

Annual Report 2015

Samui Buri Property Fund

For the period of July 1, 2015 to June 30, 2016

Message from Management Company

September 30, 2016

Dear Unitholders,

CIMB-Principle Asset Management Company Limited hereby submits Annual Report of Samui Buri ("the Fund) from July 1, 2015 to June 30, 2016 to all unitholders.

Performance of the Fund in the past year suffered a loss, Net Asset Value as of June 30, 2016 is 600.33 Million Baht or equivalent to 7.2504 Baht per unit. From July 1, 2015 to June 30, 2016 the Fund did not receive any income from lease, there was only income from interest of total 249 Baht, with total expense of 14.11 Million Baht, resulting in total loss of 14.11 Million Baht. Considering altogether with the total loss from unrealized loss of 206.87 Million Baht, the Fund has dropped operating net asset of 220.98 Million Baht. The Fund does not have dividend paid out for the performance of 2015.

From the Business Trend Report as of July 2016, the business condition in quarter 2 of 2016 and trend by the Central Economic Division, Macroeconomic and Monetary Policy Department, Monetary Policy Group, the Bank of Thailand, summarized as follows

The business perspective of quarter 2 of 2016 is gradually recovery, fueled by private sector consumption and tourism. Most entrepreneur see that private sector consumption in quarter 2 is greater than previous quarter following higher purchasing power after the drought crisis became better, tourism continuously improves following recovery of Thai and foreign tourists. However, for private sector investment, even though there is a sign that some groups of entrepreneur such as tourism, processed food and agricultural machinery business have new investment increment, most entrepreneur are still careful in investing due to unclear recovery of both domestic and foreign demand, in consequence, investment in quarter 2 is still in a steady condition from previous quarter. Moreover, entrepreneur still concern about the diminishing export sector following weak economy of trading partner nations, only some business started to recover e.g. air-conditioning, automotive and processed food export business which require

close monitoring on the recovery of export-related business. For real estate sector, the entrepreneur see that it is still in stagnant state as buyers face former household debts which cause limited purchasing power in the market, together with the fact that financial institutes are cautious in granting credit.

It is anticipated that business trend will improve gradually, private sector consumption tends to expand continuously from confidence and enhanced income after the dissolved drought crisis and the government's economic acceleration measure. Tourism continuously expanding and became important economic drive, private sector investment will continue to be in a steady condition as most entrepreneur still use 'Wait and See' strategy because they still have enough production capacity to support both domestic and foreign demand while export sector will still be fragile due to weak economy of trading partner nations and increasing uncertainty from Brexit. It is predictable that the real estate sector will decelerate after the end of the government's real estate acceleration measure at the end of April 2016, entrepreneur see that future economic recovery has factors that need to be monitored closely, especially the root grass economy which the recovery is not vigorous in both agriculturists and workers in manufacturing business, partly because of high former household debts and the affect from less working hours in the manufacturing sector because export sector has not yet recovered.

Tourism in quarter 2 of 2015 has been expanding since last quarter, reflected from number of increasing tourists from China, Europe and Russia which were supported by expansion of low cost airlines such as direct flight from China to Koh Samui. Thai tourist also increased, partly from the public sector's domestic tourism promotion measure, for example, tax incentives to promote domestic tourism and seminar. Expansion of tourism cause related businesses to grow continuously in both restaurant group and hotel group.

Tourism trend of quarter 3, 2016 is anticipated to expand continuously, hotel business entrepreneurs invest more in lower level hotel brand to serve growing number of Chinese tourists, especially price-sensitive group; moreover, entrepreneurs still focus on Meetings, Incentives, Conferences, and Events (MICE) marketing to serve domestic and foreign customers. Entrepreneurs anticipate that public sector's domestic tourism promotion measure such as announcement of continuous holidays during the day before the Buddhist Lent and

Buddhist Lent Day will accelerate domestic tourism at certain level. The Brexit situation will not affect European tourists in quarter 3 as such group usually make 4-6 months' reservation but number of room reservation in the next period must be monitored because if Brexit affects the economy of European countries then it may affect income of European tourists which may lead to cancellation of room reservation in the next period.

CIMB-Principle Asset Management Company Limited hereby would like to thank all unitholders for your trust in managing your investment in the Fund. The Company will manage the Fund considering utmost benefit of unitholders under corporate governance for your satisfaction.

CIMB-Principle Asset Management Company Limited

Content

	Page
Section 1 Management of Samui Buri Property Fund	2
Samui Buri Property Fund Fact Sheet	3
Policy, Business Outlook and Benefits Management	5
Hotel Industry Overview 2015	8
Risk Factors	11
Legal Disputes	21
Section 2 Management and Corporate Governance	31
Information of Investment Units, Securities and Bonds issued by the Fund	32
Management Structure	38
Corporate Governance and Compliance	59
Section 3 Financial Status and Performance	61
Important Financial Information	62
 Appendices	
Appendix 1 Report of certified auditor, Audited Financial Statement	
Appendix 2 Trustee's Opinion on the Fund's performance in the past year	

SECTION 1

MANAGEMENT OF SAMUI BURI PROPERTY FUND

SAMUI BURI PROPERTY FUND FACT SHEET

Name (Thai)	กองทุนรวมอสังหาริมทรัพย์ สมุยบุรี
Name (English)	Samui Buri Property Fund
Abbreviation	SBPF
Type of Fund	Closed-end property fund for which the Management Company will file an application with the SET for the approval of the issue of Investment Units to be listed on the SET.
Type of Investment	The real properties
Term	Indefinite
Listed on	August 18, 2010
Amount of Capital	828,000,000 Baht
Management Company	CIMB-Principle Asset Management Company Limited
Trustee	Citibank, N.A., Bangkok branch
Registrar	CIMB-Principle Asset Management Company Limited

Objectives of the Investment

The Project intends to raise funds from general investors through the issue of Investment Units. Initially, such funds will be used for investing in real properties for commercial purposes by focusing on long-term investment in projects that continuously generate revenue. The Fund will use such funds for investing in office buildings and/or by performing any proper or appropriate action by purchasing and/or lease including renovating, maintaining and/or lease out and sub-lease of the property which the Fund possesses for the benefits of such real properties so as to increase revenues and return to the Unitholders and the Fund. In this regard, the Fund intends to distribute dividends to the Unitholders regularly, and intends to increase the net asset value of the Fund in the long run, provided that the operation of the Fund is subject to the rules and procedures as prescribed by the relevant Securities Law and/or other laws.

Change in the Fund's name

The Fund is formerly known as Mercure Samui Property Fund (MSPF) and was approved by resolution of the Unitholders Meeting No. 1/2013 to change the name to Samui Buri Property Fund since April 16, 2014.

POLICIES, BUSINESS OUTLOOK AND BENEFITS MAANGEMENT

Characteristics of the Property and Location Details

Samui Buri beach Resort Hotel is a 88 room hotel located on the land title deed No. 10775, 10779 and Nor. Sor 3 Kor. No. 1274, 1275 and 2035 which has an approximately area of 13 Rai 0 Ngan 27 Square War located at no. 26/24 Soi Wat Napralan, apart from the road around island (TorLor. 4169), Maenum Sub-district, Koh Samui District, Surat Thani Province. The Fund will invest in land, buildings and equipment for operating the hotel business (excluding the sports club)

Detail of the 5 plots of land

No.	Land title deed No.	Land	Area		
		No.	Rai	Ngan	Square War
1	10775	271	1	-	-
2	10779	270	-	2	-
3	Nor. Sor 3 Kor. 1274	255	1	1	32
4	Nor. Sor 3 Kor. 1275	256	3	1	90
5	Nor. Sor 3 Kor. 2035	261	6	3	05
Total			13	0	27

Samui Buri Resort Hotel has approximately 15,772.86 square meters of indoor utility area, 65-meter width beachside at Mae Nam Beach with facilities for serving guests consisting of a swimming pool, a food court and a sports club including parking lot which can accommodate about 80 cars.

Details of the Hotel Rooms

No.	Room Type	Number/Room
1	Deluxe	48
2	Deluxe Pool	12
3	Pool Villa	28
Total		88

The decoration of the hotel applies the Thai architectural style in order to create a relaxed atmosphere for tourists together with facilities in room as a standard 4-5 star hotel, which are air-conditioning, hot-cold water, bathtub, television, refrigerator and wireless internet system.

The villa type rooms consist of the same facilities as the normal room with the addition of a living room, Jacuzzi bathtub and private swimming pool in front of the room.

The lobby in the common area of the hotel is decorated in the Thai style and the other parts of the hotel have small parks with various trees to create shadiness in the inside of the project. The hotel is in a beachside area and has seats for sunbathing and swimming for tourists as well as a large swimming pool and a fitness center with a full set of exercise equipment which is also located at the beachside and has a restaurant for the guests of the hotel.

In addition, the hotel has seminar and meeting rooms to fulfill the requirement of clients from both private companies and government agencies who wish to organize an outside meeting with comfortable and modern equipment.

Value of the property of the Fund (Information as of June 30, 2016)

Type of Property	Land with buildings
Property Location	no. 26/24 Soi Wat Napralan, apart from the road around island, Mae Nam Sub-district, Koh Samui District, Surat Thani Province
Appraisal Company	DTZ Debenham Tie Leung (Thailand) Co., Ltd.
Appraised value	667,500,000 Baht
Appraisal date	April 19, 2016
Appraisal period	April 19, 2016 – April 18, 2017
Appraisal method	Appraiser uses the Income Approach which is from the sum of present net income in the 10 years forecast and present value of property at the end of the 10 th year

Details of investment in real property or lease hold from July 1, 2015 to June 30, 2016

In the past accounting year, there is no additional investment in real property.

Details of sale or transfer of lease hold from July 1, 2015 to June 30, 2016

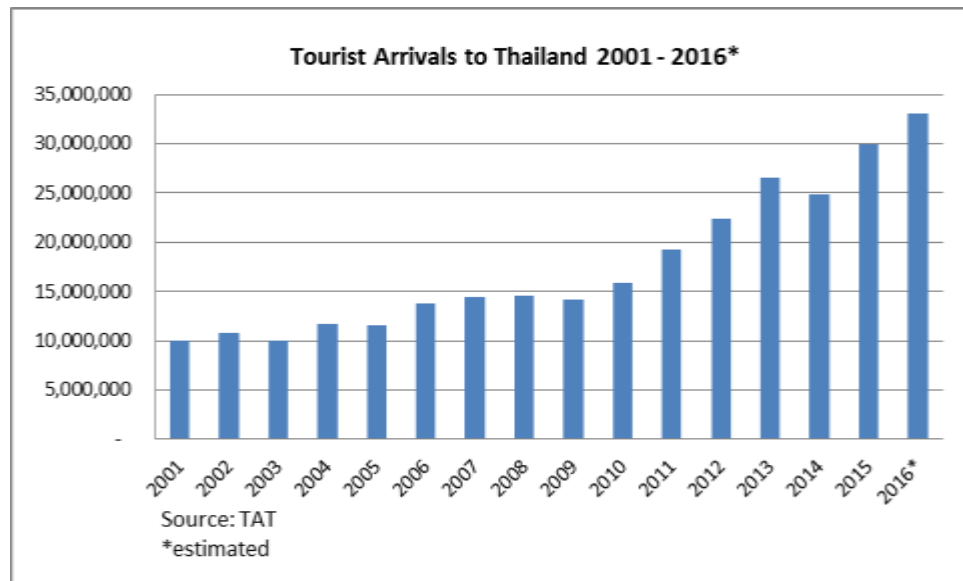
In the past accounting year, there is no sale or transfer of lease hold.

Acquisition of benefits from the real properties

The Fund acquired benefits by leasing out the properties to Samui Buri Beach Resort Company Limited for 15 years; however, the lease agreement as terminated since April 4, 2015 due to default of the lessee.

The details are specified in “Legal Dispute” on page 22 of this Annual Report.

