

## Note from the Asset Management Company

Attn: All unit holders

The atmosphere that is conducive to domestic tourism. Operators continue to aggressively market of government agencies. This allows the market to foreign tourists in Thailand can return regain positive growth in the last quarter of 2015, the number of foreign visitors in the month of December 2014, with international tourist numbers 2.8 million, up by 11.8 percent. Better than expected It signaled the start of a tour of Thailand.

Since 2015, the tourism sector in Thailand is another economic activity is expected to be one of the economic driving force Thailand. Since the beginning of 2015, the government of Thailand to accelerate the marketing of intensive publicity tour.<sup>1</sup>

The trend of foreign tourists visiting Thailand is increasingly clear. It can be seen that the tour only in May 2558, with tourist numbers 2.31 million people grew by 38.21 over the same period of year 2014 is also expanding with each passing year as a whole throughout the five month is January - May 2015, with the tourists. Most visitors to Thailand's top 5 are China, Malaysia, Japan, Korea and Laos (respectively).<sup>2</sup>

Events from Samui Buri Beach Resort as a tenant assets of the Fund. Breached the terms of the lease on July 4, 2014 by the rent arrears with the Fund. As a result, the operating results of the Fund. In the past year, (Between July 1, 2014 until June 30, 2015) The Fund's total revenue amounted to 53.02 million baht cost a total of 68.65 million baht, the Fund's earnings from net investment income (loss). the amount of 15.63 million baht (as rental income on operating leases are recognized in the income statement on a straight-line basis over the lease term. The expense is recognized on an accrual basis, with the bad and doubtful debt).

---

<sup>1</sup> Kasikornresearch

<sup>2</sup> [www.tourism.go.th](http://www.tourism.go.th)

The Management Company would like to thank all unit holders for the investing fund. The management company will manage the Fund efficiently in order to bring the highest benefit to all unit holders. The unit holders are welcome to ask about the value of the net assets of the Fund or the progress of the operation of the Fund at the property fund section marketing department of the management company at 0-2686-9528.

CIMB-Principal Asset Management Co., Ltd.

## The Asset Management Company

### Name and Location of the Asset Management Company

CIMB-Principal Asset Management Co. Ltd.

44 CIMB Thai building 16<sup>th</sup> floor,

Langsuan Road, Lumpini, Patumwan,

Bangkok 10330

Tel: 02-686-9500 Fax: 02-657-3167

### Details of The Asset Management Company

CIMB-Principal Asset Management Company Limited (Thailand) is 99.99% owned by CIMB-Principal Asset Management Berhad along with other subsidiary companies in Singapore and Indonesia.

CIMB-Principal Asset Management Berhad, Malaysia is a joint venture between two global leading financial institutions which, having shared of

- CIMB Group by 60%
- Principal Financial Group by 40%

CIMB-Principal Asset Management Co., Ltd. currently, manufactures and distributes a comprehensive range of funds Mutual Fund, Private Fund, Provident Fund, Property Fund & REITs space to all clients from retail, corporate, institution and government entities.

With full support from our shareholders both CIMB Group and Principal Financial Group, we have the readiness to offer total asset management solutions and services to all clients.

A strong investment network and world-wide presence has brought us the following competitive advantages.

Unique investment management process is adopted from our shareholders CIMB Group & Principal Financial Group. Active bottom-up stock picking strategy with quality fundamental analysis both “Qualitative”& “Quantitative and disciplined portfolio construction management is our key focus. Besides, word-wide investment connection & accessibility along with Integrated Technology platform are the key abilities to deliver new investment ideas and product innovation. Proper Risk Management control and good corporate governance is encouraged and implanted to our core corporate philosophy.

We believe in core philosophy of **TRUST**, that we have emphasized on the mission to help investors achieve their long-term financial goals with disciplined investment process together with proper risk management.

## Guiding Principles



hink positive to find solutions - Execute with passion



espect others with honesty and sensitivity



nleash curiosity for continuous learning



how courage and initiative - Act swiftly



eamwork to achieve the best outcome

## Board of Directors and Executives of CIMB-Principal Asset Management Company Limited

### Board of Directors

- |                                  |          |
|----------------------------------|----------|
| 1. Raja Noorma binti Raja Othman | Chairman |
| 2. Wilaiporn Liwagasemsan        | Director |
| 3. Boonsak Chiempricha           | Director |
| 4. Rex Pak Kuen Auyeung          | Director |
| 5. Pedro Esteban Borda           | Director |
| 6. Adisorn Sermchaiwong          | Director |
| 7. Silawat Santivisat            | Director |
| 8. Jumpon Saimala                | Director |

### Executives

- |                                  |                         |
|----------------------------------|-------------------------|
| 1. Jumpon Saimala                | Chief Executive Officer |
| 2. Brenda S.H. Choo, CPA (M'sia) | Chief Operating Officer |

### Fund Manager

1. Suttipan Kreemaha
2. Phopthorn Gumpanon

### Trustee

Citibank N.A. Bangkok branch

Address: No. 399 Sukhumvit Road, Interchange 21 Building  
Klongtoey Nua Sub-district, Wattana District, Bangkok  
10110 ,

Tel.: 02-788-2000

### Auditor

PricewaterhouseCoopers ABAS Company Limited

Address: 15<sup>th</sup> Floor, Bangkok City Building, No. 179/74-80  
South Satorn Road, Thungmahamek, Satorn District  
Bangkok 10120

Tel.: 02-344-1000

### Investment Unit Registration

CIMB-Principal Asset Management Co. Ltd.

Address: No. 44, CIMB Thai building 16<sup>th</sup> floor,  
Langsuan Road, Lumpini, Patumwan,  
Bangkok 10330

Tel.: 02-686-9500

## Objectives of the Fund

The objectives are to intend to raise funds from general investors through the issue of Investment Units. The Fund will use such funds for investing in real properties including the renovation, change, development and/or distribution of the assets that the Fund investor holds in the forms of lease, sub-lease and/or sale or any transactions so as to increase revenues and returns to the Unit holders and the Fund. The Fund will also invest in other assets and/or other securities and/or seek for any benefits under the Securities Law and other relevant laws.

### Details of the Fund

<i>Amount of Capital</i>	: 828 million Baht
<i>Number of Investment Units</i>	: 82,800,000 units
<i>Type of Investment Units</i>	: Names of Unit holders
<i>Trustee</i>	: Citibank N.A. Bangkok branch
<i>Investment Units Registrar</i>	: CIMB-Principal Asset Management Co., Ltd.
<i>Advisor</i>	: None
<i>Property Manager</i>	: None

### Change of Fund Name

The old name; Mercure Samui Property Fund (MSPF), was changed to Samui Buri Property Fund (SBPF) approved the resolution of unitholder meeting no. 1/2013, effective on April 16, 2557.

## General Information

**SAMUI BURI PROPERTY FUND** (“The Fund”) was registered for establishment as a Property fund on July 22, 2010 for an indefinite term. The objectives of the Fund are to raise funds. The Fund will use such funds mainly for investing in real properties consisting of land and storage as at Sep 14, 2012. The major unit holder is The Government Savings Bank who holds 24.15 % of the units of the Fund.

CIMB-Principal Asset Management Company Limited is the management company of the Fund and Citibank N.A. Bangkok branch is the Trustee of the Fund.



## Dividends Payment

### 1. Rules, Policy, and Methods of Payment of Dividends to Unit holders

The Fund has the policy to make payment of dividends to the unit holders not more than twice a year by the details are as follows:

- (1) In the case where the Fund has a net profit in any accounting period, the Management Company shall pay dividends to the unit holders not of less than 90 % of the net profit . Profit improved means the net profit that has not happened from the valuation or review of valuation of real estate or leasehold property, including enhanced with other items according to the Office of the Director of Securities and the Stock Exchange. determined in accordance with the cash position of the Fund.
- (2) In the case where the Fund has an accumulated profit in any accounting period, the Management Company may pay out dividends to the unit holders from the said accumulated profit.

The payment of dividends must not cause increased cumulative loss to the Fund in the accounting period in which the dividends are paid out.

#### The dividend payment in each fiscal year

The management company will announce the dividend payment and closing book to a Unit holder who is entitled to receive dividends. Then, they will pay such dividend to the unit holders within 90 days after the end of the period of the year in which the dividend is paid.

#### The interim dividend payment

The management company will announce the dividend payment and closing book to a Unit holder who is entitled to receive dividends. And will pay such dividend to the unit holders within 30 days from the day following the date of closing the unit holders to pay dividends. In case the management company cannot pay within that time. The management company will notify the Office of the SEC and the unit holders in writing format.

## 2. Conditions and Methods of the Payment of Dividends

1. Unit holders who are entitled to receive dividends as unit holders whose names appear in the register of unit holders of the Fund as at closing book to fund the payment of dividends. Unit holders in proportion to its unit holders. In the case where the Management Company discovers that any person or person of the same group holds more than one-third of the total investment units of the Fund sold, the Management Company shall **not pay dividends** to that person or person of the same group for the part **exceeding one-third** of the total investment units of the Fund sold In accordance with the guidelines set forth in Article 8 of fund scheme (Rules and restrictions on Unit holders.)
2. The management company will announce to pay dividends. Closing book date for the payment of dividends to unit holders and yield. Through the stock exchange and dissemination of information posted in a prominent place at all offices of the Management Company and they may declare by any of the following:
  - i. notify the unit holders whose names appear in the register of unit holders of the Fund as at closing book and The supervisor or
  - ii. at least one newspaper published in the issue.
3. The management company will pay dividends to unit holders each period specified in Article 7.1, the company will deduct tax at source at a rate of 10 percent or the rate under the laws of the dividend paid to individual investors. Unless the individual unit holders will be notified in writing to the Company and otherwise to carry out within 3 days of closing book.
4. The Management Company will make dividend payments through bank transfers to bank accounts of the unit holders or crossed account-payee-only checks according to the names and addresses in the register book of the unit holders. The unit holders will bear the burden for the cost of the transfer to occur and the risk of exchange rate changes (if any) by the Management Company will deduct such fees and expenses from the amount of dividend payment.

