

No. PFRD 028/2021

21 June 2021

RE: Request for Resolution of Unitholders of Trinity Freehold and Leasehold Property Fund (TNPF) by means of Circular Letter and Date of Determination of the Name List of Unitholders who are entitled to Receive the Circular Letter (Record Date)

To: The President
Stock Exchange of Thailand

- Reference:
1. Notification No. PFRD 020/2021 re: Report of Information in lieu of Holding the 2021 Annual General Meeting of Unitholders and Process of Request for Resolution of Unitholders of Trinity Freehold and Leasehold Property Fund (TNPF) by means of Circular Letter dated 26 April 2021;
 2. Invitation Letter to the 2021 Annual General Meeting of Unitholders of Trinity Freehold and Leasehold Property Fund (TNPF) dated 7 April 2021;
 3. Notification No. PFRD 023/2021 re: Request for Resolution of Unitholders of Trinity Freehold and Leasehold Property Fund (TNPF) by means of Circular Letter dated 14 May 2021;
 4. Notification No. PFRD 024/2021 re: Cancellation of the Date of Determination of the Name List of Unitholders (Record Date) and Relevant Schedule in relation to Request for Resolution of Unitholders by means of Circular Letter dated 20 May 2021
 5. Notification of the Capital Markets Supervisory Board No. TorNor/Chor. 10/2564 regarding Relaxation of the Operations of Property Fund, Infrastructure Fund and Real Estate Investment Trust in 2021 due to Situation of Outbreak of Coronavirus Disease 2019 (COVID-19) dated 21 January 2021

Principal Asset Management Company Limited (“Management Company”), as management company of Trinity Freehold and Leasehold Property Fund, abbreviated as “TNPF” (“Fund”), has informed the cancellation of the 2021 Annual General Meeting of Unitholders of the Fund on 29 April 2021 and reported information of the Fund for the year 2021 which the Management Company shall proceed with requesting for unitholders’ resolution by means of circular letter in respect of the consideration to approve the extension of the rental reduction period, previously proposed by the Management Company to the 2021 Annual

General Meeting of Unitholders of the Fund for consideration and approval, with the details specified in the documents referred in 1 and 2. The Management Company has previously informed the process of request for unitholders' resolution by means of circular letter in respect of the consideration to approve the extension of the rental reduction period and exemption of outstanding rental (reduced amount) in its entirety and scheduled the date of determination of the name list of unitholders who are entitled to receive the letter requesting a resolution (Record Date) on 28 May 2021 and relevant process schedule, with the details specified in the document referred in 3. However, due to the current outbreak of the Coronavirus Disease 2019 (COVID-19) that is increasing and the effect on the business of Silomall Company Limited ("Lessee") is continuing, the Lessee therefore sent a letter, dated 18 May 2021, requesting that the Fund considers extending the period for rent reduction at the rate of THB 200,000 per month (exclusive of VAT) to the end of the contractual term, i.e., April 2022 and exempting the outstanding rental (reduced amount) in its entirety as specified in the Lessee's letter dated 13 January 2021. The Management Company therefore considered and deemed it appropriate to negotiate with the Lessee about the said conditions once again for the utmost benefit of the Fund and the unitholders. Hence, the Management Company has notified the cancellation of the date of determination of the name list of unitholders who are entitled to receive the letter requesting a resolution (Record Date) on 28 May 2021, including the cancellation of the other relevant process schedule, with the details specified in the document referred in 4.

In this regard, the Management Company has negotiated and concluded with the Lessee about the conditions of the rental reduction. The Management Company hereby deems it appropriate to propose this matter for requesting for unitholders' resolution by means of circular letter pursuant to the Notification referred in 3. The details of the matter to be proposed for resolution are as follows:

Background

Presently, the Fund procures benefits from the real property by offering a turn-key lease to the Lessee with a contractual term of three years from 1 May 2019 to 30 April 2022. The Management Company will carry out a bidding process to seek for a new lessee in the last year of the contractual term or approximately the second half of 2021.