HOTEL INDUSTRY OVERVIEW 2015

Tourism Situation

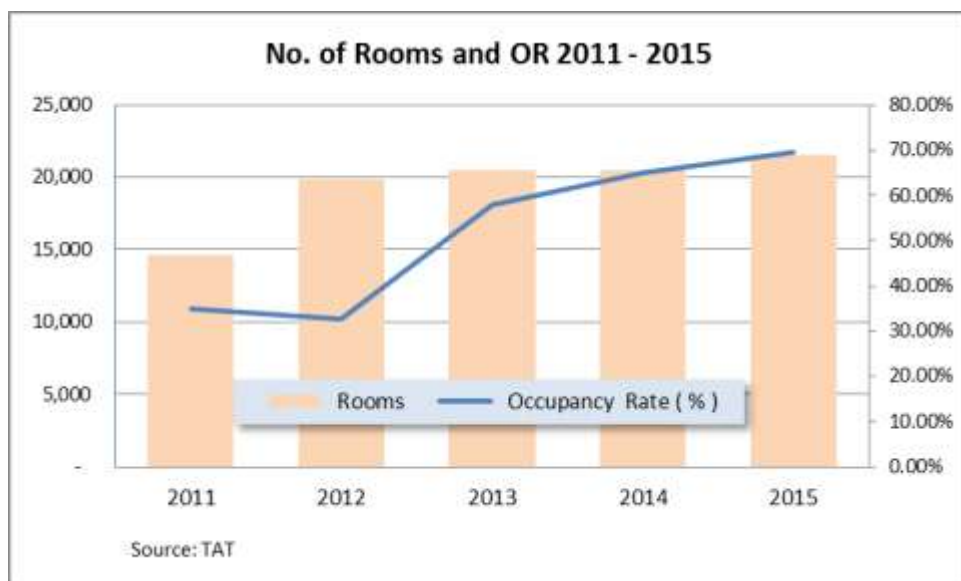
From the foreign market tourism trend in the first half of 2016 by the Foreign Market Analysis, Tourism Authority of Thailand as of July 21, 2016 which forecasts that there will be approximately 16.7 million tourists who travel to Thailand. For domestic tourism, it is anticipated that there will be approximately 75 million travelers/time, that is, 6% expansion when compare to previous year because economic growth is quite sluggish which make the people choose to travel in short distance with supporting factors like extra holiday in July to encourage unseasonal tourism.

The main factors to push Thai tourism to the target is to reduce risk factors that may affect the decision of Thai and foreign tourists such as uncertainty of economic situation, image of Thai people toward some groups of tourists which are the main factors to accelerate Thai and foreign tourists to 33 million this year.

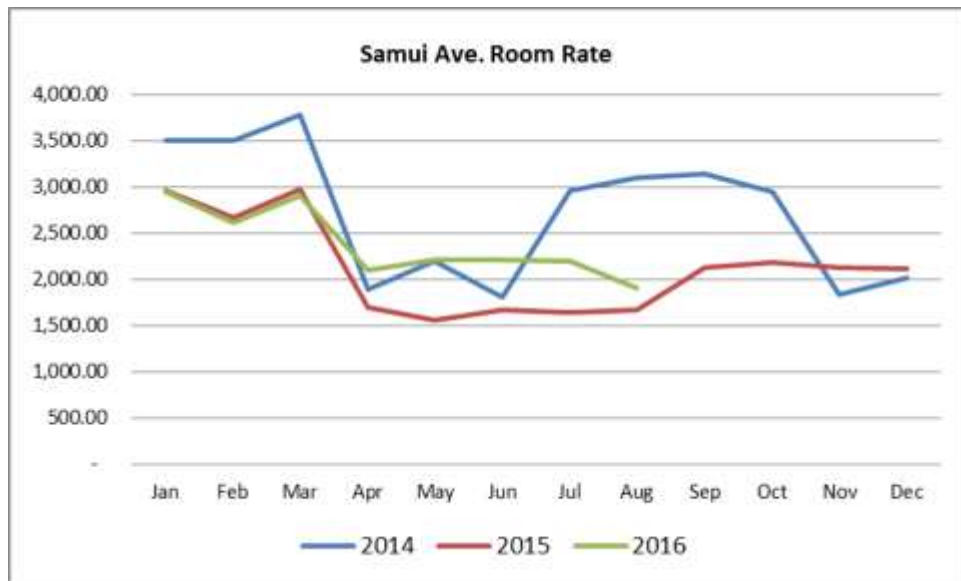
Information from the Tourism Authority of Thailand found that tourism of Koh Samui has been improving in the past 4-5 years. The number of tourists shifted from 831,038 in 2011 to 2,221,530 in 2015.



Hotel's check in rate increased from 35.03% in 2011 to 69.60% in 2015 and in the first eight months of 2016, the check in rate is 76.67% despite events that adversely affected the country's tourism industry.



However, the overall number of hotel room in Koh Samui is increased from 14,653 rooms in 2011 to 21,220 rooms at the end of August 2016, that is, over 44% which indicates the high competition in Koh Samui's hotel market.



The Management Company estimated the average room rate of all groups of hotel in Koh Samui by referring to the information on check in rate and accommodation cost paid by tourists from the Tourism Authority of Thailand and found that the average price decreased from 2,723 Baht in 2014 to 2,117 in 2015 while the price during the first eight months of 2016 was approximately 2,385 Baht.

The overview of Thailand's tourism as forecasted by the Bank of Thailand for quarter 3, 2016 that tourism will continue to grow. The hotel business entrepreneurs invested more in lower brand hotels to support increasing Chinese tourists, especially those who are price-sensitive; moreover, entrepreneurs still focus on Meetings, Incentives, Conferences, and Events (MICE) marketing to serve domestic and foreign customers.

RISK FACTORS

Risks associated to the invested property

1) *Risks from the economic volatility of the country or other macro factors*

The Project to be invested by the Fund contains some risk from the economic volatility of the country and outside the country, since the guests are both Thai tourists and foreign tourists. Furthermore, the hotel may be affected from the change in other macro factors such as the adverse change of the international economic, increase of Thai currency value, the view point of the foreigner on Thailand, effect of terrorism, war, insurrection, protestation, obstruction and spreading out of the 2009 flu, avian flu or other disease in the region including the effect of the political fluctuation of Thailand in the present or in the future, or the change of political policy of the government which may cause serious problem to the operation, financial status, operation result and the growth of the Fund

2) *Risks of the ability to pay rent to the Fund of the Lessee*

As the Fund is managed under the master leasing structure, therefore, the Fund is exposed to the risks that the Lessee does not pay rent to the Fund due to business conditions that deviated from business plan or even though as planned.

3) *Risks from the Guarantee*

Although the Fund has specified the Lessee to provide Bank Guarantee, however, in the case that the Fund enforces the guarantee, commercial bank may use the law as excuse not to pay. Consequently, the Fund may need to exercise legal right by filing lawsuit to enforce the issuer bank to pay as obliged per the Bank Guarantee.

4) *Risks associated with Political Situation*

The political situation on government stability and from the assembly to protest the government of some people may affect the economic and tourism condition of Thailand and the

Stock Exchange of Thailand. This might be resulted in adversely affected on the operation of the Samu Buri Beach Resort Hotel, on the financial status and operation result of the Lessee's business which might also result to the operation of the Fund. The Management Company is incapable of guaranteeing that the political situation in Thailand, at the present and in the future, or change of the political policies of Thai Government will not have material adverse impacts on the operation of the Samu Buri Beach Resort Hotel, financial status and operation result of the Lessee's business and growth of the Fund.

5) *Risks on operation of Hotel Business*

The operation of the hotel business is the high risk real estate business if compares with other real estate businesses such as shopping mall business or lease of office space etc. because the operation of the hotel business depends on various external factors including the tourism industry of Thailand. Therefore, if the Fund lease the property of the Fund to the lessee to utilize such property in hotel business and if the Lessee under the Lease Agreement has adverse effect from the operation on hotel business and the Lessee is unable to pay the rent on time or the varied rent may not reach the estimation, it may impact on the operation result of the Fund.

6) *Risks from Higher Competition*

The operational result of the Fund may be affected by the market situation of the southern tourism, the increase of the hotel in Samui Island, the increase or decrease of the number of the hotel, and the increase of the number of the hotel or residential development which will cause the increase of supply in the market resulting in higher competition in seeking the guest.

7) *Risks associated with Change in popularity of the Style of the Project*

The Samui Buri Beach Resort Hotel which is invested by the Fund may affected by the change in popularity of tourists because if the behavior of the customer on emphasize to the accession to the nature which is differently to the Project. It may affect to the number of the tourist using the service in the Project. If the Project will not able to improve or change the style or images of the Project as soon as such change.

8) *Risks from Natural Disaster such as earthquake or tsunami, accident and terrorism*

Despite the facts that the natural disaster such as earthquake or tsunami, accident and terrorism do not often occur, if these incidents are to occur at the location of the property of the Fund, it will not only cause damages to the properties of the Fund, but it will also cause enormous damages to the lives and properties of the lessee and people using the service of the Project. Nonetheless, the Fund has procured insurance policies on properties of the Fund to cover damages from natural disaster such as earthquake or tsunami, accident and terrorism for immovable property of the Fund.

Furthermore, the necessity repairing to recover the immovable property may need high expense and need the long time including may cause the Fund to lose the income in significance in such period which may stop the operation of the Hotel. Therefore, the serious circumstance and/or damage on the immovable property may significantly effect to operation result and financial situation of the Fund.

However, the Fund has procured insurance policy on immovable property of the fund to protect and has insurance financial amount conform to the insurance standard of the immovable property which has usage conform with the usage of the immovable property of the Fund.

Risks from the operation of the Fund

1) *Risks in relation to Change in Accounting Standards or Change in Relevant Law*

The financial report of the Fund may be affected by the enactment of new accounting standards or revision of the same, which is not predictable by the Fund or amendment to regulations of the SEC Office or relevant agency in recording on accounting of the Immovable Property Fund. The Fund manager is not in the position to evaluate the impact caused by any of the above-mentioned changes, nor in the position to assure that such changes will not affect the presentation of the financial report or the operation result of the Fund. In addition, the accounting value of property of the Fund may change in the future if the opinion of the appraisal company has changed and may affect the accounting value of the property. Therefore, the

Fund shall conduct to appraisal the value of the property and shall change the appraisal company as detail described in the Project.

2) *Risks in relation to the Fund's ability to pay dividend*

The dividend payment of the Fund will be considered from the operational result of the Fund which is subject to other factors, e.g. local and international economic situation, ability of the executive members to manage the immovable properties, the costs of the management of the immovable properties, the operation costs, the competition, the change of law and rules relating to the immovable properties. The dividend payment of the Fund shall be considered from the operation result of the Fund. Such rent depends on the ability of the Lessee on rent payment in accordance with the Lease Agreement and the ability of the Fund on guarantee enforcement under procedure and time abovementioned when the cause of termination occurs. Therefore, the fluctuation of the varied rent may result that the investor may have the risk on do not receive the dividend payment as being expected herein or the Fund may not be able to maintain the level of the dividend payment or increase the amount of dividend payment in the following years.

3) *Risks from the compensation from the immovable property insurance do not cover the actual damage*

Under the provisions of the Land and Building Lease Agreement, the Fund shall procure the All Risk Insurance Policy and the Lessee shall procure the Business Interruption Insurance Policy which the Lessee shall be responsible on all cost throughout the lease term and to specific that the Fund is the beneficial party of the insurance policies. Furthermore, the Fund shall make the Lessee to procure third party insurance policy to cover the damage of the third party from the defective invested properties.

Nevertheless, if the circumstance which is not under the protection of the insurance policy occurs or the damage exceeding the coverage in accordance with the insurance policy or the Fund not being able to recover the all that it is entitled to under the insurance policy, such case may adversely effect to the financial situation of the Fund and cause the immovable

property income to be under estimation. In such case, the Fund may have the financial damage because the compensation from the insurance may not cover all damage.

Furthermore, The Fund may not be able to insure against certain types of risks that may occur. Even if the Fund can find insurance, the premium may not be worth the economic benefits that the Fund might receive or there might be incidents outside the cover the insurance policy or the damage exceeding the coverage in accordance with the insurance policy, or the Fund not being able to recover the all that it is entitled to under the insurance policy. This may have affected on the higher cost and may cause the income in the future to be under estimation.

4) Risks form the actual operation result and the property of the Fund may difference from the estimation

Any financial report appears in this Project Scheme which is not the real information in the past (Including any report on the objectives of the investment and other plan and objectives of the executive for the future proceeding or economic situation or assumption or relating forecast) is the estimation and unable to guarantee that it will happen as described such as the forecast of income and cost of the Fund. It depends on several assumptions which are changeable. These assumptions are not in the control of the Fund such as the decrease of the tourist and the decrease of the rent rate etc. These factors may cause the effect to the operation of the Fund. Therefore, the actual circumstance and operation result may be significantly difference from the forecast herein.

Such Estimation is the forecast concerning to the business operation result, business expansion planning, change in law, rules and regulations of the authorities relating to the business operation of the Fund, the government's policies and other which are the forecast in the future and being the opinion of the Management Company in the present and unable to assure such operation result or such future circumstance and such estimation based on several assumptions which are uncertainly. It could happen or maybe not. And these factures are not in the control of the Fund. In the case of such assumption will not happen, some of the proceeding of the Fund might not be in accordance with the described estimation and may affect to the actual operation of the Fund or the investment and the operation result of the Fund may be significantly difference from the estimation herein.

5) *Risks on taxes and changes in relevant laws in the future*

In the sale and transfer or receipt of transfer of the leasehold right; or in the sale and transfer or receipt of the transfer of the real properties (in the case that the Fund makes investment in the real properties) in the future, there may be the incurrence of tax burden and fee arising out of the sale, purchase or transfer of the ownership in relation to the leasehold right or the real properties by which the Fund will be responsible for all or part of them. And such fee and tax rate that the Fund must pay may be different from the current rate or there may be the change in any regulation on income tax, other taxes of the Fund or tax relating to the dividend which the investment unit holder receive from the Fund or there may be the change in law, notification, rule, regulation, legal provision, policy and/or ordinance of the authority or the agency authorized by the law in the future which is unforeseen circumstance. If there is such change, it may be adverse effect to the operation result and the value of the investment unit of the Fund and investor including the change in tax burden of the investment unit holder.