5. In the case that a unit holder does not invoke his right to a certain dividend within the statute of limitation under the Civil and Commercial Code, the Management Company will not use such dividend in any way other than for the benefit of the Fund.

### **3. Additional conditions:**

In the consideration of the payment of dividends, if the dividend announced to be paid per each investment unit during the accounting year has a value lower than or equal to 0.10 baht, the Management Company reserves the right not to pay such dividend at the said time and to pay at the end of the accounting year.

Regarding the guidelines for the payment of dividends, the Management Company shall proceed in accordance with the stipulated details except in cases where the SEC, the Office of the SEC and/or other agencies with authority under the law has amended, changed, added, announced, ruled, ordered, approved, and/or decided otherwise, in which case the Management Company shall proceed accordingly and it shall be deemed that the Management Company has received approval from the unit holders.

#### 4. Dividend history

Samui Buri Property Fund has already paid dividends eight times as follows:

The Payment of Dividend	A period of dividend's payment	Dividend payment date	RATE
No. 1	July 22, 2010 until December 31, 2010	Mar 1, 2011	0.2902
No. 2	January 1, 2011 until June 30, 2011	Sep 20, 2011	0.3224
No. 3	July 1, 2011 until December 31, 2011	Mar 9, 2012	0.3375
No. 4	January 1, 2012 until June 30, 2012	Sep 24, 2012	0.3375
No. 5	July 1, 2012 until December 31, 2012	Mar 15, 2013	0.3500
No. 6	January 1, 2013 until June 30, 2013	Sep 23, 2013	0.3500
No. 7	July 1, 2013 until December 31, 2013	Mar 28, 2014	0.3500
No. 8	January 1, 2014 until June 30, 2014	Sep 26, 2014	0.0800

#### Details of the invested real estate

Samui Bui Beach Resort is a 88 room hotel located on the Title deed and Nor Sor 3 Kor 10775.10779 No. 1274.1275 and 2035 were approximately 13 Rai 0 and 27 meters. located at 26/24 Soi Wat Na Phra Lan. Separated from the road around the island River Road, Koh Samui. Surat Thani Province. The Fund will invest in property, plant and equipment in the business of hotel operations (except The Sports Club).

Samui Bui Beach Resort living in a building with an area of approximately 15,772.86 square meters, 65 meters wide with a river beach facilities, swimming pool, sports club restaurant to serve tourists who come to stay its including car parking which can accommodate about 80 cars.

## Room Types

No.	Details	Amount
1.	Deluxe	48
2.	Deluxe Pool Villa	12
3.	Pool Villa	28
	Total	88

The hotel is decorated in the Thai architectural style to create an atmosphere of relaxation for tourists. Facilities are equipped with standard 4-5 star hotels are the air conditioning, hot water - cold shower, refrigerator, TV, wireless internet.

The villa rooms include amenities like a normal accommodation and its provide the living room, Jacuzzi bathtub and Swimming pool in front of the room.

In the middle of the hotel's lobby is decorated Thai architectural style and other parts of the hotel has a garden planted with various trees to build the project. In addition, the hotel's beach area for seating for sunbathing, swimming in the sea and offer visitors including a large swimming pool, fitness room, fully equipped gym, which is adjacent to the beach as well and restaurants, which are provided to guests

In addition, The Hotel has 2 conference rooms are available to meet the needs of our customers both privately held company and government agencies are meeting the needs of an industry conference with a convenient location and modern equipment.

5 plots of land located at 26/24 Soi Wat Na Phra Lan. Separated from the road around the island (Tl. 4169) River Road, Koh Samui. Surat Thani Province. Liable for the 4928 II 176 4928 II 0858-9, and the total area of about 13 (thirteen), Rai 0 (zero) and 27 (twenty seven) square wah of land, as detailed below.

No.	Title Deed No.	Land No.	Area		
			Rai	Ngan	SQ. Wah
1	10775	271	1	-	-
2	10779	270	-	2	-
3	Nor.Sor. Sam Kor. 1274	255	1	1	32
4	Nor.Sor. Sam Kor. 1275	256	3	1	90
5	Nor.Sor. Sam Kor. 2035	261	6	3	05
Total			13	0	27

#### Unitholder Meeting No. 1/2013 on May 27,2013

Approved the appointment of RESOTEL Group International Co.,Ltd. is a new hotel management of Samui buri beach Resort Hotel. And Approve the cancellation of the lease guaranteed of corporations and individuals, 4 under contract guarantees over the lease period of 15 years on condition that the tenant provide guarantees increased by placing the letter of guarantee issued by banks to secure compliance with the contract throughout. 15-year lease renewal letter of guarantee to 1 year and 6 months and the lease agreement does not create new debt exceeding 200 million baht

In addition, the meeting passed a resolution to name the fund. "Samui buri Property Fund " Symbol "SBPF" which is currently in the process of editing a project with the Securities and Exchange Commission Thailand.

### Details of Appraisal

Inter Fair and Consultant Co., Ltd.		Pro Appraisal Co., Ltd.	
Baht	Date of Appraised	Baht	Date of Appraised
895,000,000	May 25, 2010	881,783,000	May 7, 2010
Income Method		Cost Method	

### Details of Appraisal Revision

2011

Cominded Alliance Real Estate Co., LTD	
Baht	Date of Appraised
834,400,000	June 28, 2011
Income Method	

2012

Inter Fair and Consultant Co., Ltd.	
Baht	Date of Appraised
840,120,000	June 26, 2012
Income Method	

2013

True Valuation Co., Ltd.	
Baht	Date of Appraised
831,000,000	June 1, 2013
Income Method	

2014

True Valuation Co., Ltd.	
Baht	Date of Appraised
829,300,000	May 27, 2014
Income Method	

2015

G.W.Broter Estate Co., Ltd.		
Baht	Date of Appraised	Method
822,670,000	May 21, 2015	Income
820,200,000	May 21, 2015	Income (Going concern)
780,797,418	May 21, 2015	Cost



## SAMUI BURI PROPERTY FUND

Table presenting expenses collected from the Fund  
for the period July 1, 2014 to June 30, 2015

FUND'S DIRECT EXPENSE	AMOUNT (Thousand Baht)	NAV (%)
Management fee	5,558.86	0.64
Free of the Trustee	185.30	0.02
Fee of the Investment Units Registrar	926.48	0.11
Fee of advisor	-	-
Expenses for advertisement, public relations and sales promotion		
- For the initial offering	-	-
- For the subsequent offering	236.75	0.03
Fee of Legal Advisor	592.67	0.07
Market Study Fee	454.75	0.05
Fee of auditor	350.70	0.04
SET Fee - Yearly	107.00	0.01
Appraisal FEE	107.00	0.01
Doubtful	60,091.37	6.94
Other expenses	43.55	0.01
<i>Total expenses**</i>	68,654.43	7.93

**Remark:**      \* Fees and expenses are included of value added tax . specific business tax or another tax in the similar way (as if)

                 \*\*      Excluding brokerage and other fees incurred from trading.

Report of receiving benefits from the soft  
commission of  
SAMUI BURI PROPERTY FUND

- There is no Soft commission -

Total Brokerage Commission from Securities  
Trading

-None-

## Tourism Market Overview

### Hotel Business

The political situation in the country that waged. The overall hotel industry and tourism in Thailand has affected most of the year and contracted. Except during the fourth quarter of the year, including the economy and the income of tourist groups traveling to Thailand slowed. The number of foreign tourists. Fell for the first time in 4 years.

#### เครื่องชี้ภาวะการท่องเที่ยวและโรงแรม

	2556	2557 <sup>P</sup>				
	ทั้งปี	ทั้งปี	ไตรมาส 1	ไตรมาส 2	ไตรมาส 3	ไตรมาส 4
1. จำนวนนักท่องเที่ยวต่างประเทศ (ล้านคน)	26.5	24.8	6.4	5.1	5.8	7.5
Δ%	18.8	-6.7	-9.0	-15.9	-10.1	7.0
2. รายได้จากการท่องเที่ยว (พันล้านบาท)	1,293.3	1,249.8	333.5	240.4	281.0	394.8
3. อัตราเข้าพักโรงแรม (ร้อยละ)	64.9	55.6	60.3	47.3	51.7	64.2

หมายเหตุ: P = ข้อมูลเบื้องต้น

Δ% คือ อัตราการเปลี่ยนแปลงเทียบกับระยะเดียวกันปีก่อน

Refer: [www.tourism.go.th](http://www.tourism.go.th)

It can be seen that the number of foreign tourists in 2014 amounted to 24.8 million, down 6.7% from last year affect occupancy rates in hotels as a whole to decline in line with the rate of the average room. In 2014 was estimated at 55.6% down from a year earlier to 16.72% constitutes the first decline in 4 years since.

(1) The political rally that lasted from late 2013 until the announcement of the Decree on Public Administration in Emergency Situations. The declaration of martial law And political change on May 22, 2014 can be seen from the table and the situation in the second quarter, with the number of tourists. And the occupancy rate is the lowest in a year.

