Cash and cash equivalents (beginning)	THB 6,525,575
Cash and cash equivalents (ending)	THB 3,147,497

In the accounting year of 2020, the Fund suspended dividend payment, and its cash and cash equivalent (ending) stood at THB 3,147,497. The Management Company will further consider managing this portion of money appropriately.

#### 4.2 Significant financial information

##### 4.2.1 Securities price as at 30 June 2021<sup>2</sup>

Closing price	2.20	THB / investment unit
Market price	182,160,000	THB
Trading value	14,350	THB / day
Investment unit value	4.5437	THB / investment unit
Net asset value (NAV)	376,225,800	THB

##### 4.2.2 History of dividend payments

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

<sup>2</sup> Last trade was on 28 June 2021.

#### 4.2.3 History of registered capital reduction

- None -

#### 4.2.4 Expenses charged to the Fund (1 July 2020 – 30 June 2021)

Fund's Direct Expenses*	Amount Unit : THB thousand	Percentage of Net Asset Value
Management Fee	2,392.21	0.621
Trustee Fee	478.52	0.124
Registrar Fee	398.70	0.104
Advertising, Public Relations and Sale Promotion Costs		
- During Initial Public Offering		
- After Initial Public Offering	366.39	0.095
Legal Expense	1,230.94	0.320
Property Tax	38.72	0.010
Audit Fee	956.00	0.248
Fee of Listing in SET - Annual Basis	103.64	0.027
Appraisal Fee	248.40	0.064
Insurance Premium	276.74	0.072
Expense for Unitholders' Meeting	447.68	0.116
Journal and Publication Costs	94.96	0.025
Other Expenses	22.89	0.006
<b>Total Expenses **</b>	<b>7,055.65</b>	<b>1.832</b>

Remarks: \* Fees and expenses are already inclusive of value added tax, specific business tax, or any other similar taxes (if any).

\*\* This is exclusive of brokerage fee and fees arising from securities trading, expected credit loss, loss in impairment, and property tax (reversal).

#### Management Company's opinion

The Management Company deems it appropriate to report the financial position and operating results of the Fund and the financial statement for the accounting year ending on 30 June 2021 as audited and opined by the auditor to the Meeting for acknowledgement.

**Resolution**

As this agenda item is for acknowledgement, no voting is required.

**Agenda 5: To consider and acknowledge the appointment of the Fund’s auditors and audit fee and expenses for the accounting year ending on 30 June 2022 (for acknowledgement).**

The Management Company has appointed the auditors of ASV & Associates Ltd. to be the Fund’s auditors in the audit for the accounting year ending on 30 June 2022. The details of the auditors and the audit fee are as follows:

Auditors	Mr. Anusorn Kiatkangwanklai CPA Registration No. 2109 Mrs. Khwanjai Kiatkangwanklai CPA Registration No. 5875 Mr. Prasitporn Kesama CPA Registration No. 9910 Mr. Sathit Kiatkangwanklai CPA Registration No. 9760
Location	47 Soi 53, Rama III Road, Bang Phongphang, Yannawa, Bangkok 10120
Compensation*	THB 450,000  Divided based on work period as follows: Review of financial statements for the three-month period ended 30 September 2021: THB 100,000 Review of financial statements for the six-month period ended 31 December 2021: THB 100,000 Review of financial statements for the nine-month period ended 31 March 2022: THB 100,000 Review of financial statements for the accounting year ended 30 June 2022: THB 150,000
Other expenses	As actually paid

**Management Company’s opinion**

The Management Company deems it appropriate to report the appointment of the Fund’s auditors and audit fee and expenses for the accounting year ending on 30 June 2022 to the Meeting for acknowledgement

### Resolution

As this agenda item is for acknowledgement, no voting is required.

**Agenda 6: To consider and approve the dissolution of the Fund (for consideration).**

Reference is made to the resolution of the Extraordinary General Meeting of Unitholders of the Fund No. 2/2021, held on 30 July 2021, to disapprove the disposal of the Fund's property and to the Management Company being informed by the financial institutions regarding lending, as detailed in the previous agenda item.

The Management Company considers it and is of the view that dissolution of the Fund is the best option under current conditions. In this process, the Management Company will act as liquidator (same as other property funds and mutual funds managed by the Management Company).