6) *Risks arise when the building must be renovated*

Normally, each hotel and residential building project in this characteristic must always be repaired and improved to modernize and conform to the style of demand of the customer to attract the customer to use the service continuously. Normally the yearly improvement, repairing or maintenance will not affect the operation of the Fund unless in the case of the big improvement and repairing. The improvement to change outside and inside image of the hotel and resting building which usually conducted every 5-7 years or the change of the importance system of the project which usually conducted every 20 years approximately, such improvement will conduct separately only in the area that need to be improved. Therefore, the effect to the income of the Fund will occur only in the improvement area or nearby area which is disturbed from the improvement.

Nevertheless, in each big improvement and repairing, the project management will plan to minimize impact on the customer and will always study the impact on the income and the benefit before conducting. Moreover, during each big improvement and repairing period, the Lessee shall pay the fixed rent to the Fund unless the big improvement and repairing cause by force majeure.

7) *Risks relating to the license*

In accordance with the law, the license to operate hotel business must be renewed every 5 years. If the license to operate hotel business of the Lessee has been revoked or has not been renewed or the Lessee fail to proceed in order to obtain the license to operate hotel business (partial or whole), it may cause adverse effect to the Lessee that is to say that the Lessee will be unable to operate the hotel business (partial or whole) in the future and may cause the Lessee to be unable to pay the rent to the Fund and/or may cause the income of the Fund lower than estimation and may cause the Lessee to fail to comply with the conditions and duties under the Lease Agreement. However, the rules and regulations and the principle of consideration of the officials of the relevant authorities relating to the renewal of the license may be changed in the future which may delay the application for renewal or may be unable to renew the license. In such case, the Fund may consider to terminate the Lease Agreement and may acquire the benefit from the hotel buildings and/or the villas in partial or whole in other types such as long-term lease resting building, or separately sell each hotel building or villa.

8) *Risks from disagree on the conditions to renew the Lease Agreement after first 15 years*

In the case of the Fund and the Lessee disagree on the conditions to renew the Lease Agreement which need to be renewed when the Lease Agreement come the end on the 15th year or every 3 years after that. In such case, it may affect that the Fund may revoke the Lease Agreement with the Lessee. Therefore, to reduce such effect, before the investment, the Hotel will arrange the management of the Hotel to assign the right to new management company which is considered as appropriate by the Fund and appoint to manage the hotel and to substitute the Former Lessee under the terms and conditions which may be not the same as the Hotel Management Agreement but must be benefit to the Fund.

9) *Risks form the Lessee's failure to comply with the Lease Agreement*

In the case that the Lessee fail to comply with the conditions and duties under the Lease Agreement, it will be the cause to terminate the Agreement and the Fund has the right to terminate the Lease Agreement so that the Fund may seeking the new lessee. If the Fund is

unable to seek the new lessee in the reasonable time or unable to negotiate with the new party in the new lease agreement which contain the benefit condition to the Fund, the cash flow of the Fund may stop or reduce which affect adversely in significance to the operation result of the Fund.

10) Risks from the Lessee or the owner fail to comply with the Management Agreement

The lessee may have the risk from short of the cash flow or may be unable to procure the sufficient cash flow considered by the hotel executive officer as suitable for the hotel operation in accordance with the standard of the hotel executive officer and may cause the Lessee to default the Hotel Management Agreement.

The cancellation between the hotel executive officer and the Lessee may occur, if the hotel executive officer and/or the Lessee fail to comply with the conditions and duties under such agreement (or both parties may cancel the agreement by voluntariness) which cause the Lessee to seek the new hotel executive officer. Even if the management company believes that the Lessee will find the new hotel executive officer within the reasonable time because there are a lot of the professional hotel executive officers in the world and there should be some of the hotel executive officers who want to become the executive officer in this hotel as the result of the quality and location of the Project. However, during the negotiation and contacting to the new hotel executive officer the cash flow of the Fund may stop or reduce which affect adversely in significance to the operation result of the Fund.

11) The price of the Investment Units may be affected after the offering

After the Investment Units have been approved by the SET as listed securities, the price of Investment Units may be decreased or increased after being listed in the SET which depend on many factors, e.g. operational result of the Fund, the volatility of the SET and the demand and supply of Investment Units by the investors in the SET etc.

12) Risks as to net asset value of the Fund may not reflect actual value which the Fund will receive if there is the sale whole property or there is dissolution of the Fund

The Net Asset Value of the Fund specified herein is calculated by basing on the information obtained from the Appraisal Report and such Net Asset Value may not reflect actual value which the Fund will receive if there is the sale whole property or there is dissolution of the Fund.

13) *Risks from the Lack of Liquidity*

As the Fund is the closed fund registered with the SET, the liquidity in the trade of the Investment Units will be analyzed from the frequency and the volume of the Investment Unit being traded in the SET which is subject to the volume of the bid-offer. Such bid-offer is also subject to many factors which the Fund is unable to control such as the security exchange situation and the market demand. Accordingly, there is a risk that the Investment Unit will face the lack of liquidity in the secondary market. Furthermore, as the Fund is listed in the size that lowers than 2,000 million Baht, it may affect to the liquidity on trading the Investment Units and bid price-offer price of the Investment Unit of the Fund may be differently in significance from the Net Asset Value.

14) *Risks relating to the Ability to Procure Benefit in the Leased Property by the Lessee that Affect the Benefit Procurement of the Fund*

(1) Risks from the volatility of income

Since the Initial Investment Date, the Fund will take the Samui Buri Beach Resort Hotel to procure the benefit by lease whole project under the lease agreement which contains the substantial concerning to the rent which the Fund will receive as follow;

(a) The Fund will receive remuneration in form of the fixed rent as specified in the summary of the Property Lease Agreement of the Initial Investment Property and the varied rent from the Lessee under the formula as prescribed in such agreement.

(b) In the case of the Lessee show to the Fund that there is any circumstance which significantly affects to the tourism industry of the country such as avian flu or 2009 flu. If such circumstance occurs temporarily, the Fund

will consider that the Lessee may pay the rent to the Fund at the lower rate than the fixed rate.

If such circumstance occurs permanently, the Fund and the Lessee will negotiate concerning to the rent which the Fund will receive.

In addition, the rent that the Fund will not receive during such time shall be deemed as the Accrued Unpaid Amount and the Lessee will reimburse such rent to the Fund which the Fund will receive the rent respectively as follow;

- (a) Rent as specified in the agreement
- (b) Accrued Unpaid Amount
- (c) Other rent as prescribed in the agreement (if any)

The Fund prescript that there shall be outstanding payment not more than 60 days and the Fund will charge the fine interest on the fine interest rate notified by the Bank of Thailand

(2) Risks from higher competition which may affect that the guest of the Samui Buri Beach Resort Hotel will significantly decrease

The Lessee has the main income from providing the room service of the Samui Buri Beach Resort Hotel and other relevant service to the guests and the income which the Lessee receive from such services must affect directly to the rent which the Fund will receive under the Lease Agreement especially the varied rent which is calculated from the portion of the income of the Lessee.

If in the future, there is the higher competition in providing room service in Samui Island by other entrepreneurs that built the new hotel or has improved the current hotel to be better than the Samui Buri Beach Resort Hotel in nearby area of the Samui Buri Beach Resort Hotel. It may affect that the guest of the Samui Buri Beach Resort Hotel may be decrease and will affect to the operation result of the Lessee and finally to the operation result and financial situation of the Fund.

LEGAL DISPUTES

As the Former Lessee, has entered into lease agreement with the Fund with total term of 15 years to operate Samui Buri Beach Resort Hotel which Resotel Group International was hotel operator (as per resolution of the Unitholder Meeting No 1/2556) that the Former Lessee was obliged to pay annual rent per 2 lease agreements as follow.

Period	Annual Rent
Year 1	Fixed rent 62 million Baht per annum
Year 2	Fixed rent 64 million Baht per annum
Year 3	Fixed rent 66 million Baht per annum
Year 4	Fixed rent 67 million Baht per annum
Year 5	Fixed rent 67 million Baht per annum
Year 6 - 15	Fixed rent 58 million Baht per annum + variable rent Variable rent = (GOP – fixed rent) x 60%

Later, the Former Lessee has failed to pay rent with details of rental arrears as below.

Period	Rental arrears ¹	Interest ²	Total
1 January – 30 June 2014	18,224,657.55	3,369,377.18	21,594,034.73
1 July – 31 December 2014	33,775,342.45	4,988,687.48	38,764,029.93
1 January – 4 April 2015 ³	17,254,794.52	2,183,204.24	19,437,998.76
Total – 1 ⁴	69,254,794.52	10,541,268.91	79,796,063.43
Damages ⁵	116,928,767.12	15,304,854.38	132,233,621.50
Total – 2	186,183,561.64	25,846,123.29	212,029,684.93

The Former Lessee claimed that the business condition and the fact that Management Company did not enter into Lease Agreement Addendum to release personal guarantor after the Former Lessee failed to pay the rent as excuse of default in paying such rent.

The Former Lessee and guarantors filed lawsuit against the Fund, Management Company, Director and staff of Management Company, while the Fund by Management Company also filed law suit against the Former Lessee and guarantors with 11 cases combined (6 civil, and 5 criminal cases) and 3 cases at Samui Police Station. The Fund also filed 1 lawsuit against Krung Thai Bank to enforce bank guarantee and 1 case against Former Lessee and guarantors regarding eviction, demand for rental arrears, interest and damages. Summary are as follows.

¹ Excluding interest

² Calculated up to December 31, 2016

³ Last day of Lease Agreement

⁴ Excluding interest and damages after terminating lease

⁵ From April 5, 2015 to December 31, 2016 based on rental as per terminated lease agreement

Case No.	Accusation or Offense / Capital	Date of Complaint Filing	Plaintiff	Defendant	Remark	
1.	Por.52/2558	Revocation of document / Return of document / No capital	13 Jan 15	Chaweng Cove Resotel Co.,Ltd. (1 st) with 3 co- plaintiffs	The Management Company (1 st) with 6 co-defendants	
2.	Por.177/2558	Tort, claim for compensation / 40,723,288 Baht	30 Jan 15	Mr. Sakorn Chanapaitoon	The Management Company (1 st) with 7 co-defendants	Withdraw
3.	Por.698/2558	Revocation of notification of Agreement termination, Tort, claim for compensation / 350,000,000 Baht	7 Apr 15	Samui Buri Beach Resort Co., Ltd.	The Fund (1 st) with 9 co-defendants	
4.	Por.1281/2558	Tort, claim for compensation / 350,000,000 บาท	12 Jun 15	Samui Buri Beach Resort Co., Ltd.	The Management Company	Withdraw
5.	Por.1475/2558	Tort, claim for compensation / 350,000,000 บาท	30 Jun 15	Samui Buri Beach Resort Co., Ltd.	The Fund (1 st) with 10 co-defendants	Withdraw
6.	Por.1476/2558	Tort, claim for compensation / 40,000,000 บาท	30 Jun 15	Mr. Sakorn Chanapaitoon	The Management Company (1 st) with 9 co-defendants	Withdraw
7.	Aor.302/2558	Joint Defamation	20 Feb 15	Mr. Voradej Songtrakul	The Management Company (1 st) with 1 co-defendant	
8.	Aor.2726/2558	Joint Defamation, Computer-Related. Crime Act	30 Jun 15	Mr. Voradej Songtrakul	The Management Company (1 st) with 1 co-defendant	Withdraw
9.	Aor.1302/2558	Joint Defamation,	23 Jul 15	Miss Porapat	The Management	

Case No.	Accusation or Offense / Capital	Date of Complaint Filing	Plaintiff	Defendant	Remark	
		Computer-Related. Crime Act		Praprutchob Company (1 st) with 1 co-defendant		
10.	Aor.1303/2558	Joint Defamation, Computer-Related. Crime Act	23 Jul 15	Chaweng Cove Resotel Co.,Ltd.	The Management Company (1 st) with 1 co-defendant	
11.	Aor.3086/2558	Joint Defamation, Computer-Related. Crime Act	23 Jul 15	Mr. Sakorn Chanapaitoon , represented by Mr. Voradej Songtrakul	The Management Company (1 st) with 1 co-defendant	Withdraw
12.	Criminal case complaint No. 180/2558 (Bo Phut Provincial Police Station, Surat Thani Province)	Joint Defamation, Computer-Related. Crime Act	21 Feb 15	Mr. Voradej Songtrakul	The Management Company (1 st) with co-defendant	
13.	Summons of Bo Phut Provincial Police Station, Surat Thani Province (Tor Chor 0023(Sor Dor)(10).3)	Joint Defamation by advertisement	27 Jun 15	Samui Buri Beach Resort Co., Ltd.	The Fund (1 st) with co-defendant	
14.	Summons of Bo Phut Provincial Police Station, Surat Thani Province (Tor Chor 0023(Sor	Joint Defamation by advertisement	25 May 15	Samui Buri Beach Resort Co., Ltd., represented by Mr. Voradej	The Management Company	

Case No.	Accusation or Offense / Capital	Date of Complaint Filing	Plaintiff	Defendant	Remark
Dor)(10).3/303 9			Songtrakul		

Case No.		Accusation or Offense / Capital	Date of Complaint Filing	Plaintiff	Defendant	Remark
1.	Por.1320/2558	Guarantee / 67,000,000.00 Baht	16 Jun 15	Samui Buri Property Fund	Krung Thai Bank, PCL.	
2.	Por.158/2558	Default, Tort, Banishment, Claim for outstanding lease fee and damages, Guarantee / 89,557,698.75 Baht	6 Jul 15	Samui Buri Property Fund	Samui Buri Beach Resort Co., Ltd., (1 st) with 4 co-defendants	

After the Unitholder Meeting No. 1/2015 on September 18, 2015, the Management Company has discussed with the Former Lessee to explore solution to settle the disputes and all problems several times, subsequently, the Former Lessee had letter dated May 23, 2015 proposed measures to settle all disputes to Management Company and had discussed on the direction to solve the problems. The framework of solution to solve the problems is as follows.