### จำนวนประเทศที่ประกาศเตือนนักท่องเที่ยว

	จำนวนรวม	ระดับ 1-3	ระดับ 4-5
เมษายน 2557	50	46	4
พฤษภาคม 2557	62	47	15
มิถุนายน 2557	66	48	18
กรกฎาคม - สิงหาคม 2557	60	54	6
กันยายน 2557	58	54	4
ตุลาคม - พฤศจิกายน 2557	ไม่เปลี่ยนแปลง		
ธันวาคม 2557	56	52 (อาร์เจนตินา และโครเอเชีย ยกเลิกการเตือน)	4

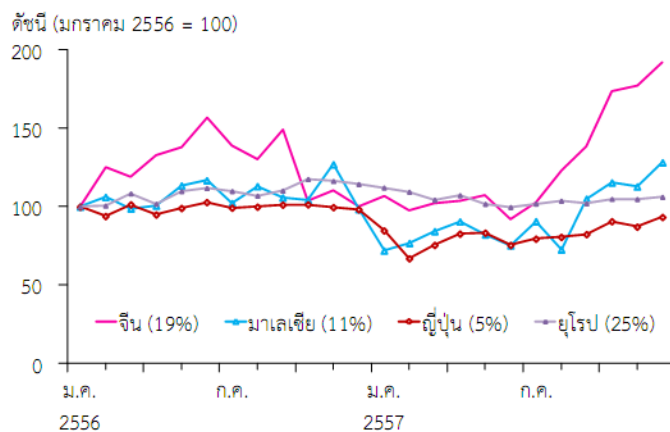
หมายเหตุ: \* ระดับ 1-3 = แจ้งเตือนสถานการณ์ทั่วไป  
ระดับ 4-5 = ทบหนทางการเดินทาง

Refer: [www.mfa.go.th](http://www.mfa.go.th)

The political transformation of the country which makes the travel warnings (Travel Warning) and the severity of the alert, increasing sequence.

(2) economic, Russia, Japan and Europe are weak. And the depreciation of the currency, the group said. Visitors traveling to Thailand less. (Proportion in total about 30% of all

### ดัชนีจำนวนนักท่องเที่ยวรายประเทศ



หมายเหตุ: ตัวเลขในวงเล็บแสดงสัดส่วนต่อจำนวนนักท่องเที่ยวรวม

Refer: [www.tourism.go.th](http://www.tourism.go.th)

foreign visitors) and.

(3) a more stringent measure of passenger cars registered in Malaysia to travel outside the province of Songkhla. The tourists, Malaysia is ranked as the second main market of Thailand to travel less.

However, the Chinese tourist market, which is ranked as one of Thailand can rebound quickly after the political situation in the country improved. And make a record again in the final quarter. Despite China's economy is slowing. Partly as a result of accelerated rehabilitation measures. The confidence of the public and the Chinese tourist visa fee exemption measures. And Taiwan for three months (9 August to 8 November

2014) for a strong rebound of Chinese visitors helped offset a slowdown in the number. In other travelers Russia has been particularly affected by the economic slowdown. And a market ranked third of Thailand, including a significant contribution to help provide an overview tour of Thailand improved in the second half of the 2014 and is likely to expand further in 2015 <sup>[3]</sup>

The atmosphere that is conducive to domestic tourism. Operators continue to aggressively market of government agencies. This allows the market to foreign tourists in Thailand can return regain positive growth during the last quarter of 2557 by a number of foreign tourist arrivals in the month of December 2014, with international tourist numbers 2.8 million, up by 11.8% Better than expected It signaled the start of a tour of Thailand. Since 2015, the tourism sector in Thailand is another economic activity is expected to be one of the economic driving force Thailand. Since the beginning of 2015, the government of Thailand to accelerate the marketing of intensive publicity tour.

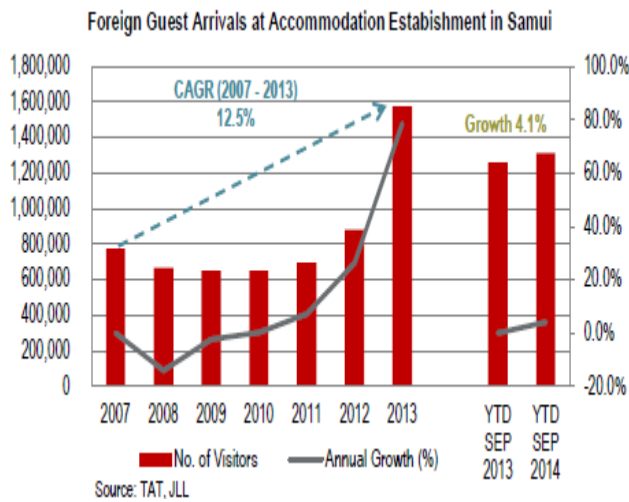
The trend of foreign tourists traveling to Thailand. There is clearly much more. It can be seen that the tour only in May 2015, with tourist numbers 2.31 million people grew by 38.21 over the same period of year 2014 is also expanding with each passing year as a whole throughout the five month is January - May 2015, with the tourists. Most visitors to Thailand's top 5 are China, Malaysia, Japan, Korea and Laos (respectively).<sup>4</sup>

---

<sup>[3]</sup> *Economic issues in the 2014 and outlook for 2015 by Bank of Thailand*

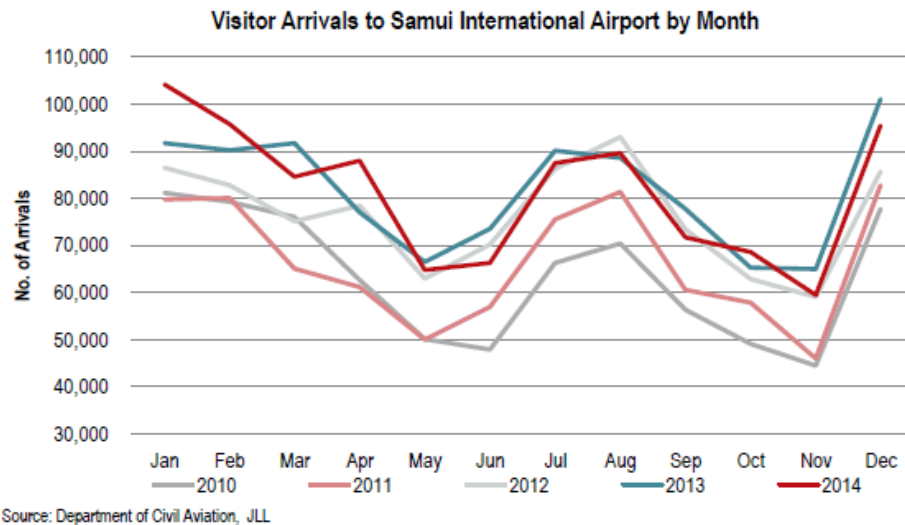
<sup>4</sup> [www.tourism.go.th](http://www.tourism.go.th)

## Tourism Market Overview : Koh Samui



- International visitors to Koh Samui have been fluctuating over the years. The number of foreign visitor arrivals at accommodation peaked in 2013 just below 1.6 million, and represented a compounded annual growth rate of 12.5% between 2007 and 2013.
- In 2008, the airport closure in Bangkok led to a substantial decrease in the number of international arrivals to Koh Samui (-14.0%). Again in 2009, the number of international visitors further dropped by 2.4% over 2008 due in part to the global financial crisis.
- In 2013, the number of guests at registered accommodation in Koh Samui recorded a remarkable growth of 78.5% y-o-y over 2012.

- The latest data available shows that YTD Sep 2014 compared to YTD 2013 has seen a growth of 4.1% in the number of foreign arrivals. Showing that Koh Samui has been relatively shielded from the decrease in travelers to Thailand due to concern surrounding the Coup in May 2014.

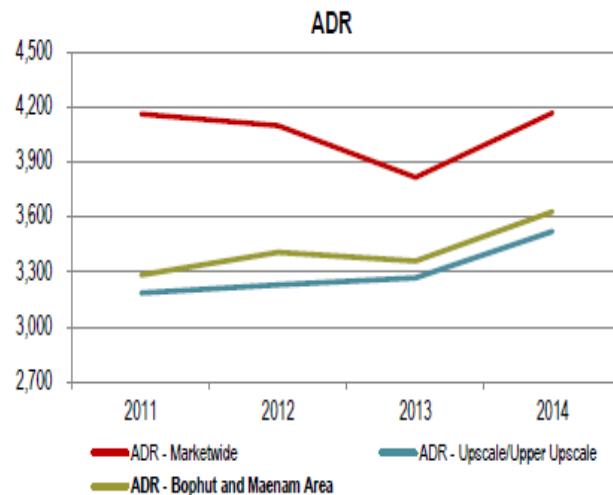


- The high season is from December to February and July to August, with a shoulder season in April and September.
- Arrivals typically start to decline from March, with a low season from May to June and from October to November. This pattern is reflective of the end of the Songkran period in Thailand (April), end of Easter Holidays (May), end of European Holidays (September) and the rainy season in Thailand (June to September).

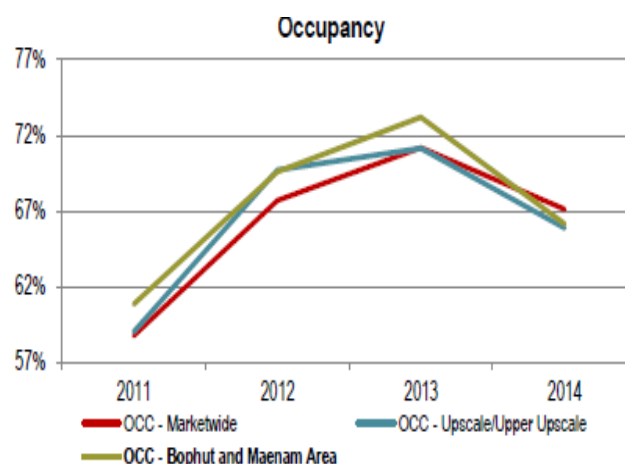
## SWOT Analysis by Location : Maenam Zone

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>▪ Tranquil atmosphere with unspoilt beach</li> <li>▪ Shallow water, suitable for swimming and sunbathing, especially for families with children</li> <li>▪ Proximity to the airport</li> </ul>	<ul style="list-style-type: none"> <li>▪ Removed from main tourist attractions</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>▪ Potential room for further upscale and luxury development. An emerging hotel market.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase traffic on the 4169 road</li> <li>▪ Increase travelling time to the airport and to other parts of the island</li> <li>▪ New hotel supply</li> </ul>

## Bo Phut/Maenam Hotel Performance Overview



- For the overall Koh Samui market represented by the red line, ADR declined continuously between 2009 and 2013.
- While ADR in Bo Phut – Maenam area and in Upscale segment remained relatively steady between 2011 and 2013.
- In Bo Phut – Maenam area, ADR hovered between THB 3,300 and THB 3,400 (2011-2013)
- ADR of upscale hotels in Samui showed marginal increases from 2011 to 2013 and stayed at some THB 3,200.
- In 2014 ADR of all the perspectives increased by approximately 8-9% over 2013.