Relaxation for rent payment No. 1

Due to the outbreak of the Coronavirus Disease 2019 (COVID-19) in 2020, affecting the tourism and hotel businesses, including the concern about the outbreak in community areas, on 27 February 2020, the

Lessee sent the Fund a letter requesting for relaxation for rent payment. The Management Company therefore considered the relaxation proposal from the Lessee, and after discussion with the Fund's trustee, it was concluded as follows.

| Installment Month/Year | Rent Under Agreement | Lessee's Proposal | Conclusion | Remarks |
|------------------------|----------------------|-------------------|--------------|---|
| Mar 2020 | 3,500,000.00 | 1,000,000.00 | 1,000,000.00 | 1) Rent for March – May 2020 is reduced by THB 5.5 million or to THB 36.5 million from the rental amount under the agreement of THB 42 million. |
| Apr 2020 | 3,500,000.00 | 2,000,000.00 | 2,000,000.00 | |
| May 2020 | 3,500,000.00 | 2,000,000.00 | 2,000,000.00 | |
| Jun 2020 | 3,500,000.00 | 2,000,000.00 | 3,500,000.00 | |
| Jul 2020 | 3,500,000.00 | 2,000,000.00 | 3,500,000.00 | |
| Aug 2020 | 3,500,000.00 | 2,000,000.00 | 3,500,000.00 | |
| Sep 2020 | 3,500,000.00 | 2,000,000.00 | 3,500,000.00 | |
| Oct 2020 | 3,500,000.00 | 2,000,000.00 | 3,500,000.00 | |
| Nov 2020 | 3,500,000.00 | 2,000,000.00 | 3,500,000.00 | |
| Dec 2020 | 3,500,000.00 | 2,000,000.00 | 3,500,000.00 | |
| Jan 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| Feb 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| Mar 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| Apr 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| May 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| Jun 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| Jul 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| Aug 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| Sep 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | 3) Based on the Lessee's proposal, the remaining amount of outstanding rent will be THB 8 million upon expiration of the lease agreement. |
| Oct 2021 | 3,500,000.00 | 4,000,000.00 | 4,050,000.00 | |
| Nov 2021 | 3,500,000.00 | 4,000,000.00 | 3,500,000.00 | |
| Dec 2021 | 3,500,000.00 | 4,000,000.00 | 3,500,000.00 | |
| Jan 2022 | 3,500,000.00 | 4,000,000.00 | 3,500,000.00 | |
| Feb 2022 | 3,500,000.00 | 4,000,000.00 | 3,500,000.00 | |
| Mar 2022 | 3,500,000.00 | 4,000,000.00 | 3,500,000.00 | |
| Apr 2022 | 3,500,000.00 | 4,000,000.00 | 3,500,000.00 | |

Such relaxation for rent will not affect the Fund's net asset value (NAV) because the Fund's revenue is recognized on a straight-line basis and the total amount of rent throughout the agreement remains the same. However, it will affect the dividend for the operating cycle from 1 January to 30 June 2020 which will decrease from the estimate but will increase more than estimated for the operating cycle from 1 July 2020 onwards.

Consideration of rent reduction No. 1

Subsequently, the Management Company received the Lessee's letter, dated 15 May 2020, requesting consideration for temporary waiver of rent where the Lessee stated that it has been affected by the COVID-19 outbreak. Based on joint discussion, the details can be summarized as follows:

1. It is necessary for the Lessee to suspend business operation and have its employees temporarily stop working, except for Villa Supermarket, which is still open.
2. The Lessee requests that the Fund consider reducing rent as follows:
 - (1) Rent for March 2020 to be reduced from THB 3,500,000 to THB 1,000,000 per month (VAT exclusive).
 - (2) Rent for April 2020 to be reduced from THB 3,500,000 to THB 200,000 per month (VAT exclusive).
 - (3) Rent for May 2020 – April 2021 to be reduced from THB 3,500,000 to THB 200,000 per month (VAT exclusive).
3. With respect to the outstanding rent per clause 2, the Lessee requests that the Fund consider remission of the said outstanding debt.
4. In the meantime, the Lessee still has employees available to take the best care of the properties.