1. The Former Lessee or the Former Lessee's representative will find the buyer or being a buyer to buy asset of the Fund. The buyer will responsible for commission, registration fees, taxes and duties and all expenses occurred at the office of land department and all other expenses.
2. The ex-less has no objection if the Fund or Management Company appoint or support or allow person or juristic person to procure to find buyer or being buyer the same as the Former Lessee.
3. The procurement of buying the asset of the Fund is part of the measures to settle all disputes and legal cases that the Former Lessee will propose the entire detail for the Fund to consider.
4. Other conditions regarding selling of the asset to be as per resolution of the unitholder meeting.
5. The Former Lessee must propose the offer to buy the asset together with detail of measures to settle all the disputes i.e. payment of rental arrears, returning of the asset and settle all litigation cases to Management Company to consider to call for unitholder meeting to consider and approval on the proposal within 6 months from the date of such letter.

After that, the Former Lessee had a letter dated June 20, 2016 Proposal to settle disputes of the Fund to Management Company to consider. The said letter comprised of details of measures that discussed with Management Company regarding selling of the asset, payment fo rental arrears, management of the hotel including settlement of all litigation cases between the Fudn and the Former Lessee.

Furthermore, during the negotiation to find solutions, the Former Lessee withdrew 6 litigation cases which were Por.177/2558, Por.1281/2558, Por.1475/2558, Por.1476/2558, Aor.2726/2558 and Aor.3086/2558 Therefore, until the date of preparing this annual report (October 2016) ligation cases between the group of Former Lessee and the fund and Management Company are 8 cases remaining in total (2 civil and 3 criminal cases and 3 police reports)

During the period that the Former Lessee finding the party who interested in buying the asset, Management Company has selected and appointed CB Richard Ellis Co., Ltd. or CBRE, the reputable property consultant, to be consultant in open bidding in order to ensure that the proposal that the Fund received either from the Former Lessee or from the bid is the best proposal.

The Fund opened for any party who interest and also directly invite investors under advice from CBRE to participate in the Bidding since June with the date of proposal submission on August 31, 2016. Details of the process are as follows.

1. Advertise to invite interested parties in newspaper such as Bangkok Post, Krungthep Thurakij and the Nation on July 25 – August 24, 8 days in total.
2. Direct invitation to 22 investors.
3. There were 5 investors visited the sit
4. As of August 31, 2016 there was no proposal received from the investors.

Later, on August 22, 2016, the Former Lessee as unitholder of the Fund with 6,305,500 investment units or 7.62% and Ms. Pornpatr Prapluetchob, unitholder who hold 2,924,720 units or 3.53%, that hold investment units altogether 11.15% had letter with reference number SMB 1808-59-21 dated August 18, 2016 requesting Management Company to arrange the Unitholder Meeting to consider proposal with following details.

1. Selling of the Asset
 - 1.1 The Former Lessee proposed Major General Thanakorn Thavinkij (“buyer”) being the buyer of the Fund with offering price of 600,000,000 Baht (Six Hundred Million Baht) with detail and preliminary conditions as follows.
 - 1.1.1 The selling is on the basis of As Is Where Is on the date of transferring registration.

1.1.2 The buyer will put down 10,000,000 Baht (Ten Million Baht) deposit by handover the bank cheque to the Fund on the date of signing the Sale and Purchase Agreement.

1.1.3 The remaining of 590,000,000 Baht (Five Hundred Ninety Million Baht) will be paid by bank cheque on the date of asset transfer and registration.

1.1.4 The Former Lessee will arrange for the buyer to enter into Sell and Purchase Agreement with the Fund before the Unitholder Meeting date which to be specified by the Fund.

1.1.5 Asset transfer registration is scheduled within 45 days from the unitholder meeting date and receiving approval from the meeting.

1.1.6 If the Unitholder Meeting did not approve to sell, the Fund will return the cheque received as per clause 1.1.2 without interest and/or penalty and/or penalty and both agree not to demand from each other.

1.1.7 The buyer will responsible for taxes, fees and all expenses related to the said asset registration.

1.1.8 The Former Lessee shall transfer hotel business operation permit, all permits including copyrights, trademarks, patent and meter of electricity, water, utility system, including certificate of ownership or other legal rights related to the hotel business operation within 60 days from the date of ownership transfer registration;

1.1.9 The Buyer shall have the right to appoint other person or juristic person to be the transferee of the ownership by notifying the name of such transferee to the Fund at least 7 days prior to the date of Sell and Purchase Agreement;

1.1.10 All terms and conditions shall be as specified in the Sell and Purchase Agreement between the Fund and the Buyer, which shall be made in good faith and in a fair manner.

1.2 The Former Lessee agree to cooperate with the Management Company in inspection for appraisal of the properties and for arrangement of an open bidding to propose to the Unitholders at the same time.

2. The Hotel Management

In the event that the resolution of Unitholders Meeting does not approve the selling of the properties to the Buyer and the selling process takes some times, the Former Lessee propose that the Unitholders Meeting appoints the Former Lessee to temporarily lease the properties for 6 months by paying minimum monthly lease fee for 500,000 Baht to the Fund and cooperate with the Management Company to seek for new buyers including inspection for appraisal of the properties for a bidding. When the Unitholders Meeting has a resolution to sell the properties to other person, the Former Lessee agree to hand over the area to the buyer.

3. Payment to settle the disputes against the Fun

3.1 The Former Lessee agree to make payment to settle the disputes against the Fund for 67,000,000 Baht (Sixty Seven Million Baht) by paying the first installment for 10,000,000 Baht (Ten Million Baht) in form of cashier's cheque on the date that the Unitholders Meeting has a resolution to sell the properties and to dissolve the Fund.

3.2 The Former Lessee ask the Fund to surrender the bank guarantee issued by Krung Thal Bank (PCL.) which is a security to ensure payment of the lease fee, the Former Lessee shall use its units of the Fund to guarantee payment for outstanding lease fee including interests and other damages, along with transfer of the right to receive dividend from such units to the Fund on the date that that the Unitholders Meeting has a resolution to sell the properties, dissolve the Fund and change the security.

3.3 The Former Lessee shall make payment for the remaining 57,000,000 Baht (Fifty Seven Million Baht) by using the pledged dividend under clause 3.2, together with the amount that the Former Lessee is entitled to receive when the Fund sells its properties and dissolve the Fund Management Project, to the extent that it is not against the law or the Fund's prospectus, by:

3.3.1 If the amount that the Former Lessee is entitled to receive is greater than 57,000,000 Baht, the Fund agrees to return the excess to the Former Lessee; and

3.3.2 If the amount that the Former Lessee is entitled to receive is lower than 57,000,000 Baht , the Former Lessee agrees to pay for the remaining amount to the Fund.

4. Court cases settlement

4.1 When the Unitholders Meeting has a resolution to cease all related court cases and such resolution enters into effect, the Former Lessee shall enter into settlement agreement or withdraw both civil and criminal cases or by any other means to ensure cessation of such cases, including withdrawal of all complaints made to the inquiry officers;

4.2 Both parties agree to temporarily postpone the legal proceedings or dispose the cases until the Unitholders Meeting has a resolution to sell the properties and dissolve the Fund.

The Management Company is asked to call for Unitholders Meeting or call for SBPF Unitholders Meeting to be informed and accept the foregoing and inform other Unitholders of such matter, following the rules, procedure and operation of the Fund upon receipt of the bidding result without delay, to propose for the Unitholders Meeting consideration at the same time.

Until the preparation date of this Annual Report (October, 2016) the Management Company is in process of examination and preparation of the document for Unitholders Meeting which is expected to be completed within the last quarter of 2016.

If the Unitholders Meeting has a resolution to accept such proposal, the Management Company shall carry out the selling and ownership transferring of the properties, liquidation, and return of the invested money to Unitholders and dissolution of the Fund.

SECTION 2

MANAGEMENT AND CORPORATE GOVERNANCE

INFORMATION OF INVESTMENT UNITS, SECURITIES AND BONDS ISSUED BY THE FUND

Investment Unit

Capital	828,000,000 Baht
PAR	10.00 Baht
Number of Investment Units	82,800,000 Units
Type of investment units	Named Certificate
IPO Price	10.00 Baht
Registered Cap	828,000,000 Baht

Securities Price

Closing Price as of June 30, 2016	7.25 Baht per unit
Market Capital as of June 30, 2016	600,300,000 Baht
Volume as of June 30, 2016	7,250 Baht/day
Net Asset Value (NAV) as of June 30, 2016	600,334,484.78 Baht

Information of Unitholders

Unitholders as of August 31, 2015 Type of Book Closing: X

Top 10 Major Unitholder

	Major Unitholders	No. of Shares (Share)	%
1.	Government Saving Bank	20,000,000	24.15
2.	Samui Buri Beach Resort Co., Ltd.	6,285,500	7.59
3.	Ms. Pornpat Prapluetchop	2,924,720	3.53
4.	Mr. Kornkrit Tanthuvanit	1,700,000	2.05
5.	Krungthai Insurance Co., Ltd.	1,000,000	1.21
6.	Ms. Varankhana Nakprasert	953,600	1.15
7.	Ms. Varin Thitapiwatanaku	705,400	0.85
8.	Mr. Thawee Poonsiriwi	677,300	0.82
9.	CREDIT SUISSE AG, SINGAPORE BRANCH	593,100	0.72
10.	Ms. Siriluck Theerawantanadecha	545,500	0.66

Major Unitholder (Holding 10% and above by the same group of investor)

	Major Unitholder	No. of Shares (Share)	%
1.	Government Saving Bank	20,000,000	24.15

Group of Major Unitholders with significant influence on management policy or Management Company

None

Capital Reduction

There was no capital reduction in this period.

Dividend Payment Record

	Operation Period	Pay Out Date	Dividend Paid (per unit)	Dividend Paid (percent)
1	22 Jul 1 – 31 Dec 10	15 Mar 11	0.2902	2.902
2	1 Jan 11 – 30 Jun 11	20 Sep 11	0.3224	3.224
3	1 Jul 11 – 31 Dec 11	9 Mar 12	0.3375	3.375
4	1 Jan 12 – 30 Jul 12	24 Sep 12	0.3375	3.375
5	1 Jul 12 – 31 Dec 12	15 Mar 13	0.3500	3.500
6	1 Jan 13 – 30 Jun 13	23 Sep 13	0.3500	3.500
7	1 Jul 13 – 31 Dec 13	28 Mar 14	0.3500	3.500
8	1 Jan 14 – 30 Jun 14	26 Sep 14	0.0800	0.800
	Total		2.4176	

Payment of Dividend Payment Policy

1) *Rules, Policy, and Methods of Payment of Dividends to Unitholders*

In case that the Fund has made profit as per criteria to pay out dividend, the Fund has Policy of Payment of Dividends to Unitholders not more than 2 times per year. Detail are as follows.

1) In cases where the Fund has net profit in any accounting period, the Management Company shall pay out dividends to the Unitholders not less than 90% of the net profit not including the unrealized profits from the Appraisal or Review of Appraisal of the immovable properties or the right to lease out the immovable properties of that accounting period under guidance from the Securities and Exchange Commission to be in lined with the cash position of the Fund.

2) In cases where the Fund has an accumulated profit in any accounting period, the Management Company may pay out dividends to the Unitholders 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 dividend is paid out.

Payment of Dividend for the Accounting Period

The payment of dividends in accordance with (1) and (2), the Management Company shall notify the payment of dividend and the lists of person who is entitled to receive the dividend (Closing Date). The Management Company will pay out the said dividends to the Unitholders within 90 days from the end of the accounting period in which there is the pay out of the dividends.