Source: Thai Hotels Association, JLL

- Occupancy in all perspectives were on the upward trend between 2011 and 2013. In 2012 occupancy increased the most among other years by 9 to 10 percentage points.
- In 2014 occupancy all declined due to the political instability. Occupancy in Bo Phut and Maenam area dropped by 7 percentage points to 66.1% and upscale hotels' occupancy decreased by 5 percentage points.

## Risk Factors

## General Risks

The general economic situation including inflation, interest rates, exchange rates, price of consumer goods, price of real property, financial policies of the government, Bank of Thailand and other governmental agencies affecting the operational result, financial and investment status of the Fund and general economic recession, as well as the decrease of customer demand has a material adverse effect on the revenue of the real property and the operation of the Fund and the price of investment units on the Stock Exchange of Thailand which may be lower or higher than the offering price. The price of investment units traded on the Stock Exchange of Thailand may be affected by external factors which are beyond the control of the Fund, e.g. the movement and the change to international stock exchanges, local and international interest rates, exchange rates, direct or indirect



policies which affect the importation or exportation of foreign currency, local and international economic status, general risk factors of the business operation, the volatility of the consumer goods market and regulations, tax and policies of the government which may affect investor confidence. Accordingly, there is no guarantee that such external factors will not materially affect the price of the investment units.

### **Risk on the Operation of the Fund**

Prior to investment in the real property, the management company has studied the details of such real property from the documents obtained from conducting due diligence and the report of the appraiser. Nevertheless, such action does not guarantee that such real property is free from unexpected damage or defects which may require reparation expense.

The report of the real property appraiser that the management company uses as a basis in estimating and examining the real property may contain defects and inaccuracies as some defects in the real property may be difficult to find or unable to be detected due to the limitation of the inspection including the technique used for the inspection or other factors limiting the inspection of the appraiser and engineer.

### **Risk on the Interest Rate**

The risk on the interest rate is a risk that may arise out of the change to the value of the financial tools due to the change of the market interest rate. Among the financial asset that may create risks on the interest rate to the Fund are, for example, interest on bonds.

## Risk on Providing Credit

The risk in providing credit is the risk that may arise out of the failure by the contractual party to comply with the agreement, which may affect the cash flow to be received from the financial assets of the Fund. The risk in providing credit is caused by the risk arising out of the collection of the rent. Funds are risks associated with concentrations of credit risk since there is only one customer. The book value of assets recognized in the balance sheet is maximum value of risk that may occur.

Guidelines and executions for proxy voting

SAMUI BURI PROPERTY FUND

Since July 1, 2014 to June 30, 2015

Investors can review the guidelines for proxy voting and the voting right execution in a shareholders' meeting of various companies in the year 2014 from the website of the management company ([www.cimb-principal.com](http://www.cimb-principal.com)).

List of person involving in terms of

business transaction with Fund

SAMUI BURI PROPERTY FUND

Since July 1, 2014 to June 30, 2015.

1. CIMP-Principal Asset Management Company limited
2. Citibank N.A., Bangkok Branch
3. Samui Buri Beach Resort Company Limited

Remark: Investors can review involving in terms of business transaction with Fund by directing to management company or from the website of the management company ([www.cimb-principal.com](http://www.cimb-principal.com)) and S.E.C. ([www.sec.or.th](http://www.sec.or.th))

## Transactions between Persons or Related Parties

Type of Transaction	Person/ Juristic Person with Common Interest/ Relationship	Transaction	Value of the Transaction (Baht)		Necessity and Reasonableness of Transaction
			2015	2014	
1. Seeking benefit from real property	Samui Beach Resort Company Limited is an affiliated company of the former owner of the property	The lessee of the land, buildings, utilities, furniture and equipment	15,000,000	66,541,096	Fund invests by buying land and building of Mercure Samui Beach Resort and devices from The Samui Buri Beach Resort Ltd., and they has brought in property, plant and equipment are leased to owners of property formerly the Samui Buri Beach Resort Co., Ltd. The transaction is subject to the terms and conditions of the lease that agreed between the Fund and its Samui Buri Beach Resort Company Limited. <u>Note</u> tenant breach of lease began on July 4, 2014 without payment of rent under the lease.
2. Management of the Fund	CIMB-Principal Asset Management company limited as the management company and the registrar of the Fund	Management of the Fund	5,558,865	5,571,228	The management company is entitled to receive a monthly management fee from the Fund at the rate of 0.60% per annum, exclusive of VAT, specific business tax or any other similar tax (if any) of the

Type of Transaction	Person/ Juristic Person with Common Interest/ Relationship	Transaction	Value of the Transaction (Baht)		Necessity and Reasonableness of Transaction
			2015	2014	
		Registrar of the Fund	926,478	928,538	<p>net asset value of the Fund calculated at the end of each month by the management company and certified by the trustee.</p> <p>The expense for the operation of the investment unit registrar is calculated at the rate of 0.1% per annum, exclusive of VAT, specific business tax or any other similar tax (if any) of the net asset value of the Fund calculated at the end of each month by the management company and certified by the trustee.</p>
	Citibank N.A., Bangkok Branch	The trustee of the Fund	185,296	185,708	<p>The trustee of the Fund will receive a monthly remuneration at the rate of 0.02% per annum, exclusive of VAT, specific business tax or any other similar tax (if any) of the net asset value of the Fund calculated at the end of each month by the management company and certified by the trustee.</p>

Type of Transaction	Person/ Juristic Person with Common Interest/ Relationship	Transaction	Value of the Transaction (Baht)		Necessity and Reasonableness of Transaction
			2015	2014	
3. Investment in the Deposited Money	Citibank N.A., Bangkok Branch, as the trustee of the Fund	Monies deposited with the bank	2,436,372	2,385,512	The bank account opened for the operation of the Fund.

## Significant agreements with related parties

### (a) Management fee

The Management Company is entitled to receive a monthly management fee from the Fund at a rate of 0.60% per annum exclusive of value added tax, specific business tax or any other similar tax of the net asset value of the Fund as calculated by the Management Company and verified by the Trustee.

### (b) Fee of the Investment Unit Registrar

The expenses for the work of the Investment Unit Registrar shall be at a rate of 0.10% per annum exclusive of value added tax, specific business tax or any other similar tax of the net asset value of the Fund as calculated by the Management Company and verified by the Trustee.

#### (c) Trustee fee

The Trustee is entitled to receive a monthly remuneration at a rate of 0.02% per annum exclusive of value added tax, specific business tax or any other similar tax of the net asset value of the Fund as calculated by the Management Company and verified by the Trustee.

#### (d) Consulting fee

Consulting fee shall be at a rate of 0.10% per annum exclusive of value added tax, specific business tax or any other similar tax of the net asset value of the Fund as calculated by the Management Company and verified by the Trustee. However, there is no such cost.

#### (e) Auditor fee

##### Audit fee

Fund paid Audit fee to PricewaterhouseCoopers ABAS Company Limited 350,700 Baht for the period of July 1, 2014 to June 30, 2015

##### Non- audit fee

Fund has no expenses or non-audit fee to BPR Audit and Advisory company limited or person related with this audit company and no burden to paid in the future from incomplete service in the past period.

## Shareholding Structure and Management

Shareholding Structure of the Fund as at August 31, 2015 (Record Date)

The Company, the Investment Units Registrar of the Fund would like to present the top-ten Unit holders as per the following details:

No.	Name – Last name	No. of units held	% of total outstanding units
1	GOVERNMENT SAVING BANK	20,000,000.0000	24.15%
2	SUMUIBURI BEACH RESORT Co., Ltd.	6,285,500.0000	7.59%
3	MS.PORNPAT PRAPRUTCHOB	2,924,720.0000	3.53%
4	MR.KORAKIT TANTHUWANIT	1,700,000.0000	2.05%
5	KRUNGTHAI PANICH INSURANCE	1,000,000.0000	1.21%
6	MS.WARANGKANA NARKPASERT	953,600.0000	1.15%
7	MS.VARIN TITAPIWATTANAKUL	705,400.0000	0.85%
8	MR.THAWEE POONSIRIWIT	677,300.0000	0.82%
9	CREDIT SUISSE AG, SINGAPORE BRANCH	593,100.0000	0.72%
10	MS.SIRIRAK TEERAWATNADECHAR	545,500,0000	0.66%
	TOTAL	35,385,120.0000	42.74%



Details of investment, Loan and Creation of Encumbrances

As of Jun 30, 2015

Details of investment SAMUI BURI PROPERTY FUND

Previously Known As “MERCURE SAMUI PROPERTY FUND”

	Market Price Value (Baht)** <sup>1</sup>		% NAV
Securities or assets in Thailand			
Deposits in Banks	2,437,816.73		0.30
Investment in property			
Samui Buri Beach Resort	822,670,000.00		100.16
Others			
Other assets			
Other debts	(3,789,378.48)		(0.46)
Net Asset Value	821,318,438.25		100.00

Remark :      <sup>\*\*1</sup> Market price is inclusive accrued interest receivable.