Initially, the Management Company coordinated with Palm Beach Samui Asset Co., Ltd. and Chayo Asset Management Co., Ltd., who submitted bids to purchase the property in the general bidding. Both parties insisted their interest in the property and confirmed the bids to purchase the property they submitted to the Fund in the bid opening on 10 June 2021, and agreed to further sign a conditional sale and purchase agreement with the Fund.

In the event that the Unitholders' Meeting resolves to approve the dissolution of the Fund as proposed, the Management Company, as liquidator, or the liquidator appointed it, shall proceed with disposing of the property to Palm Beach Samui Asset Co., Ltd. and Chayo Asset Management Co., Ltd., respectively, on the following conditions.

1. To dispose of the Fund's property to Palm Beach Samui Asset Co., Ltd. on the following key conditions.
  - (a) Sale price: THB 230,000,000.
  - (b) The purchaser pays the outstanding rental fees on the current Lessee's behalf in the amount of THB 8,694,000 and approves waiver of interest and penalty.
  - (c) The purchaser pays the excess improvement cost of THB 12,301,007 on the Fund's behalf directly to the current Lessee.

(d) The purchaser pays, on the Fund's behalf, house and land tax for 2018 and 2019, as well as land and building tax, that have not been levied, to relevant authority upon collection.

(e) The purchaser pays the fee for registration of ownership transfer, and the Fund pays withholding tax, corporate income tax, specific business tax and any other taxes related to the ownership transfer.

(f) The Fund pays the brokerage fee of THB 6,900,000 (3 percent of the sale price).

2. In the event that Palm Beach Samui Asset Co., Ltd. is unable to accept the property transfer on the scheduled date or within any period of time the liquidator deems proper to be extended, the Fund shall dispose of the Fund's property to Chayo Asset Management Co., Ltd. and its affiliated companies on the following conditions.

(a) Sale price: THB 203,500,000.

(b) If the Fund is unable to transfer the property as scheduled from the date on which the purchaser receives written notice from the Fund, the purchaser agrees to extend the transfer period for 120 days without charging penalty or interest.

(d) If the period of 120 days expires, and the Fund is still unable to carry out the property transfer, both parties agree to extend the transfer period for another 180 days. Additionally, the Fund shall be charged with interest at 10 percent per annum accrued on the purchase deposit principal placed by the purchaser with the Fund.

(e) The Fund pays the brokerage fee of THB 6,105,000 (3 percent of the sale price).

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

In the event that the Meeting resolves to dissolve the Fund, the Management Company will act as liquidator or appoint a liquidator with the approval of the SEC Office to carry out the disposal of the Fund's property, settle the Fund's liabilities, collect and distribute money or property to the Unitholders by averaging the same out based on the number of unitholders held by each Unitholder according to the Unitholders register, as well as taking other necessary action to complete the liquidation, and notify the trustee.

In this regard, the liquidator has the powers and duties to take action, including collection and acceptance of property of the Fund or properties that the Fund is entitled to receive from others, and

disposal of the Fund's property to gather cash, bank deposits or promissory notes issued by a commercial bank or finance company. The liquidator may delegate the Management Company to carry out the said property disposal. Where there is a necessary and appropriate cause preventing the Fund's property from being disposed of, the liquidator, Management Company and trustee of the Fund shall jointly consider taking action concerning such property as deemed proper, mainly taking into account the benefits that the Fund will receive. Once the liquidator has completed performance of the obligation on the Fund's behalf, the liquidator shall allot and deliver the remaining money or property to the Unitholders.

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

The Management Company is of the view that dissolution of the Fund is the best option under circumstances now and in the near future and deems it expedient for the Unitholders to consider approving the dissolution of the Fund 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 item, there are no Unitholders with special interest.

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

This 2021 Annual General Meeting of Unitholders of the Fund will be carried out via electronic method in accordance with the rules prescribed by the law on electronic meetings, and the record date has been scheduled on 27 September 2021.

Any Unitholder being unable to attend this meeting via electronic method may grant proxy to another person to attend the meeting and vote on his/her behalf. The Management Company will send out the invitation to the 2021 Annual General Meeting of Unitholders of the Fund and supporting documents for each agenda, together with instructions on attendance to the 2021 Annual General Meeting of Unitholders of the Fund via electronic method, to the Unitholders no less than 14 days prior to the date of the said meeting.

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: 02-018-3446