Payment of Interim Dividend

The Management Company will notify the payment of dividend and the lists of person who is entitled to receive the dividend on closing date and will pay out the dividend within 30 days from the Closing Date. In case where the Management Company cannot pay out the

dividends in the said period, the Management Company shall inform the Unitholders and the Office of the SEC in writing.

2) *Methods for Payment of Dividends*

(1) The Unitholders who are entitled to receive dividend payment must have their names in the register of Unitholders at the Closing Date in accordance with ratio of investment units held. In cases where the Management Company discovers that any person or person of the same group holds more than 1/3 of the total investment units of the Fund sold. The Management Company shall not pay out the dividends to that person or person of the same group for the part which exceeds 1/3 of the total Investment Units of the Fund sold as prescribed under 8 “Rules and Limitation on Holding of Investment units”.

(2) The Management Company shall notify the payment of dividend, closing date for the dividend payment and the rate of dividend payment via the Fund Report and Prospectus (MRAP) and publicly disclose at every office of Management Company, given that the Management Company may notify such dividend payment in the following manners:

(1) Submitting the written notice to the Unitholders who have their names in the register of Unitholders on the Closing Date and the Trustee; or

(2) Announcement in at least one newspaper

(3) The Management Company will pay out the dividend to the Unitholders under 7.1, given that the Management Company will deduct the withholdings tax at the rate of 10% of the dividend payment for the individual or otherwise as prescribed under the relevant laws, unless such unitholders give the notification in writing to the Management Company to proceed otherwise within 3 days from the Closing Date.

(4) The Management Company will make dividend payments through bank transfers to bank accounts of the Unitholders or crossed account-payee-only cheques as per the names and addresses in the register book of the Unitholders. In this regards, the Unitholders shall be responsible for the fee, expenses incurred from such money transfer and any risk associated

with the exchange rate (if any), given that the Management Company will deduct such fees and expenses from the amount transferred to the Unitholders.

(5) In case the Unitholder does not invoke his right to 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 pay out of the dividends, if the dividend announced to be paid per each investment unit during the accounting year has a value lower than or equal to Baht 0.10, the Management Company reserves the right not to pay out the dividends at the said time and shall pay out at the end of the accounting year. Regarding the methods for the pay out of the 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, the Management Company shall proceed accordingly.

MANAGEMENT STRUCTURE

Management Company

CIMB-Principal Asset Management Company Limited

44 CIMB Thai Building, Floor 16, Langsuan Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330

Tel. 0-2686-9500 Fax. 0-2657-3167

Website <http://www.cimb-principal.co.th>

CIMB-Principal Asset Management Company Limited is one of the company within CIMB-Principal Asset Management Bernhard, Malaysia that provide full service in respect of Fund Management which comprises of mutual fund, private fund, provident fund and property fund.

CIMB-Principal Asset Management Bernhard hold 99.99% in CIMB-Principal Asset Management Thailand also being a shareholder in CIMB-Principal Asset Management in Singapore and Indonesia. CIMB-Principal Asset Management Bernhard Malaysia is a corporate of the 2 leading financial institutes in both regional and global level which are

CIMB Group, Malaysia holds 60%

Principal Financial Group, holds 40%

Therefore, this made us be ready to provide asset management service with global standard under supporting from CIMB Group and Principal Financial Group.

Currently, CIMB-Principal Asset Management Thailand is the asset management company that ready to provide services that cover all sectors which are individual, SMEs, large scale business and corporate including government agencies under strong investment networks that connect all regions in the world. This gives us advantage in investment information with unique investment management by stocks selection process including both qualitative and

quantitative, fundamental analysis and strict investment discipline frameworks and modern technology that supporting development in investment innovation and product creation.

Under compliance and risks control and good governance under the concept of TRUST. We emphasize on how to ensure that the investors can reach their financial goal and creating good return in long-term with cautious investment under proper risks management.

Principal and concept



Think = positive think to find solution and commitment to solve problems



Respect = honestly respect the others



Unleash = continue to learn and develop



Show = courage, creative and quick response



Teamwork = work as a team for the best result

Name of Directors and Management of CIMB-Principal Asset Management Company Limited

Directors

- | | | |
|----|--|--------------------------------|
| 1. | Mr. Effendy Shahul Hamid | Chairman of the Board |
| 2. | Mr. Pedro Esteban Borda | Director |
| 3. | Mr. Rex Pak Kuen Auyeung | Director |
| 4. | Mr. Alenjandro Elias Echegorri Rodriguez | Director |
| 5. | Mr. Adirsorn Sermchaiwong | Director |
| 6. | Mr. Jumpon Saimala | Director |
| 7. | Ms. Wilaiporn Liwgasemsan | Audit and Independent Director |
| 8. | Mr. Boonsak Chiempricha | Independent Director |

Management

- | | | |
|----|--------------------|--------------------------|
| 1. | Mr. Jumpon Saimala | Chief Executive Officer |
| 2. | Ms. Brenda Choo | Chief Operation Officer |
| 3. | Mr. Win Phromphate | Chief Investment Officer |

Fund Managers

- | | |
|----|-----------------------|
| 1. | Mr. Suttipan Kreemaha |
| 2. | Mr. win Phromphate |

Rights, Duties and Responsibilities of the Management Company

Management Company has its rights, duties and responsibilities as follows.

- 1) The right to administer and manage the Fund in accordance with the objectives, investment criteria and restrictions of the Project as approved, as well as the commitments between the Unitholders of the Fund and the Management Company and various agreements which have been made.
- 2) The right to instruct the Investment Unit Registrar to reject the transfer the investment unit, in case that those transfers have been conflicted to the transfer conditions.
- 3) The right to resign as the Management Company as specified under the “Change of Management Company”
- 4) The right to veto any act or decision of the Investment Committee or a resolution of Unitholders or the management procedures which is in contravention of the laws, regulations rules, and/or ethics and/or the Project or which may have an adverse effect on the reputation of or cause damage to the Management Company or the interest of the Fund.
- 5) The right to manage the Fund in the following cases:
 - The right to terminate the Project and/or the Fund in case of the resignation of the Management Company with the conditions as mutually agree and the Fund cannot find new Management Company in the specific time.
 - The right to proceed in accordance with the stipulations of the Project and/or as announced, prescribed, approved, permitted, relaxed, or instructed by the Office of the SEC Committee, the SEC and/or any other competent authority under law.
 - The right to amend, supplement, change the Project, in cases where it is otherwise changed, amended, supplemented, announced, prescribed, approved, permission, relaxed, and/or instructed by the Office of the SEC, the SEC Committee and/or any other competent authority under law.

- The right to sell/distribute/dispose/transfer properties wholly or partially of the Fund as deems appropriate in case of a lack of liquidity.

- The right to manage the Fund with a view to accomplishing the objectives of the Fund and maintaining the benefits of the Unitholders, given that the Securities Law and/or any other relevant laws are not contravened.

6) The right to appoint the trustee of the Fund, who has qualifications as prescribed in the Notification of the Office of the SEC regarding qualifications of trustees of property fund as well as to change the trustee of the Fund and appoint other trustee in replacement pursuant to the conditions for the change of the trustee specified in the fund scheme, given that such change shall be approved by the Office of the SEC.

7) Other right as specified by the Office of the SEC, the SEC Committee and/or any other competent authority under laws and regulations.

8) The Management Company shall arrange the commitment between Unitholders and the Management Company, other agreements on behalf of the Fund under the Securities Law and/or any other relevant laws.

9) The Management Company shall deliver, distribute and make available the up-to-date prospectus and the fund scheme in accordance with the following criteria and procedures:

1) Prior to the offering of Investment Units to the public, the Management Company shall deliver the prospectus to the Office of the SEC at least one (1) business day prior to the date for the delivery or the distribution of the prospectus to the public. And the Management Company shall deliver such document via Mutual Fund Report and Prospectus (MRAP) of the Office of the SEC. Should there be any change to such details, the Management Company shall proceed to update such details without delay, given that such update shall be done via MRAP.

2) In the offering of Investment Units, the Management Company shall sufficiently arrange the distribution of material details of Investment Units and the Fund to investors. Regarding to the details of the fund scheme, the Management Company

shall make them ready for the examination and for the request by investors, given that such details shall be up-to-date.

3) Upon the expiry date of the offering period, the Management Company shall make available the prospectus in the part of the Project details at every business place of the Management Company to be accessed by public; and the Management Company shall provide the copy of the same upon the request of the Unitholder. In the case that Investment Units of the Fund are the securities listed on the SET, and if there is any amendment to the fund scheme, the Management Company shall give notice of such amendment to the SET without delay after the date that the Office of the SEC approves the amendment to the fund scheme or the date of the rendering of the resolution to amend the fund scheme as the case may be until the dissolution of the Fund.

10) The Management Company shall arrange the registration of pool of asset with the Office of the SEC within 15 days from the date of ending initial offering.

11) The Management Company shall arrange the listing of Investment Units of the Fund as listed securities on the SET within 30 days from the date of registration of the Fund.

12) The Management Company shall bring the money of the Fund to invest in the real properties or other properties as well as seeking benefit from the purchase, lease, distribution, transfer of the leasehold right, sale, order for the transfer and improvement of the real properties or other properties that the Fund has invested in accordance with the policy, objectives, criteria, conditions and procedures specified in the fund scheme and in accordance with the rules and criteria prescribed in the Notification of the SEC Committee and the Notification of the Office of the SEC.

13) In the case that the fact is known to the Management Company that any Person of the Same Group holds more than 1/3 of Investment Units of all sold Investment Units, the Management Company will proceed in accordance with the prescription in the Notification of the Office of the SEC.

14) The Management Company shall allocate the profit of the Fund to pay dividend to the unitholders in accordance with the criteria and procedures specified in the fund scheme and in accordance with the prescription of the Office of the SEC.

15) The Management Company shall procure the insurance policy for the Fund in accordance with the prescription and criteria in the Notification of the Office of the SEC.

16) The Management Company shall arrange the Appraisal of the properties in accordance with the prescription and criteria in the Notification of the Office of the SEC.

17) To appoint the trustee of the Fund, who has qualifications as prescribed in the Notification of the Office of the SEC regarding qualifications of trustees of property fund.

18) To separate the properties of the Fund from the properties of the Management Company and bring the Fund's properties to the possession of the trustee and/or Thai Securities Depository Co., Ltd.

19) To arrange for the investment of the Fund to gain revenue and benefits and bring such revenue and benefits to the possession of the trustee.

20) To appoint one or several individuals or juristic persons as advisors of the Fund. However, the advisors of the Fund shall not participate in making any decisions concerning investment or sell, or shall not participate in property management or lease of property. The Management Company shall prepare and submit the report for appointment or termination the agreement within 15 days from the date of appointment or termination and shall submit the copy of such agreement to the Trustee within 5 days from the date of execution of agreement.

21) To appoint the Property Fund Manager responsible for making decision to invest or to distribute the real properties or the leasehold right, given that such person shall be approved by the Office of the SEC.

22) To appoint the Fund manager responsible for making decision to invest or distribute the properties in Clause for the liquidity management of the Fund, given that such person shall be approved by the Office of the SEC.

23) To appoint the Investment Units Registrar as well as to change the Investment Units Registrar of the Fund and appoint other Investment Units Registrar, who has qualifications as prescribed by the Office of the SEC, in replacement, and give notice of such appointment to the Office of the SEC.

24) To appoint the Appraisal Company, given that such Appraisal Company shall be those in the list approved by the Office of the SEC to appraise or review the Appraisal for the properties invested by the Fund. The Management Company shall deliver the copy of such Appraisal Report and supporting documents to the Trustee and to the Office of the SEC within 15 days from the date of receipt of such report.

25) To appoint the Property Manager (if any), given that the Property Manager shall have the qualifications and possess no prohibited characteristics prescribed in the Notification of the Office of the SEC.

26) To appoint the auditor of the Fund, given that the auditor must have qualifications and does not possess prohibited characteristics per the Notification of the Office of the SEC regarding rules for approval of auditors, as well as to change the auditor and appoint other auditor who have qualifications as prescribed by the Office of the SEC, in replacement and give notice of such appointment to the Office of the SEC.

27) In the case that the Management Company wishes to appoint the underwriter to distribute Investment Units, such underwriter shall not have the relationship of the Person of the Same Group with the owner, the lessor, the transferor of the leasehold right and the grantor of the right in the real properties to be invested by the Fund.

28) To appoint other persons to perform other duties related to the Fund, e.g. construction supervisor, expert, estimator, building inspector, cleaning service provider and construction contractor etc.

29) To deliver a summary of significant information concerning the investment or the disposal of ownership or leasehold rights in real properties of the Fund to the Unitholders and the Office of the SEC within fifteen (15) days from the date of such investment or disposal of ownership or leasehold rights in real properties, and to provide such significant information at

an open place at the Management Company and the head office of the trustee within fifteen (15) days from the date of investment or disposal of ownership or leasehold rights in real properties. Such summary shall be substantially in accordance with the notification of the Office of the SEC.