Investment Summary Report in Debts Instrument, Savings or Hybrid Securities of the Fund		
Investment Summary Report SAMUI BURI PROPERTY FUND		
Previously Known As "MERCURE SAMUI PROPERTY FUND"		
Group of Instruments	Market Price Value (Baht)*	% NAV
(a) Thai governmental instruments and foreign governmental instruments		
- Thai governmental instruments	- None -	- None -
- Foreign governmental instruments	- None -	- None -
(B) Instruments of banks under specific law issued, ordered to pay, accepted, guaranteed by aval, endorsed or guaranteed by commercial banks or finance companies	2,437,816.73	0.30
(C) Instruments with the rate of investment grade	- None -	- None -
(D) Instruments with the lower rate of investment grade which can be invested or instruments without rating	822,670,000.00	100.16
Portion of upper limit capital investment which the Management Company expects to invest in (d) 0% NAV		
Remark :* Market price are inclusive accrued interest receivable.		

## Details of Instruments and Rating of Instruments in the Port

### SAMUI BURI PROPERTY FUND

Previously Known As “MERCURE SAMUI PROPERTY FUND”

	TYPE	Issuer	Guarantor/ Acceptor/ Endorsee	Term	Rating	Amount of principal of loan/ Value as specified on the front page of the note	Market Price Value
1	Investment in property	Samui Buri Beach Resort	-	-	N/A	822,670,000.00	822,670,000.00
2	Deposits in banks	Citibank N.A.	-	-	N/A	2,436,371.78	2,437,816.73

*Remark : <sup>\*1</sup> Market price are inclusive accrued interest receivable.*

## Financial Status and Performance

### Summary report on auditing

The financial statement as at July 1, 2014 to June 30, 2015 , Mr.Boonlert Kamolchanokkul , Certified Public Accountant Registration No. 5339 of Pricewaterhouse Coopers ABAS Company Limited gave the opinion with no condition that the financial statement of the Fund was audited correctly in accordance with generally accepted auditing standards.

### Emphasis of Matters

I draw attention to Note 15 to the financial statements which describes (1) defaulting the rental payment from Samui Buri Beach Resort Co., Ltd. (“Lessee”) which is the only one lessee of the Fund which the Fund terminated the Lease Agreement on 4 April 2015 and has stopped accruing rental income and other income associated to the Lease Agreement since then, (2) refusing to pay the money according to the guarantee obligation from the bank, and (3) the uncertainty related to the outcome of the lawsuit filed against the Fund by the Lessee. These factors would raise substantial doubt regarding the ability of the Fund to continue as going concern. My opinion is not qualified in respect of this matter.

## Past Performance

As of June 30, 2015, the Fund has net asset value at Baht 821,318,438 or equivalent to the net asset value of Baht 9.9193 per unit. The invested properties or possessed by the Fund are as follow:

List of Property	30 June 2015		30 June 2014	
	Book Value/ Market Value (Baht)	Percentage of the Net Asset Value	Book Value/ Market Value (Baht)	Percentage of the Net Asset Value
<b>Assets</b>				
1. Bank Deposit	2,436,372	0.2966	2,385,512	0.2806
2. Investment in Securities	-	0	-	0.0000
3. Investment in Property	822,670,000	100.1646	829,300,000	97.5410
4. Other assets				
Rental income receivable	0	0	22,078,082	2.5968
Interest receivable	1,445	0.0002	7,918	0.0009
<b>Total assets</b>	<b>825,107,817</b>	<b>100.4614</b>	<b>853,771,512</b>	<b>100.4193</b>
<b>Liabilities</b>				
Accrued expenses	-3,789,379	-0.4614	(3,564,557)	(0.4193)
<b>Total liabilities</b>	<b>-3,789,379</b>	<b>-0.4614</b>	<b>(3,564,557)</b>	<b>(0.4193)</b>
<b>Net asset value of the Fund</b>	<b>821,318,438</b>	<b>100.0000</b>	<b>850,206,955</b>	<b>100.0000</b>
<b>Number of investment units</b>	<b>82,800,000</b>		<b>82,800,000</b>	
<b>Value of investment unit</b>	<b>9.9193</b>		<b>10.2682</b>	

Events from Samui Buri Beach Resort as a tenant assets of the Fund. Breached the terms of the lease on July 4, 2014 by the rent arrears with the Fund. As a result, the operating results of the Fund. In the past year, (Between July 1, 2014 until June 30, 2015) The Fund's total revenue amounted to 53.02 million baht cost a total of 68.65 million baht, the Fund's earnings from net investment income (loss). the amount of 15.63 million baht (as rental income on operating leases are recognized in the income statement on a straight-line basis over the lease term. The expense is recognized on an accrual basis, with the bad and doubtful debt).

**To report the circumstance and solution for solving the situation including**

#### **Occurred Situation**

The Previous Lessee had signed Lease Agreement with the Fund for operating a hotel business, Samui Buri Beach Resort Hotel, which the Resotel Group International Co., Ltd. had managed such hotel business (according to the Unitholders' Meeting No. 1/2556), whereby the Lessee has its obligation to pay for the rental in the 4<sup>th</sup> Year Rental pertaining to the Lease Agreement in the amount of THB 67,000,000 (Sixty Seven Million Baht) to the Fund. The rental payment due date was on 3 July 2014 being in the amount of THB 33,224,657.55 (Thirty Three Million Two Hundred Twenty Four Thousand Six Hundred Fifty Seven Baht and Fifty Five Satang) for the leased period during 1 January 2014 – 30 June 2014 and the rental payment due date thereof was on 3 January 2015, being in the amount of THB 33,775,342.45 (Thirty Three Million Seven Hundred Seventy Five Thousand Three Hundred Forty Two Baht and Forty Five Satang) for the leased period during 1 July 2014 – 31 December 2014.

Thereafter, the Previous Lessee had defaulted the rental payment during the leased period of 1 January 2014 – 30 June 2014, in the amount of THB 18,224,657.55 (Eighteen Million Two Hundred Twenty Four Thousand Six Hundred Fifty Seven Baht and Fifty Five Satang).

However, the Asset Management Company has not forthwith terminated such Agreement and enforced against the Previous Lessee's Guarantee in the event that such Previous Lessee defaulted payment on 3 July 2014 due to the Asset Management Company has not possessed the adequate information to summarize the information as claimed by the Previous Lessee that its business's yield being affected from the political turmoil and how much of the impact therefrom, or how long such effect, and the effect will be in a short or long-term. In addition, the prompt termination may not benefit to the Fund somehow because the Fund could enforce against the Guarantee up to the amount, at which at that time the Previous Lessee had defaulted, that is in the amount of THB 18,224,657.55 (Eighteen Million Two Hundred Twenty Four Thousand Six Hundred Fifty Seven Baht and Fifty Five Satang). Besides, the recruitment of a new Lessee shall take long time which during said period the Fund may lose the income from the rental. Whereas, the secure of the Lease Agreement, the Fund shall have rental as an earning which having a collateral as the bank guarantee attached hereto. The Asset Management Company deemed that there should be the exercise of right to enforce the collateral and to terminate the Agreement in the event that, after the rental's due date during the period of 1 July 2014 – 31 December 2014 which shall due on 30 December 2014, then the Previous Lessee has not made any payment either for the outstanding or the due amount thereof, the Asset Management Company shall proceed as the legal advisor had instructed.

Subsequently, on the date of 12 December 2014, the Asset Management Company had a notice for payment for the rental during the period of 1 July 2014 – 31 December 2014, which shall be due on 30 December 2014 in the amount of THB 33,775,342.45 (Thirty Three Million Seven Hundred Seventy Five Thousand Three Hundred Forty Two Baht and Forty Five Satang) including requesting to the Previous Lessee to pay for the due rental during the period of 1 January 2014 – 30 June 2014 in the amount of THB 18,224,657.55 (Eighteen Million Two Hundred Twenty Four Thousand Six Hundred Fifty Seven Baht and Fifty Five Satang) including the defaulting interest at the rate of 7.375 per annum to the Fund. However, the Previous Lessee also neglected and did not make any payment and its outstanding to the Fund.

Upon the due date of rental payment for the leased period during 1 July 2014 – 31 December 2014, the Fund still not received any rental payment in the total amount of THB 52,000,000 (Fifty Two Million Baht Only) exclusive of the defaulting interest. The Fund also assigned its legal advisor to send the notice of the breach against the Lease Agreement and claimed for the collateral according to the Lease Agreement performance for the Previous Lessee and the Guarantor dated 5 January 2015, then, the Fund requested for the outstanding rental payment and interest, penalty, damage and expenses incurred being related to the Fund's Scheme, Lease Agreement and the law so as to protect the rights and benefits of the Fund.

Notwithstanding, up until now the Fund still not receive of any rental payment along with interest. Therefore, the Previous Lessee is deemed as the defaulting party according to the 2 foregoing Lease Agreements.



## Remedial Solution

### (1) The Tracking of Outstanding Rental Payment and Other Damages, Termination of the Lease Agreement and Enforcement Against The Collateral

According to the Previous Lessee being as the defaulting party pertaining to the Lease Agreement; thus, the Asset Management Company proceeded to enforce against the Lease Agreement's collateral with Krungthai Bank PCL ("Bank"), Koh Samui Branch as the Guarantor according to the Lease Agreement to pay to the Fund according to the Letter of Guarantee No.00019/200829/0021/56 dated 26 December 2013 in the total of 3 times i.e. on 16 February 2015, 3 March 2015 and 15 May 2015. Besides, the Fund has reserved of its rights to claim for any additional damages, expenses, benefits, monies or other damages which incurred against the Fund, either prior to or after the termination of such Lease Agreement. In addition, the rights in such remaining of the guaranteed amount under this claim, including but not limited to, other legal proceedings in order to protect the rights and benefits of the Fund accordingly.

Furthermore, once the Fund has assigned its legal advisor to provide the Notice dated 5 January 2015 to notify the Previous Lessee for making the outstanding rental payment including the interest therefrom. The Previous Lessee had well received such Notice on the date of 9 January 2015 ; however, the Lessee still neglected and did not comply with the Fund's requests.