30) To immediately deliver the following documents to the trustee upon the investment or the dispose of the real properties and the leasehold right:

(1) The document showing the ownership or the possession of the real properties and the agreement regarding the purchase, lease, receipt of the transfer of the leasehold right or the grant of the right in the real properties, as the case maybe.

(2) The agreement in writing showing the disposal of the real properties or the leasehold right of the real properties.

The Management Company will give the notice of the possession of the real properties to the trustee within five (5) business days from the possession date of such real properties together with disclose such information at the office of the Trustee within 15 days after the date of investment or disposition of the asset.

31) To provide the copy of the following agreements to the trustee:

(1) Agreement to appoint the Appraisal Company within five (5) days from the execution date or from the date of appointment of the trustee in the case that the appointment of the Appraisal Company prior to the appointment of the trustee, as the case may be.

(2) Agreement to appoint the Property Manager (if any) and the agreement to appoint the advisor (if any) within five (5) business days from the execution date thereof.

32) To collect, follow up, proceed and order every person with duties under the appointment agreements, e.g. Property Manager, advisor and construction supervisor etc. To prepare, deliver and complete every report and/or any proceeding as specified in the appointment agreements and/or as prescribed by the investment committee and/or as per the request of the Unitholders and/or the competent agency.

33) To sell, dispose of, distribute or transfer the properties whether in whole or in part of the Fund as proper.

34) To perform other duties prescribed by the Securities Law to be the duties of the Management Company.

35) If the Investment Units of the Fund have been approved to be listed securities on the Stock Exchange of Thailand, the Management Company shall deliver the summary of significant information under the preceding paragraph to the Stock Exchange of Thailand in lieu of taking action under the first paragraph within the next business day from the date of purchase, lease, disposal or transfer of leasehold rights in immovable properties of the Fund or within such other period as prescribed by the Stock Exchange of Thailand.

36) To calculate the value of the properties, Net Asset Value and the Value of Investment Units pursuant to the Notification of the Office of the SEC regarding the criteria, conditions and procedures for the establishment and the management of the Fund or any criteria and procedures prescribed by the Office of the SEC.

37) To give notice to the Unitholders in the case that any change or any situation occurs after the date of the calculation of the properties' value, the Net Asset Value and the Value of Investment Units, which materially affects the properties of the Fund.

38) To prepare a financial statement of the Fund in accordance with the accounting standards specific to the investment business and accounting standards prescribed by the accountant council, and to prepare a report of the Fund which has the required by the Office of the SEC at the end of every financial year, and deliver such report to the Unitholders whose names appear in the register of Unitholders and the Office of the SEC within four (4) months from the end of the financial year.

39) The Management Company shall increase or decrease the capital of the Fund in accordance with criteria and procedures specified in the Fund Scheme.

40) To proceed the litigation, both civil and criminal procedures on behalf of the Fund including the appointment of representative to do such litigation.

41) To attend the meeting and voting on the properties, rights and other benefits for the benefit of the Fund's benefit.

42) The right to amend, supplement, change the Fund Scheme

43) The Management Company shall dissolve the Fund as per the specification in the Fund Scheme.

44) Upon dissolution of the Fund, the Management Company shall appoint a liquidator approved by the Office of the SEC to dispose of the assets of the Fund, pay the debts of the Fund, collect and distribute money or assets to Unitholders in the proportion of their respective Unitholding per the register of Unitholders, as well as inform the Trustee thereof.

45) The Management Company shall receive and pay the fees and expenses and/or other compensation as specified in the Fund Scheme.

46) The Management Company shall conduct any proceeding to achieve the objectives of the Fund and maintain the benefit of unitholders in general in accordance with the scope, duties and responsibilities of the Management Company, given that such proceeding shall not violate Securities Law and/or any relevant laws.

Conditions for Replacement of the Management Company

The Fund may replace the Management Company upon the occurrence of the following events and/or upon the approval of the Office of the SEC:

(1) When the Unitholders of the Fund pass a resolution by a majority vote representing more than one-half of the total number of Investment Units sold to replace the Management Company, the Unitholders shall give a notice in writing to the Management Company of not less than ninety (90) days in advance. If such change of Management Company is not resulting from the mistake or gross-negligence of the Management Company and the term of being Management Company has not been 5 years from the date of establishment of the Fund, the Management Company shall be entitled to receive the compensation for the remaining years out of 5 years.

The Unitholders must notify Management Company in written form not less than 5 days in advanced, unless the Management Company agreed to shorten the said notification period.

(2) If there is a change and amendment in the management policy as specified in the Project according to a resolution of Unitholders' meeting or an amendment to the Securities and Exchange Act, notifications of the SEC, notifications of the Office of the SEC and/or other relevant laws, which causes the Management Company to be unable to comply with those notifications, instructions, regulations and rules because such change imposes more duty on the Management Company and the Management Company does not want to accept such duty, the Management Company reserves the right not to accept the duty to manage the Fund, given that the Management Company must give prior written notice to the Unitholders of its intention not to perform the duties. The Management Company shall propose a new Management Company who is fully qualified according to the Securities Law with approval of the Office of the SEC except in the case that the Unitholders wish to find a new Management Company on their owns. In this regard, the Unitholders shall complete the appointment of the new Management Company within 90 days from the date of receiving the notice from the Management Company.

(3) If there is a change in policy, management procedures, operations, administration of the Fund, or material change in structure of Unitholders (the change of the names of Unitholders or the change to the holding of Investment Units by the Unitholders or the Person of the Same Group which is equivalent to five percent (5%) of all Investment Units sold), or in any other case which causes the Management Company to be no longer desirous of performing its duties, the Management Company reserves the right not to accept the duty of managing the Fund, given that the Management Company must notify the Unitholders in writing of its intention not to continue performing the duties (resignation). The Management Company shall propose a new Management Company who is fully qualified according to the Securities Law with approval of the Office of the SEC except in the case that the Unitholders wish to find a new Management Company on their owns. In this regard, the Unitholders shall complete the appointment of the new Management Company within 90 days from the date of receiving the notice from the Management Company.

(4) In the case that the license for the operation of the securities business in the type of mutual fund management of the Management Company is revoked and the Management Company is unable to continue performing its duties as the Management Company.

Replacement of Management Company, if it is the case that specified by law that approval from SEC is required, Management Company shall apply for such approval and remain functional until the new Management Company is appointed. However, if the Management Company notifies its resignation under (2) and (3) and the Fund and/or the Unitholders is unable to replace new management company within 90 days from the date of receiving the notice from the Management Company, the Management Company reserves the right to dissolve the Fund.

Trustee

CITI Bank N.A.

339 Sukhumvit Road, Interchange 21 Building, Klongton Nua Sub-district, Wattana District, Bangkok 10500

Tel. 02-788-2000

Rights, Duties and Responsibilities of the Trustee

The trustee has the rights, duties and responsibilities under this Project as follow:

1) To receive remuneration for being the trustee at the rate specified in the agreement to appoint the trustee has entered with the Management Company.

2) To supervise the Management Company to strictly comply with Section 125 of the Securities and Exchange Act B.E. 2535, Announcement, Notification of SEC, Office of SEC and Capital Market Advisory Board that issued as per the said Act both currently in effect and to be notified in the future. To notify the Management Company if the Management Company fails to comply the above laws.

3) If the Management Company does any act that causes damage to the Fund or fails to perform its duties under Section 125, the Securities Law and the terms of the approved Fund Management Project, the trustee shall make a detailed report thereon and submit it to the Office of the SEC within five (5) days from the date on which the trustee is aware of such circumstance.

4) To deposit the properties of the Fund by separating the properties of the Fund from the properties of the Trustee under the supervision of the trustee and monitor the expense of the Fund to be in accordance with the agreement between the Management Company and the Trustee.

5) To complete the inspection of real properties of the Fund per the timeframe as follows:

(1) Within thirty (30) days from the date of receiving a notice of possession of real property from the Management Company.

(2) Every year after the last inspection by the trustee.

6) To correctly, completely and truthfully record the condition of any real property from the inspection of such properties.

7) To notify the Management Company within five (5) business days from the date the trustee has found that any real property of the Fund has any material defect.

8) To notify the Management Company to conduct a new Appraisal immediately when the trustee is of the view that any circumstance or change has occurred which has a material effect on the value of the real properties of the Fund.

9) To verify that the investment or disposal of real properties or leasehold rights of the real properties of the Fund comply with the Project and the criteria prescribed by the Securities Law.

10) To approve the insurance against all losses which the Fund will be a beneficiary.

11) To give opinion on the operational result of the Fund in the report of the Fund.

12) For the assets invested in by the Fund which are real properties, the Management Company shall keep the documents of right in the real properties invested in by the Fund, namely land title deeds or certificates of utilization, agreements on sale of real property, lease agreements or agreements for the transfer of leasehold right in real property as well as insurance policies, at the office of the Trustee of the Fund, except for assets which, by their nature, cannot be kept at the office of the Trustee or where the Management Company and the Trustee agree otherwise.

13) To take delivery or delivery the documents regarding investing or divesting of the asset by the Fund to be in accordance with the Fund Scheme and Notification of the Office of the SEC.

14) To certify that the calculation of the value of the properties, Net Asset Value and the Value of Investment Units is correct and in accordance with the criteria prescribed by the Office of the SEC.

15) To prepare and deliver the report as follows:

(1) Detail on incomes and expenses of from the bank account, depository at every of the last business day of SET and commercial banks

(2) Report on the investment of the Fund specified the type and status of the fund at the end of Business Day.

(3) Report on the detail of securities purchase and sale (if any)

16) To proceed under the clause 14 and 15 above, the Trustee shall use the information obtained from the Management Company or any other relevant person.

17) Report certified by the Trustee under clause 14 and the report prepared by the Trustee under clause 15 is deemed to be approved from the Management Company if the Management Company fails to object within 180 days from the date of reporting.

18) To file the case enforcing the Management Company to perform its duty or to claim damages in compensation to the damages caused by the Management Company for the benefit of all Unitholders or upon the receipt of the order from the Office of the SEC.

19) In the case the Management Company appoints the liquidator, such liquidator shall proceed in accordance as follows:

(1) deliver the account and supporting documents of the Fund to the liquidator within 5 days from the date of dissolution of the Fund

(2) deposit the properties of the Funds until the completion of the liquidation

(3) monitor the liquidator to comply with the Section 130 of the Securities and Exchange Act B.E. 2535 (1992), as amended and shall inform the Office of the SEC upon the non-compliance by the liquidator.

(4) distribute the fund and other assets to the Unitholders per their Investment Units ratio in the register book of Investment Units.

20) Deposit and the properties of the Fund and receive the income from the operation of the Fund and deposit it in the account of the Fund.

21) Pay the expense of the Fund as instructed by the Management Company

22) To have such other rights, duties and responsibilities as specified in the agreement to appoint the trustee.

23) To perform other duties as prescribed by the SEC committee or the Office of the SEC as duties of trustees.

24) To be responsible for the damages to the Management Company or any expenses incurred from the mistake or gross-negligence of the Trustee under the Securities and Exchange Act B.E. 2535 (1992), as amended. Such mistake results from the non-compliance and gross-negligence conduct committed by the Trustee or the Trustee's employee, representatives or agent. Such damages shall include the damages from the delay of the Trustee in approving the matters as specified as obligations of the Trustee under the agreement to appoint Trustee or the Fund Scheme.

25) To allow the representative of the Management Company or the auditor to inspect the properties of the Fund, documentations and accounts of the Fund which in possession of the Trustee at all time within the business hour of the Trustee and to facilitate the

Management Company in proceeding the duty under the relevant agreement and the Fund Scheme and to deliver the documents as instructed by the Management Company to the Unitholders and other person who is eligible to request such documents.

26) To be responsible for the damages to the Fund due to the act, omission to act by fraudulent, gross-negligence which is inconsistent with the obligations under the relevant agreement entering with the Management Company.

Conditions for replacement of the Trustee

Management Company as representative of the Fund may replace Trustee upon occurrence of the following events and upon the approval of the Office of the SEC

1) When either the Management Company or the Trustee wishes to terminate the Trustee Appointment Agreement by giving written notice of such termination to the other party not less than ninety (90) days prior to the effective date of termination of the Trustee Appointment Agreement.

2) The Management Company or the Trustee fails to perform the duties or responsibilities as prescribed in the Trustee Appointment Agreement. In such event, the Trustee or the Management Company may terminate such agreement by giving prior written notice of such termination to the other party with a period not less than thirty (30) days. In the case where the Trustee fails to perform the obligations under such agreement with or without intention, willful or gross-negligence, the Trustee shall compensate the Fund and the Management Company including other expenses incurred from changing the trustee. In the case where the Management Company fails to perform the obligations under such agreement, with or without intention, willful or gross-negligence, the Management Company shall be responsible for the expenses and compensation for the damages to the Trustee.