As per the Previous Lessee did not make any outstanding rental payment including the interest within such designated period according to the Lease Agreement, the Fund opined to terminate such Lease Agreement by assigning its legal advisor to terminate thereof according to the copy of the legal advisor's Notice dated 3 March 2015.

Then, the termination of Lease Agreement was effected on 4 April 2015, on which the Previous Lessee shall make the outstanding rental payment, the damages attributable to the termination thereof, vacate and return the properties to the Fund within 15 days i.e. within 19 April 2015.

The reason why the Asset Management Company opined to terminate thereof against the Previous Lessee prior to having a new Lessee is due to if opt not to terminate as such, there shall cause the Lease Agreement to be in effective and the Fund could not recruit a new Lessee; besides, for forcing the Previous Lessee to vacate and return of the properties to the Fund which shall takes a lot of time. Otherwise, the Fund shall not utilize the premises or facilitate the new Lessee to utilize the premises which shall cause more loss of income against the Fund.

Hence, the Asset Management Company opined to terminate the Lease Agreement and enforce the Previous Lessee to vacate from the premises and return of the properties and proceed to recruit for the new Lessee accordingly. In this event, should the Previous Lessee comply with the criteria of the termination by returning the properties to the Fund within the designated period and the process of recruit for the new Lessee had been completed. The new Lessee shall manage the said properties promptly and in a continuous basis which will be beneficial to the Fund.

Moreover, the Asset Management Company opined that, should the process of recruitment for a new Lessee has not been completed or takes time, the Asset Management Company shall hire a hotel manager to manage such hotel in a short-term basis. (ended on August 31, 2015) In this regard, the Asset Management Company received the relaxation of the Office to hire a hotel manager for managing such hotel

during the process of recruiting for a new Lessee, which the Asset Management Company had proceeded as foregoing by virtue of concerning to the utmost benefit the Unitholders.

After, the Fund had exercised its rights to terminate such Lease Agreement against the Previous Lessee on 16 June 2015, the Fund assigned its legal advisor to file a lawsuit against the Bank at Southern Bangkok Civil Court for enforcement against the collateral according to the Letter of Guarantee issued by the Bank in the Black Case No. Por. 1320/2558 in the charge of “Guarantee” whose the disputed amount of THB 67,000,000 (Sixty Seven Million Baht) (as specified in the Letter of Guarantee).

Moreover, on 6 July 2015, the Fund assigned its legal advisor to file lawsuits against the Lessee and the guarantors totaling 5 defendants at Koh Samui Provincial Court in the Black Case No.Por. 158/2558 in the charges of “Breach of Agreement, Torts, Eviction, Claim for Outstanding Rental Payment and Damage, Guarantee”, whose the disputed amount was THB 89,557,698.75 (Eighty Nine Million Five Hundred Fifty Seven Thousand Six Hundred Ninety Eight Baht and Seventy Five Satang) (being calculated up to the date of plaint on 6 July 2015) by having the summary of the Addendum to the Plaint detailed as follows:

- (1) To evict the Previous Lessee and his dependants including to remove the properties from the land whose the land title deeds No.10775 and 10779, Maenam Sub-district, Koh Samui District, Suratthani Province and the land according to the Certificate of Land Utilization (Nor.Sor.3 Gor.) No.1274, 1275 and 2035, located at Maenam Sub-district, Koh Samui District, Suratthani Province including all buildings and structures on such land and to deliver the land including all buildings and structures on such land and the public utilities, furniture and all relevant equipment which were installed and utilized in the building of Samui Buri Beach Resort in good condition and

appropriate for the usage not less beneficial than the condition of the premises on the date which the Previous Lessee accepted the transfer from the Fund, at the Previous Lessee's expenses. Moreover, the Previous Lessee and his dependants were prohibited to interfere with the land, buildings and structures, public utilities, furniture and all relevant equipment which were installed and utilized in the building of Samui Buri Beach Resort.

(2) the Previous Lessee and the guarantors shall jointly or severally pay for THB 54,638,115.97 (Fifty Four Million Six Hundred Thirty Eight Thousand One Hundred Fifteen Baht and Ninety Seven Satang) (for the lease period from 1 January to 30 June 2014 in the amount of THB 18,224,657.55 and for the lease period from 1 July to 31 December 2014 in the amount of THB 33,775,342.45, with interest calculated up to the date of filing 6 July 2015) including the interest at the rate of 7.375 per annum of the principal in the amount of THB 52,000,000 (Fifty Two Million Baht), payable on the following date of the indictment onwards until the full payment has been paid to the Fund.

(3) the Previous Lessee and the guarantors shall jointly or severally pay for THB 17,522,125.64 (Seventeen Million Five Hundred Twenty Two Thousand One Hundred Twenty Five Baht and Sixty Four Satang) (Calculation of the rent for the period of 1 January 2015 to the effective date of termination 4 April 2015. with interest calculated up to the date of filing 6 July 2015) including the interest at the rate of 7.25 per annum of the principal in the amount of THB 17,254,794.52 (Seventeen Million Two Hundred Fifty Four Thousand Seven Hundred Ninety Four Baht and Fifty Two Satang), payable on the following date of the indictment onwards until the full payment has been paid to the Fund.

- (4) the Previous Lessee and the guarantors shall jointly or severally pay to the Plaintiff ("Fund") for the damages of THB 17,397,457.12 (Seventeen Million Three Hundred Ninety Seven Thousand Four Hundred Fifty Seven Baht and Twelve Satang) (Calculated from the date the tenant occupying the property of termination to the date of filing. with interest calculated up to the date of filing 6 July 2015) including the interest at the rate of 7.50 per annum of the principal in the amount of THB 17,071,232.88 (Seventeen Million Seventy One Thousand Two Hundred Thirty Two Baht and Eighty Eight Satang), payable on the following date of the indictment onwards until the full payment has been paid to the Fund.
- (5) the Previous Lessee and the guarantors shall jointly or severally pay to the Fund for the damages (Possession of property after termination of the lease.) at the rate of THB 183,561.64 (One Hundred Eighty Three Thousand Five Hundred Sixty One Baht and Sixty Four Satang) daily, payable on the following date of the indictment onwards including the interest at the rate of 7.5 per annum until the Previous Lessee and his associates vacate from the Fund's premises and buildings and structures pertaining to the plaint and the Fund shall be entitled to possess for utilizing of the land and buildings and structures pertaining to the plaint and receive the damage payment in full.
- (6) the Previous Lessee shall assign to the Plaintiff his Hotel License and others related to the Hotel Act B.E. 2547, including other licenses as necessary to duly operate the Mercure Samui Buri Resort Hotel or Samui Buri Beach Resort Hotel, which the Previous Lessee was possessing on the date that the Lease Agreement of the land and buildings being terminated. Should the Previous Lessee failed to comply

therewith, the court verdict shall be applied thereto in lieu of the expression of the Previous Lessee's intention.

- (7) the Land Lease Agreement on the 2 plots of land, having the 15-year leased term, dated 28 July 2010, the Land Lease Agreement on the 3 plots of land, having the 15-year leased term, dated 28 July 2010 and the Lease of Land and Construction Agreement dated 28 July 2010 and the Lease of Utility System, Furniture and Equipment Agreement dated 22 July 2010 shall be terminated since 4 April 2015. Also, provided that the Previous Lessee shall register the termination at the relevant Land Department, of the Lease Agreement for 2 plots of land, having 15-year leased term, dated 28 July 2010 and the Land Lease Agreement on 3 plots of land, dated 28 July 2010 and the Lease of Land and Construction Agreement dated 28 July 2010. Should the Previous Lessee shall not comply thereof, the court verdict shall be applied thereto in lieu of the exercise of the Previous Lessee's intention.
- (8) the Previous Lessee and the guarantors shall jointly or severally pay for the fee, legal expenses and lawyer fee in lieu of the Fund at the higher rate.



## **Mutual Fund Supervisor Report**

To: Unit holders of the Samui Buri Property Fund

Whereas Citibank, N.A. Bangkok, the Mutual Fund Supervisor of the Samui Buri Property Fund which was managed by CIMB-Principal Asset Management Company Limited has performed duties as the Mutual Fund Supervisor for the period beginning July 1, 2014 to June 30, 2015.

We have prepared this report base on given sources of information as of the date hereof and believed by us to be reliable, but we does not warrant the accuracy or completeness of the same and expressly disclaims liability for any error or omission (including any third party liability). There can be no assurance that future event or results will be consistent with any such report. Neither us nor any of its directors, employees or agents guarantees the repayment of capital, the performance or the distribution of the funds and be liable for any loss as a result of any action or omission made in reliance of this report.

In our opinion, CIMB-Principal Asset Management Company Limited has performed its duties in managing the Fund correctly and appropriately according to the objectives specified in the Fund management project, which was approved by the Office of the Securities and Exchange Commission and under the Securities Exchange Act B.E. 2535.

Citibank, N.A. - Bangkok

( Kris Antakon )

Vice President

Mutual Fund Supervisor

Citibank, N.A – Bangkok.

July 16, 2015

Citibank, N.A.

## **AUDITOR'S REPORT**

To the Unitholders of Samui Buri Property Fund

I have audited the accompanying financial statements of Samui Buri Property Fund, which comprise the balance sheet and the details of investments as at 30 June 2015, and the related statements of income, changes in net assets, cash flows and significant financial information for the year then ended, and a summary of significant accounting policies and other notes.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



### *Opinion*

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samui Buri Property Fund as at 30 June 2015, and its results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### *Emphasis of Matters*

I draw attention to Note 15 to the financial statements which describes (1) defaulting the rental payment from Samui Buri Beach Resort Co., Ltd. (“Lessee”) which is the only one lessee of the Fund which the Fund terminated the Lease Agreement on 4 April 2015 and has stopped accruing rental income and other income associated to the Lease Agreement since then, (2) refusing to pay the money according to the guarantee obligation from the bank, and (3) the uncertainty related to the outcome of the lawsuit filed against the Fund by the Lessee. These factors would raise substantial doubt regarding the ability of the Fund to continue as going concern. My opinion is not qualified in respect of this matter.