3) There is a change in any condition of the Project or an amendment to the Securities Law or any other circumstance causes the Management Company and the Trustee to be unable to agree on the amendment of the Trustee Appointment Agreement to comply with such change or amendment because such change or amendment imposes more duties on the Trustee and the

Trustee does not want to accept such duties. In such event, the Trustee shall have the right to terminate the Trustee Appointment Agreement by giving written notice thereof to the Management Company not less than ninety (90) days in advance.

4) The Unitholders of the Fund pass a resolution by a majority vote representing more than half of the total number of Investment Units sold, requesting the replacement of the Trustee. Such request to the Management Company shall be made not less than 90 days.

5) The Trustee lacks any qualification under the notifications of the Office of SEC regarding the qualifications of trustees of mutual funds and the amendments thereto (if any). In such event, the Management Company shall notify the Trustee in writing to make a rectification within fifteen (15) days from the day following the date on which the Management Company is or should reasonably be aware of such disqualification or the date on which such disqualification is discovered from the inspection of the Office of SEC. The Management Company shall also notify such rectification to the Office of SEC within three (3) business days following the date the Trustee completes the rectification.

If the Trustee fails to make the rectification within such prescribed period, the Management Company shall seek permission to replace the Trustee from the Office of SEC within fifteen (15) days from the day following the expiry date of the rectification period. When permission is obtained from the Office of SEC, the Management Company shall appoint a new Trustee in place of the former Trustee immediately unless otherwise instructed by the Office of SEC.

6) The Trustee unduly discloses information relating to the management of the Fund or any other information relating to the management of the Fund in a manner that causes or may cause damage to the Fund or the Management Company or obtains any benefit for the Trustee itself, or another person enjoys any benefit because of such undue disclosure. In such event, the Management Company may terminate the Trustee Appointment Agreement by giving written notice of not less than fifteen (15) days in advance to the Trustee. The Trustee must be responsible to the Management Company and/or the Fund for any expenses and/or damages including expenses incurred because the Management Company must contact and/or procure another person to perform duties as a new Trustee, or any other expenses which are or might be incurred in connection with the replacement of the Trustee.

7) When any person proposes, or files a petition to the Court or any other relevant authority about the Trustee (a) for the dissolution of the Trustee's business or any other similar purpose; or (b) for the reorganization, composition or relaxation of debt payment, management of properties, liquidation or any other similar request under the current or future laws or under various regulations.

8) When a government authority or agency believes, the Trustee has committed a mistake or gross negligence and gives a notice thereof to the Management Company or makes an announcement to the public.

In all cases, the replacement of the Trustee shall require prior permission of the Office of SEC. Since the Securities and Exchange Act B.E. 2535 provides that the Fund must have a trustee, if the Trustee is discharged from its duties under Clause 13.2 "Conditions for Replacement of Trustee", the Trustee must fully perform the duties of a trustee until the completion of the transfer and delivery of all assets and documents and evidence of the Fund to the new Trustee or as instructed by the Management Company or the Office of SEC, including any other necessary arrangements for the proper and complete transfer and delivery of all assets and documents to the new Trustee within a reasonable time to ensure continuous performance of duties.

In the case of expiration of Trustee Appointment Agreement due to termination by the Trustee, if the Management Company is unable to find new trustee to replace the same Trustee within the expiration date of the Trustee Appointment Agreement, such Trustee shall remain their position as a Trustee until there is a replacement of trustee. If such Trustee will receive the fee in proportion including any other expenses incurred from the operation of Trustee duty until their duty as a Trustee is ceased.

For the cease of being Trustee, the Trustee shall collect and transfer all properties and documentation of the Fund to the new trustee or proceed other duty as advised by the Management Company or the Office of the SEC within 15 business days from the day of cease to be a trustee.

Place of Custody of Assets of the Fund

CITI Bank N.A., Bangkok Branch

339 Sukhumvit Road, Interchange 21 Building, Klongton Nua Sub-district, Wattana District, Bangkok 10500

Tel. 02-788-2000

In the case of change of the Trustee, the Management Company shall keep the properties at the office of the Trustee where the Management Company establishes or the office new trustee.

However, for the assets invested in by the Fund which are real properties, the Management Company shall keep the documents of right in the real properties invested in by the Fund, namely land title deeds or certificates of utilization, agreements on sale of real property, lease agreements or agreements for the transfer of leasehold right in real property as well as insurance policies, at the office of the Trustee of the Fund, except for assets which, by their nature, cannot be kept at the office of the Trustee or where the Management Company and the Trustee agree otherwise.

Auditor

Mr. Boonlert Kamolchanokkul Certified Auditor No. 5339 or

Mrs. Anothai Leekijwattana Certified Auditor No. 3442 or

Ms. Sakuna Yamsakul Certified Auditor No. 4906

Price Waterhouse Cooper ABAS Company Limited

179/74-80, Bangkok Tower, Floor 15, South Sathorn Road

Tung Mahamek Sub-district, Sathorn District, Bangkok

Tel. 0-2344-100 and 0-2824-5000 Fax. 0-2286-5050

Registrar

CIMB-Principal Asset Management Company Limite

44 CIMB Thai Building, Floor 16, Langsuan Road, Lumpini Sub-district, Pathumwan District, Bangkok 1033

Tel. 02-686-9500

Penalized and Fined Records

On February 19, 2013, The Office of Securities and Exchange Commission had a letter no. Kor Lor Tor For Khor 298/2556 regarding fining for not comply with the law. Such letter stated that Management Company has breach article 117 and 125 (1) of the Securities and Exchane Act 2535 B.E. as follows

1. During February 27, 2012 to July 17, 2012 Management Company did not perform as per rules, conditions and procedure as specified in the notification of Capital Market Supervisory Board. Management Company did not have proper compliance on investment for the cautious investment management for the best interest of unitholder by not undertaking due diligence before enter into investment.

2. During February 27, 2012 to July 17, 2012 Management Company did not perform as per rules, conditions and procedure as specified in the notification of Capital Market Supervisory Board. Which are (1) did not control and checking on payment of the Fund (2) did not perform the asset annual inspection by preparing invested asset registration properly and correctly (3) did not arrange for Revenue Guarantee Agreement and did not follow and monitor the guarantors to comply with the agreement (4) did not properly disclose information in the Fund Project and Prospectus

Management Company accepted the penalty and fine as per the Committee's resolution in the meeting No 1/2556 dated February 2013 Order No 12/2556.

CORPORATE GOVERNANCE AND COMPLIANCE

Corporate Governance Policy

The Management Company strictly complies with Securities Law, announcements, regulations, rules, order or circular notice as amended or enacted by S.E.C., Capital Market Supervisory Board, office of S.E.C. and the stock exchange.

The Management Company stipulated a variety of policies for Corporate Governance such as report on conflict of interests, policy for fund operation, code of conduct for fund operation

Corporate Social Responsibility

The Management Company strictly complies with Securities Law, announcements, regulations, rules, order or circular notice as amended or enacted by S.E.C., Capital Market Supervisory Board, office of S.E.C. and the stock exchange.

Internal Control and Risk Management

The Management Company strictly complies with Securities Law, announcements, regulations, rules, order or circular notice as amended or enacted by S.E.C., Capital Market Supervisory Board, office of S.E.T. and the stock exchange. Apart from Real Estate Investment Committee, The Management Company also established Compliance and Risk Management Department which is separated from Real Estate Investment Committee and reports directly to the Board of Directors and CIMB Group.

Inter-connected Transactions

Transactions of the Fund with the Management Company and other connected party to the Management Company during the period of January 1, 2015 to December 31, 2015

No inter-connected person has any transaction with the Fund

The investors can directly verify the transaction with the Management Company. Some parts of public information are shown in the attached Financial Statement of the Fund. Name lists of Management of the Management Company and the Fund can be found at website <http://www.cimb-principal.co.th>

Soft Commission Report

There is no soft commission

Sales Commission from order to sell or purchase security

There is no Sales Commission from order to sell or purchase security

Voting guidelines and voting execution

Investors can examine voting guidelines and voting execution in the companies' Shareholders Meeting in the calendar year from website of the Management Company (www.cimb-principal.com)

SECTION 3

FINANCIAL STATUS AND PERFORMANCE

IMPORTANT FINANCIAL INFORMATION

Performance of Samui Buri Property Fund

For the period from July 1, 2015 to June 30, 2016

Summary of Net Asset Value and Value of Investment Unit as of June 30, 2016

Net Asset Value	600,334,484.78	Baht
No. of Investment Unit	82,800,000	Units
Value per unit	7.2504	Baht

Information regarding borrowing of the Fund as of June 30, 2016

		Market Value (Baht) ¹	% NAV
Domestic Securities or Asset			
	Bank Deposit	933.00	0.00
Investment in Real Estate			
	Land with Construction, Samui Buri Beach Resort Hotel	615,800,000.00	102.58
Others			
	Other Assets	306,991.90	0.05
	Other Debts	(15,773,440.12)	(2.63)
Net Asset Value		600,334,484.78	100.00

Remarks: ^{*1} total market value including receivable interest

Summary of investment in Debt, Deposit or Semi Debt of the Fund

Bonds	Market Value	
	(Baht)*	% NAV
(a) Thai and Foreign Government Bonds		
- Thai Government Bonds	- none -	- none -
- Foreign Government Bond	- none -	- none -
(b) Bonds that Bank or Credit Fancier is issuer, payer, Aval, certified or guarantor	933.00	0.00
(c) Investment Grade Bonds	- none -	- none -
(d) Under Investment Grade Bonds	615,800,000.00	102.58
Upper Limit that Management Company invest in group (d) 15% NAV		
Remarks: *value based on market price including interest receivable		

Details of all Bonds and Rating in Port

Item	Issuer	Insurer/ Guarantor/ Certifier	Due Date	Rating	Principal/ Face Value	Market Value*
Real Estate Investment	Samui Buri Beach Resort Hotel	-	-	N/A	615,800,000.00	615,800,000.00
Deposit	CITI Bank N.A.	-	-	N/A	924.18	933.00
Remarks:	*1 Market Value including Interest Receivable					

*Fund Expenses**For the period of July 1, 2015 – June 30, 2016*

Fund's Direct Expenses*	unit :	% of NAV
	'000 Baht	
Fund Management Fee	5,130.17	0.642
Trustee Fee	165.25	0.021
Registrar Fee	860.79	0.107
Adverts, PR and Sale Promotion		
- IPO	-	-
- After IPO	9.18	0.001
Legal Fee	6,787.20	0.850
Consultant Fee – Market Study	133.75	0.017
Audit Fee	371.40	0.047
SET Registration Fee - Annual	107.00	0.013
Appraisal Fee	181.90	0.023
Insurance	206.97	0.026
Unitholder Meeting Expense	147.72	0.018
Other Expenses	12.87	0.002
Total Expenses**	14,114.20	1.767

Remarks *Fees and expenses include VAT, Specific Business Tax and other Taxes and Duties (if any) already

 **Excluding securities agent and other fees related to stocks/securities trade

Appendix 1

Report of certified auditor, Audited Financial Statement

SAMUI BURI PROPERTY FUND

FINANCIAL STATEMENTS

30 JUNE 2016



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 2016, 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 2016, 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 2016 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.

A handwritten signature in blue ink, appearing to read "Boonlert Kamolchanokkul".

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

Bangkok
16 August 2016

Samui Buri Property Fund**Balance Sheet****As at 30 June 2016**

	Notes	2016 Baht	2015 Baht
Assets			
Investment in properties at fair value (at cost Baht 828,000,000)	6	615,800,000	822,670,000
Cash and cash equivalents	7	924	2,436,372
Interest receivable, net		9	1,445
Deferred expenses		306,992	-
Total assets		616,107,925	825,107,817
Liabilities			
Accrued expenses	11	15,773,440	3,789,379
Total liabilities		15,773,440	3,789,379
Net assets		600,334,485	821,318,438
Net assets:			
Capital received from unitholders (82,800,000 units, Baht 10 each)	8	828,000,000	828,000,000
Deficits	8	(227,665,515)	(6,681,562)
Net assets		600,334,485	821,318,438
Net assets value per unit (Baht)		7.2504	9.9193
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 22 are an integral part of these financial statements.

Samui Buri Property Fund

Details of Investments

As at 30 June 2016

Type of investment	Cost		Fair value		Percentage of investment	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 %	2015 %
Investment in properties (Note 6)						
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	615,800,000	822,670,000	100	100
Total investment in properties	<u>828,000,000</u>	<u>828,000,000</u>	<u>615,800,000</u>	<u>822,670,000</u>	<u>100</u>	<u>100</u>

The notes to financial statements from pages 9 to 22 are an integral part of these financial statements.

Samui Buri Property Fund
Statement of Income
For the year ended 30 June 2016

	Notes	2016 Baht	2015 Baht
Investment income			
Rental income		-	51,030,137
Interest income		249	1,989,777
Total income		249	53,019,914
Expenses			
Management fee	10, 11	5,130,173	5,558,865
Trustee fee	10	165,245	185,296
Registrar fee	10, 11	860,790	926,478
Professional fee		371,400	350,700
Bad and doubtful debts expenses	15	-	60,091,366
Other expenses		7,586,594	1,541,726
Total expenses		14,114,202	68,654,431
Net investment income		(14,113,953)	(15,634,517)
Net loss from investment			
Net unrealised loss from investment	6	(206,870,000)	(6,630,000)
Total net unrealised loss from investment		(206,870,000)	(6,630,000)
Net decrease in net assets from operations		(220,983,953)	(22,264,517)

The notes to financial statements from pages 9 to 22 are an integral part of these financial statements.

Samui Buri Property Fund
Statement of Changes in Net Assets
For the year ended 30 June 2016

	Note	2016 Baht	2015 Baht
Decrease in net assets from operations during the year			
Net investment income		(14,113,953)	(15,634,517)
Net unrealised loss from investment		<u>(206,870,000)</u>	<u>(6,630,000)</u>
Net decrease in net assets from operations		(220,983,953)	(22,264,517)
Dividend paid	9	<u>-</u>	<u>(6,624,000)</u>
Decrease in net assets during the year		(220,983,953)	(28,888,517)
Net assets at the beginning of the year		<u>821,318,438</u>	<u>850,206,955</u>
Net assets at the end of the year		<u><u>600,334,485</u></u>	<u><u>821,318,438</u></u>

The notes to financial statements from pages 9 to 22 are an integral part of these financial statements.

Samui Buri Property Fund
Statement of Cash Flows
For the year ended 30 June 2016

	Note	2016 Baht	2015 Baht
Cash flows from operating activities			
Net decrease in net assets from operations		(220,983,953)	(22,264,517)
Adjustments to reconcile net (decrease) increase in net assets from operations to net cash provided by operating activities			
Net unrealised loss from investment		206,870,000	6,630,000
Amortisation of deferred expenses		206,969	-
Bad and doubtful debts expenses		-	60,091,366
Increase in rental receivable		-	(36,030,138)
Increase (decrease) in interest receivable		1,436	(1,976,673)
Increase in deferred expenses		(513,961)	-
Increase in accrued expenses		11,984,061	224,822
Net cash provided by operating activities		<u>(2,435,448)</u>	<u>6,674,860</u>
Cash flows from financing activities			
Dividend paid	9	<u>-</u>	<u>(6,624,000)</u>
Net cash used in financing activities		<u>-</u>	<u>(6,624,000)</u>
Net increase (decrease) in cash and cash equivalents		(2,435,448)	50,860
Cash and cash equivalents at the beginning of the year		<u>2,436,372</u>	<u>2,385,512</u>
Cash and cash equivalents at the end of the year		<u><u>924</u></u>	<u><u>2,436,372</u></u>

The notes to financial statements from pages 9 to 22 are an integral part of these financial statements.

Samui Buri Property Fund
Significant Financial Information
For the year ended 30 June 2016

						For the period from 22 July 2010 (date of registration) to 30 June 2011
	2016 Baht	2015 Baht	2014 Baht	2013 Baht	2012 Baht	2011 Baht
Operating performance (per unit)						
Net assets value at the beginning of the years	9.9193	10.2682	10.5003	10.5850	10.4587	-
<u>Add</u> Capital received from unitholders	-	-	-	-	-	10.0000
Income from investment activities:						
Net investment income	(0.1705)	(0.1888)	0.4884	0.7130	0.7171	0.6716
Realised and unrealised (loss) gain from investment	(2.4984)	(0.0801)	(0.0205)	(0.1102)	0.0691	0.0773
Total income from investment activities	(2.6689)	(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)
Net assets value at the end of the years	7.2504	9.9193	10.2682	10.5003	10.5850	10.4587
Ratio of net (loss) profit to average net assets value during the years (%)	(27.6721)	(2.5730)	4.4670	5.7198	7.5260	7.3239
Significant financial ratios and additional information						
Net assets value at the end of the years (Baht)	600,334,485	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 (%)	1.7674	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)	798,578,989	865,310,598	867,235,057	872,643,357	864,964,942	846,675,058

The notes to financial statements from pages 9 to 22 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 2016, 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 16 August 2016.

Financial position

As at 30 June 2016, the Fund has a deficits of 227.66 million and experienced an operating loss of Baht 220.98 million during the financial year ended on that date. However, CIMB-Principal Asset Management Company Limited, the Fund’s Management Company, has been paying in advance for the Fund’s operating expenses. This is to support the Fund to continue operating. The advance prepayments will be repaid back to the Management Company upon availability of liquidity in the Fund. Accordingly, these financial statements have been prepared on a going concern basis.

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.

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 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

- 1) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Fund.

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

TAS 24 (revised 2015) Related party disclosures

TAS 24 (revised 2015), 'Related party disclosures' includes an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. This standard has no impact to the Fund, except for disclosures.

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

TAS 1 (revised 2015)	Presentation of financial statements
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 18 (revised 2015)	Transfers of assets from customers

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

	2016 Baht	2015 Baht
Investment in properties at the beginning of the year	822,670,000	829,300,000
Net unrealised loss from the revaluation of investment during the year	<u>(206,870,000)</u>	<u>(6,630,000)</u>
Investment in properties at the end of the year	<u>615,800,000</u>	<u>822,670,000</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 2016, the Fund hired an independent appraiser, DTZ Debenham Tie Leung (Thailand) 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 10th with no income in current year under the default of rental payment from the Lessee on report dated 10 June 2016. The valuation technique used significant unobservable inputs such that the Fund classified the fair value measurement as Level 3 of fair value hierarchy according to TFRS13 Fair value measurement.

As at 30 June 2016, the Fund adjusted investment in properties to fair value of Baht 615.80 million and recognised net unrealised loss from investment in the statement of income for the year at Baht 206.87 million.

As at 30 June 2016, the Fund has no operating lease agreement in respect of the lease of properties which consist of land, building (except sport club), public utilities, furniture and equipment for hotel business.

6 Investment in properties at fair value (Cont'd)

Valuation processes

The Management Company arranges the valuation of investment in properties by independent professionally qualified valuer ("independent valuer") who hold a recognised relevant professional qualification and has recent experience in the segment of the investment properties valued. The independent valuer reports directly to the Management Company. For financial reporting purpose, the Management Company reviews the valuation performed by the independent valuer. Review of valuation process and result is held between the Management Company and the Trustee which will evaluate in each accounting period, in line with the Fund's reporting dates.

The main information that the appraiser used for fair value assessment Level 3 such as discount rate was determined from business type, the location of project, generated cash flow, competitive market and risk-free return rate. The appraiser applied 12% of discounted cash flow for valued asset based on yield rate of government bond plus market, operational, and liquidity risk.

Changes in fair value are analysed at each reporting date by the Management Company and the Trustee. As part of this review, the Management Company presents valuation assumption of the independent valuer to explain the reasons for changes in fair value.

There were no changes to the valuation techniques during the year.

Sensitivity analysis for each significant assumptions

	Impact on fair value increase/ (decrease) 2016 Baht
Discount rate	
Discount rate, decrease of 0.50 percent	21,700,779
Discount rate, increase of 0.50 percent	(20,770,998)
Capitalisation rate	
Capitalisation rate, decrease of 0.50 percent	17,443,733
Capitalisation rate, increase of 0.50 percent	(15,607,551)
Rental growth rate	
Rental growth rate, decrease of 0.50 percent	1,528,575
Rental growth rate, increase of 0.50 percent	(1,528,575)

Samui Buri Property Fund
Notes to the Financial Statements
For the year ended 30 June 2016

7 Cash and cash equivalents

As at 30 June 2016 and 2015, the Fund has the details of cash and cash equivalents as follows:

	Principal		Interest rate per annum	
	2016	2015	2016	2015
	Baht	Baht	%	%
Deposits in bank saving account - Citibank N.A.	924	2,436,372	0.05	0.05 - 0.10
Total	924	2,436,372		

8 Unitholders' equity

As of 30 June 2016 and 2015, there are 82,800,000 authorised units of Baht 10 par value registered, issued and paid-up.

Movements in capital account are as follows:

	2016		2015	
	Number of units	Baht	Number of units	Baht
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	-	-	-	-
Ending balance	82,800,000	828,000,000	82,800,000	828,000,000

Movements in retained earnings (deficits) are as follows:

	2016	2015
	Baht	Baht
Beginning balance	(6,681,562)	22,206,955
<u>Add</u> Net decrease in net assets from operations during the years	(220,983,953)	(22,264,517)
<u>Less</u> Dividend paid to unitholders (Note 9)	-	(6,624,000)
Ending balance	(227,665,515)	(6,681,562)

9 Dividend

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

No.	The operation for period	Payment date	Per unit Baht	Total Million Baht
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 2015.

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:

Name of companies	Type of relationship
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 2016 and 2015 were as follows:

	2016 Baht	2015 Baht
<u>CIMB - Principal Asset Management Co., Ltd.</u>		
Management fee	5,130,173	5,558,865
Registrar fee	860,790	926,478

Balances as at 30 June 2016 and 2015 with related party were as follows:

	2016 Baht	2015 Baht
<u>CIMB - Principal Asset Management Co., Ltd.</u>		
Accrued management fee	7,883,697	2,753,524
Accrued registrar fee	1,313,950	458,921
Accrued other expenses	5,157,168	-

12 Financial risk management

12.1 Financial risk factors

As at 30 June 2016, 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

Due to the defaulting of rental payment from Samui Buri Beach Resort Co., Ltd. ("Lessee") which is the only one lessee of the Fund and the Bank which is the issuer of letter of guarantee refused to pay the money according to the guarantee obligation, such situations have a direct impact on the Fund's liquidity. In order to support the Fund's existence and continuance of its operations, the Management Company postponed collection of management and registrar fees until the Fund has adequate liquidity to pay for the said fees. The Management Company has been paying in advance for the Fund's operating expenses. This is to support the Fund to be able to continue its operation. The advance prepayments will be re-paid back to the Management Company upon availability of liquidity in the Fund.

12.2 Fair value estimation

The carrying amounts of the Fund's financial assets and liabilities as at 30 June 2016 as presented in the financial statements approximate their fair value since they are predominantly subject to market interest rate and will be due in a short period.

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 Lawsuit and others (Cont'd)

- 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).
- 15.4 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.

15 Lawsuit and others (Cont'd)

15.7 On 23 November 2015, the Lessee had sent the letter proposing solution for settlement of the disputes. The summary of the proposal are as following:

1. The Lessee or the agent of the Lessee will seek for the purchaser or will purchase the Fund's properties. The purchaser will pay for commission fee, transfer fee, registration fee, taxes, duties including the expenses incurred at the land office and other expenses.
2. The Lessee had no objection if the Fund or the Management Company will appoint, support or consent to other person or other juristic person to seek for the purchaser or purchase the Fund's properties same as the Lessee.
3. The proposal to purchase of Fund's Properties at this time was a part of solution for settling the dispute and legal action, which the Lessee will provide all details to the Fund for further consideration
4. Other conditions of the sale of the Fund's Properties must comply with the resolution of the Unitholders' Meeting.

15.8 On 14 December 2015, the Management Company replied the letter to the Lessee with summary as following:

1. The Management Company had no objection if the Lessee will take action according to the above mentioned proposal and guideline.
2. The Lessee must present the proposal to purchase the Properties together with details for the settlement of all disputes, for instance, the payment of the unpaid rental, the return of Properties and the settlement of all disputes and lawsuits, to the Management Company to consider and summon the Unitholders' Meeting in order to consider and approve the proposal on the solution for settlement of disputes including the sale of properties within 6 months as from the date of the said letter (14 December 2015).

The Lessee's proposal was in a preliminary stage. Currently, the proposal is under negotiation on the details and conditions with the Lessee.

15.9 On 21 January 2016, the Fund has provided insurance for its investment in properties in which previously, the Lessee was responsible for procuring and its cost. The insurance includes all risks, business interruption and public liabilities. The fund is the beneficiary of this insurance. As the Fund has no liquidity in operation, the Management Company has to pay in advance.

15.10 On 30 May 2016, the Former Lessee sent the letter to inform the Management Company on the progress of a party showing interest in purchasing the asset of the Fund. The Former Lessee also proposed the solution for selling asset of the Fund, rental payment, hotel management, and legal dispute resolution between the Fund and the Former lessee. Currently, the proposal is being negotiated and discussed in details. The Management Company will arrange the Unitholders' Meeting to propose such matter to the unitholders for approval.

Appendix 2

Trustee's Opinion on the Fund's performance in the past year



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, 2015 to June 30, 2016.

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

(Kanit Kuarkamphun / Joedjun Sunantapongsak)

Mutual Fund Supervisor

Citibank, N.A – Bangkok.

August 31, 2016

Citibank, N.A.