Boonlert Kamolchanokkul  
Certified Public Accountant (Thailand) No. 5339  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
27 August 2015

**SAMUI BURI PROPERTY FUND**

**FINANCIAL STATEMENTS**

**30 JUNE 2015**

**Samui Buri Property Fund**  
**Balance Sheet**  
**As at 30 June 2015**

---

	<b>Notes</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
<b>Assets</b>			
Investment in properties at fair value (at cost Baht 828,000,000)	6	822,670,000	829,300,000
Cash and cash equivalents	7	2,436,372	2,385,512
Rental receivable, net	11, 15	-	22,078,082
Interest receivable, net	11, 15	1,445	7,918
<b>Total assets</b>		<b>825,107,817</b>	<b>853,771,512</b>
<b>Liabilities</b>			
Accrued expenses	11	3,789,379	3,564,557
<b>Total liabilities</b>		<b>3,789,379</b>	<b>3,564,557</b>
<b>Net assets</b>		<b>821,318,438</b>	<b>850,206,955</b>
<b>Net assets:</b>			
Capital received from unitholders (82,800,000 units, Baht 10 each)	8	828,000,000	828,000,000
(Deficit) retained earnings	8	(6,681,562)	22,206,955
<b>Net assets</b>		<b>821,318,438</b>	<b>850,206,955</b>
Net assets value per unit (Baht)		9.9193	10.2682
Number of units issued at the end of the year (units)		82,800,000	82,800,000

The notes to financial statements from pages 9 to 20 are an integral part of these financial statements.

---

**Samui Buri Property Fund****Details of Investments****As at 30 June 2015**

Type of investment	Cost		Fair value		Percentage of investment	
	2015	2014	2015	2014	2015	2014
	Baht	Baht	Baht	Baht	%	%
<b>Investment in properties (Note 6)</b>						
Land and Buildings						
which consisted of 1) 5 plots of land, total area of 13-0-27 rai,						
2) buildings, total area approximately of 15,772.86 sqm. and						
facilities, swimming pool, dining room, and parking area for						
hotel business	828,000,000	828,000,000	822,670,000	829,300,000	100	100
<b>Total investment in properties</b>	<b>828,000,000</b>	<b>828,000,000</b>	<b>822,670,000</b>	<b>829,300,000</b>	<b>100</b>	<b>100</b>

The notes to financial statements from pages 9 to 20 are an integral part of these financial statements.

**Samui Buri Property Fund**  
**Statement of Income**  
**For the year ended 30 June 2015**

---

	<b>Notes</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
<b>Investment income</b>			
Rental income	11	51,030,137	66,541,096
Interest income	11	<u>1,989,777</u>	<u>15,263</u>
<b>Total income</b>		<u>53,019,914</u>	<u>66,556,359</u>
<b>Expenses</b>			
Management fee	10, 11	5,558,865	5,571,228
Trustee fee	10	185,296	185,708
Registrar fee	10, 11	926,478	928,538
Professional fee		350,700	335,180
Bad and doubtful debts expenses	11, 15	60,091,366	18,224,658
Other expenses		<u>1,541,726</u>	<u>871,485</u>
<b>Total expenses</b>		<u>68,654,431</u>	<u>26,116,797</u>
<b>Net investment income</b>		<u>(15,634,517)</u>	<u>40,439,562</u>
<b>Net loss from investment</b>			
Net unrealised loss from investment	6	<u>(6,630,000)</u>	<u>(1,700,000)</u>
<b>Total net unrealised loss from investment</b>		<u>(6,630,000)</u>	<u>(1,700,000)</u>
<b>Net (decrease) increase in net assets from operations</b>		<u>(22,264,517)</u>	<u>38,739,562</u>

The notes to financial statements from pages 9 to 20 are an integral part of these financial statements.

---

**Samui Buri Property Fund**  
**Statement of Changes in Net Assets**  
**For the year ended 30 June 2015**

---

	<b>Note</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
<b>(Decrease) increase in net assets from operations during the year</b>			
Net investment income		(15,634,517)	40,439,562
Net unrealised loss from investment		<u>(6,630,000)</u>	<u>(1,700,000)</u>
<b>Net (decrease) increase in net assets from operations</b>		(22,264,517)	38,739,562
Dividend paid	9	<u>(6,624,000)</u>	<u>(57,960,000)</u>
<b>Decrease in net assets during the year</b>		(28,888,517)	(19,220,438)
Net assets at the beginning of the year		<u>850,206,955</u>	<u>869,427,393</u>
<b>Net assets at the end of the year</b>		<u><u>821,318,438</u></u>	<u><u>850,206,955</u></u>

The notes to financial statements from pages 9 to 20 are an integral part of these financial statements.

---

**Samui Buri Property Fund**  
**Statement of Cash Flows**  
**For the year ended 30 June 2015**

---

	<b>Notes</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
<b>Cash flows from operating activities</b>			
Net (decrease) increase in net assets from operations		(22,264,517)	38,739,562
Adjustments to reconcile net (decrease) increase in net assets from operations to net cash provided by operating activities			
Bad and doubtful debts expenses	11	60,091,366	18,224,658
Increase in rental receivable		(36,030,138)	(110,959)
Increase in interest receivable		(1,976,673)	(1,254)
Increase (decrease) in accrued expenses		224,822	(101,323)
Net unrealised loss from investment		6,630,000	1,700,000
<b>Net cash provided by operating activities</b>		<u>6,674,860</u>	<u>58,450,684</u>
<b>Cash flows from financing activities</b>			
Dividend paid	9	(6,624,000)	(57,960,000)
<b>Net cash used in financing activities</b>		<u>(6,624,000)</u>	<u>(57,960,000)</u>
<b>Net increase in cash and cash equivalents</b>		50,860	490,684
Cash and cash equivalents at the beginning of the year		<u>2,385,512</u>	<u>1,894,828</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><u>2,436,372</u></u>	<u><u>2,385,512</u></u>

The notes to financial statements from pages 9 to 20 are an integral part of these financial statements.

---

**Samui Buri Property Fund**  
**Significant Financial Information**  
**For the year ended 30 June 2015**

	<b>For the period from 22 July 2010 (date of registration) to 30 June 2011</b>				
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2013 Baht</b>	<b>2012 Baht</b>	<b>2011 Baht</b>
<b>Operating performance (per unit)</b>					
Net assets value at the beginning of the years	10.2682	10.5003	10.5850	10.4587	-
<u>Add</u> Capital received from unitholders	-	-	-	-	10.0000
Income from investment activities:					
Net investment income	(0.1888)	0.4884	0.7130	0.7171	0.6716
Realised and unrealised (loss) gain from investment	(0.0801)	(0.0205)	(0.1102)	0.0691	0.0773
Total income from investment activities	(0.2689)	0.4679	0.6028	0.7862	0.7489
<u>Less</u> Dividend paid	(0.0800)	(0.7000)	(0.6875)	(0.6599)	(0.2902)
<b>Net assets value at the end of the years</b>	<b>9.9193</b>	<b>10.2682</b>	<b>10.5003</b>	<b>10.5850</b>	<b>10.4587</b>
<b>Ratio of net (loss) profit to average net assets value during the years (%)</b>	<b>(2.5730)</b>	<b>4.4670</b>	<b>5.7198</b>	<b>7.5260</b>	<b>7.3239</b>
<b>Significant financial ratios and additional information</b>					
Net assets value at the end of the years (Baht)	821,318,438	850,206,955	869,427,393	876,438,582	865,981,243
Ratio of total expenses to average net assets value during the years (%)	7.9341	3.0115	0.8577	0.8521	0.7226
Ratio of investment income to average net assets value during the years (%)	6.1273	7.6745	7.6226	7.7168	7.2907
Ratio of weighted average investment purchases and sales during the years to average net assets value during the years (%)	-	-	0.1100	0.0300	97.7900
Average net assets value during the years (Baht)	865,310,598	867,235,057	872,643,357	864,964,942	846,675,058

The notes to financial statements from pages 9 to 20 are an integral part of these financial statements.



## **1 General information**

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

As at 30 June 2015, the major untitholder is Government Savings Bank, holding 24.15% of total outstanding units.

On 31 March 2014, the Fund registered with Securities and Exchange Commission to change its name from “Mercure Samui Property Fund” to Samui Buri Property Fund”.

CIMB-Principal Asset Management Company Limited is the Fund’s Management Company. Citibank N.A. has been appointed as the Fund’s Trustee.

These financial statements were authorised for issue by the Fund’s management on 27 August 2015.

## **2 Accounting policies**

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

### **2.1 Basis of preparation**

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to financial statements.

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

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

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

### **2.2 New financial reporting standards and revised financial reporting standards**

- 1) Revised financial reporting standards which are effective on 1 January 2014 and are relevant to the Fund are as follows:

TAS 7 (revised 2012)	Statement of cash flows
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 24 (revised 2012)	Related party disclosures
TAS 34 (revised 2012)	Interim financial reporting
TFRS 8 (revised 2012)	Operating segments
TFRIC 4	Determining whether an arrangement contains a lease
TSIC 27	Evaluating the substance of transactions in the legal form of a lease

The Fund's management has determined that such revised accounting standards and financial reporting standards and related interpretations will not significantly impact the financial statement being presented.

- 2) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015 and are relevant to the Fund and are not early adopted are as follows:

- a) Financial reporting standard which is expected to have a significant impact to the Fund is as follows:

TFRS 13	Fair value measurement
---------	------------------------

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The Fund's management is currently assessing the impact from applying this standard.

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

### **2.2 New financial reporting standards and revised financial reporting standards (Cont'd)**

- 2) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015 and are relevant to the Fund and are not early adopted are as follows: (Cont'd)

- b) Financial reporting standards with minor changes and do not have impact to the Fund are as follows:

TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 24 (revised 2014)	Related party disclosures
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 8 (revised 2014)	Operating segments
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 18 (revised 2014)	Transfers of assets from customers

- 3) New financial reporting standard which is effective on 1 January 2016 is as follows:

TFRS 4 (revised 2014)	Insurance contracts
-----------------------	---------------------

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. This financial reporting standard is not relevant to the Fund's operations.

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

### **2.3 Investment in properties**

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

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

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

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

### **2.5 Rental receivable**

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

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

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

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

Expenses are recognised on an accrual basis.

### **2.7 Income taxes**

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

### **3 Dividend payment policy**

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

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

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

### **4 Critical accounting estimates, assumptions and judgments**

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

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

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

#### **b) Allowance for doubtful accounts**

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

## **5 Capital risk management**

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

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

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

	<b>2015</b>	<b>2014</b>
	<b>Baht</b>	<b>Baht</b>
Investment in properties at the beginning of the year	829,300,000	831,000,000
Net unrealised loss from the revaluation of investment during the year	(6,630,000)	(1,700,000)
Investment in properties at the end of the year	<u>822,670,000</u>	<u>829,300,000</u>

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

For the year ended 30 June 2015, the Fund hired an independent appraiser, G.W. Brothers Estate Co., Ltd., to appraise its investment in properties by using the Income Approach derived from cumulative of present value of net income based on the period of 10 years and its present value of such assets at the end of year 10<sup>th</sup>, report dated 14 June 2015. As at 30 June 2015, the Fund adjusted investment in properties to fair value of Baht 822.67 million and recognised net unrealised loss from investment in the statement of income for the year at Baht 6.63 million.

## **7 Cash and cash equivalents**

As at 30 June 2015 and 2014, the Fund has the details of cash and cash equivalents as follows:

	<b>Principal</b>		<b>Interest rate per annum</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht</b>	<b>Baht</b>	<b>%</b>	<b>%</b>
Deposits in bank saving account - Citibank N.A.	2,436,372	2,385,512	0.05 - 0.10	0.10
<b>Total</b>	<b>2,436,372</b>	<b>2,385,512</b>		

## **8 Unitholders' equity**

As of 30 June 2015 and 2014, there are 82,800,000 authorised units of Baht 10 par value registered, issued and paid-up.

Movements in capital account are as follows:

	<b>2015</b>		<b>2014</b>	
	<b>Number of units</b>	<b>Baht</b>	<b>Number of units</b>	<b>Baht</b>
Units registered, issued and paid-up	82,800,000	828,000,000	82,800,000	828,000,000
Beginning balance	82,800,000	828,000,000	82,800,000	828,000,000
Issue of units	-	-	-	-
<b>Ending balance</b>	<b>82,800,000</b>	<b>828,000,000</b>	<b>82,800,000</b>	<b>828,000,000</b>

Movements in retained earnings are as follows:

	<b>2015</b>	<b>2014</b>
	<b>Baht</b>	<b>Baht</b>
Beginning balance	22,206,955	41,427,393
<u>Add</u> Net (decrease) increase in net assets from operations during the years	(22,264,517)	38,739,562
<u>Less</u> Dividend paid to unitholders (Note 9)	(6,624,000)	(57,960,000)
<b>Ending balance</b>	<b>(6,681,562)</b>	<b>22,206,955</b>

## **9 Dividend**

The detail of dividend for the year ended 30 June 2015 is as follows:

<b>No.</b>	<b>The operation for period</b>	<b>Payment date</b>	<b>Per unit Baht</b>	<b>Total Million Baht</b>
1	1 January 2014 - 30 June 2014	26 September 2014	0.08	6.62
				<u>6.62</u>

There is no dividend payment for the operating period of 1 July 2014 to 31 December 2014 due to the fact that the Fund has not received the rental for such period.

The detail of dividends for the year ended 30 June 2014 is as follows:

<b>No.</b>	<b>The operation for period</b>	<b>Payment date</b>	<b>Per unit Baht</b>	<b>Total Million Baht</b>
1	1 January 2013 - 30 June 2013	23 September 2013	0.35	28.98
2	1 July 2013 - 31 December 2013	28 March 2014	0.35	28.98
				<u>57.96</u>

## **10 Fees**

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

### **Management fee**

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

### **Trustee fee**

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

### **Registrar fee**

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



## **11 Related party transactions**

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

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

Types of relationship of related company are as follows:

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

The following significant transactions were carried out with related party:

Significant income and expenses for the years then ended 30 June 2015 and 2014 were as follows:

	<b>2015 Baht</b>	<b>2014 Baht</b>
<u>CIMB - Principal Asset Management Co., Ltd.</u>		
Management fee	5,558,865	5,571,228
Registrar fee	926,478	928,538

Balances as at 30 June 2015 and 2014 with related party were as follows:

	<b>2015 Baht</b>	<b>2014 Baht</b>
<u>CIMB - Principal Asset Management Co., Ltd.</u>		
Accrued management fee	2,753,524	2,762,131
Accrued registrar fee	458,921	460,355

## **12 Financial risk management**

As at 30 June 2015, the principal financial risks faced by the Fund are interest rate risk, credit risk, and liquidity risk.

### **Interest rate risk**

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

### **Credit risk**

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

### **Liquidity risk**

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

### **Fair value**

The carrying amounts of the Fund's financial assets and liabilities as at 30 June 2015 as presented in the financial statements approximate to their fair values.

## **13 Segment information**

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

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

## **14 Commitments**

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

## **15 Lawsuit and others**

- 15.1 Samui Buri Beach Resort Co., Ltd. (“Lessee”), which is the only one lessee of the Fund, did not comply with conditions under the Lease Agreement by defaulting the rental payment from 1 January 2014 to 4 April 2015 in an amount of Baht 69,254,765 and the Fund had already enforced the collaterals in accordance with the letter of guarantee issued by a local bank (“the Bank”). However, the Bank refused to pay the money according to the guarantee obligation in an amount of Baht 67,000,000 because the Lessee requested the Bank to suspend the payment to the Fund since the Lessee refused its breach of the Lease Agreement. Accordingly, the Fund terminated the Lease Agreement which was effective on 4 April 2015 and demanded the Lessee to return the leased properties and to transfer the license of hotel business including the relevant businesses to the Fund. Nevertheless, the Lessee refused to return such leased properties to the Fund and has continued to utilise such properties.

Therefore, the Fund has set up a full allowance for doubtful account in an amount of Baht 71,237,942 for rental receivable amounting to Baht 69,254,795 and interest receivable for the period from 1 January 2014 to 4 April 2015 amounting to Baht 1,983,147. Subsequent to 4 April 2015, the Fund has stopped accruing rental income and other income associated to the Lease Agreement. As such the Management Company postponed the collection of management fee and registrar fee in view of the rental income outstanding.

For the year ended 30 June 2015, the Fund has bad and doubtful debts expenses in an amount of Baht 60,091,366 resulting from bad debts from reversal of rental income recognised on a straight-line basis over the lease term in an amount of Baht 7,078,082 and a full allowance for doubtful account in an amount of Baht 53,013,284.

- 15.2 On 7 April 2015, the Lessee filed the lawsuit against the Fund and its accomplices, which are the fund manager, the Management Company, the authorised directors and officers of the Management Company, totaling 10 defendants, to the Southern Bangkok Civil Court as a Black Case No.Por.698/2558, for claiming of the revocation of the notice of lease agreement termination and damages incurred by wrongful act. The amount in dispute was Baht 350,000,000. The Fund has already received the summon and the copy of such Complaint on 16 May 2015. In this regard, the Fund has appointed Baker & McKenzie Ltd. to act as the lawyer for defending the case and to take any action according to law.
- 15.3 On 16 June 2015, the Fund has appointed HNP Legal Ltd. to launch the civil lawsuit against the Bank at the Southern Bangkok Civil Court as a Black Case No.Phor.1320/2558, between the Fund as the Plaintiff and the Bank as the Defendant, in the accusation of “Guarantee” with the claiming in amount of Baht 67,000,000 (equivalent to the guaranteed amount as specified in the letter of guarantee).

**15 Lawsuit and others (Cont'd)**

- 15.4 On 30 June 2015, the Lessee filed the lawsuit against the Fund and its Accomplices, which are the Management Company, the authorised directors and the Lawyer of the Management Company, totaling 11 defendants, to the Southern Bangkok Civil Court as a Black Case No.Por.1475/2558. The claim is for damages from the notice letters prepared by both defendants and sent to 4 guarantors dated 16 June 2015 that have damaged the reputation, the credit, the earnings or the prosperity in any other manners of the Plaintiff. The amount in dispute was Baht 350,000,000. In this regard, the Fund has appointed Baker & McKenzie Ltd. to act as the lawyer for defending the case and to take any action according to law.
- 15.5 On 6 July 2015, the Fund has appointed Baker & McKenzie Ltd. to launch the civil lawsuit against the Lessee and the Guarantors totaling 5 persons at the Koh Samui Provincial Court as a Black Case No.158/2558. The lawsuit is between the Fund as the Plaintiff and the Lessee and the Guarantors totaling 5 persons as the Defendant to claim the outstanding rental and damages and to remove the lessee from the area with the claiming in an amount of Baht 89,557,699.
- 15.6 On 13 July 2015, the Fund has received a summon of Bophut Police Station, Koh Samui, for the criminal accusation that the Fund “jointly defame via advertisement”. The Fund, therefore, hires Baker & McKenzie Ltd. to be an attorney to defend on this charge including any legal action in connection with protection of the right and interest of the Fund.