In this regard, the Management Company sent Letter No. PFRD 016/2563 Re: Request for Resolution of the Unitholders of Trinity Freehold and Leasehold Property Fund (TNPF), dated 8 July 2020, to the unitholders of the Fund to ask for a resolution concerning the proposal of the Lessee and to consider approving or disapproving the reduction of rent in accordance with the Lessee's request. The Management Company scheduled the date for the unitholders to cast a vote and return a written resolution to the Management Company by 10 August 2020. A total of 70 unitholders sent written resolutions back to the

Management Company, representing 79,523,856 investment units, or equivalent to 54.31 percent of the total number of issued investment units of the Fund (146,434,000 units), and therefore, a quorum was constituted.

The unitholders resolved to approve the reduction of rent in accordance with the Lessee's request, with the number of votes as follows:

| | | | | |
|-------------|------------------|----|---------------|----------------|
| Approve | 65,864,745 units | or | equivalent to | 82.82 percent* |
| Disapprove | 13,648,611 units | or | equivalent to | 17.16 percent* |
| Abstain | 10,500 units | or | equivalent to | 0.01 percent* |
| Void Ballot | 0 units | or | equivalent to | 0.00 percent* |

*Percentage of the total number of investment units held by the unitholders responding and eligible to vote which are 79,523,856 units.

As the unitholders resolved to approve the reduction of rent, the Fund and the Lessee have entered into the addendum to the property lease agreement dated 31 August 2020, having the terms and conditions being in line with the resolution of the unitholders.

Due to the new wave of the COVID-19 outbreak at the end of 2020 that the effect on the Lessee's business is continuing to the beginning of 2021, the Lessee sent a letter, dated 13 January 2021, requesting that the Fund consider expanding the period for rent reduction at the rate of THB 200,000 per month (exclusive of VAT) in accordance with the unitholders' approving resolution on 10 August 2020, which will be expiring this April 2021 to the end of the contractual term, i.e., April 2022. The Management Company has negotiated the conditions of the reduction with the Lessee and notified the process of request for unitholders' resolution by means of circular letter in respect of the consideration to approve the extension of the rental reduction period and exemption of outstanding rental (reduced amount) in its entirety and scheduled the date of determination of the name list of unitholders who are entitled to receive the letter requesting a resolution (Record Date) on 28 May 2021 and relevant process schedule. The details are as follows:

1. The extension of the rental reduction period in the amounts and within the periods as follows:
 - (1) Rental from May 2021 to October 2021 to be reduced from Baht 3,500,000 per month to Baht 200,000 per month (exclusive of VAT); and
 - (2) Rental from November 2021 to April 2022 to be reduced from Baht 3,500,000 per month to Baht 550,000 per month (exclusive of VAT).

2. Exemption of outstanding rental (reduced amount) in its entirety as per clause 1.

However, due to the current outbreak of the Coronavirus Disease 2019 (COVID-19) that is increasing and the effect on the Lessee's business is continuing, the Lessee therefore sent a letter, dated 18 May 2021, requesting that the Fund considers extending the period for rent reduction at the rate of THB 200,000 per month (exclusive of VAT) to the end of the contractual term, i.e., April 2022 and exempting the outstanding rental (reduced amount) in its entirety as specified in the Lessee's letter dated 13 January 2021. The Management Company therefore considered and deemed it appropriate to negotiate with the Lessee about the conditions of the said rental reduction once again for the utmost benefit of the Fund and the unitholders. Hence, the Management Company notified the cancellation of the date of determination of the name list of unitholders who are entitled to receive the letter requesting a resolution (Record Date) on 28 May 2021, including the cancellation of the other relevant process schedule.

Agenda for Consideration

Agenda 1 : To consider approving the extension of the rental reduction period (for approval)

1. Details of the Matters for Consideration

According to the Lessee's letter dated 18 May 2021, requesting the Fund to consider extending the period for rent reduction at the rate of THB 200,000 per month (exclusive of VAT) to the end of the contractual term, i.e., April 2022 and exempting the outstanding rental (reduced amount) in its entirety as specified in the Lessee's letter dated 13 January 2021, the Management Company has reviewed the business condition and negotiated conditions with the Lessee and came to the following conclusion:

Monthly rent/expense (exclusive of VAT)

| Period | Rent under Agreement (THB) | Fund's Average Expense (THB) | Conclusion From Previous Negotiation (THB) | New Proposal of Lessee (THB) |
|---------------------------------------|-----------------------------------|-------------------------------------|---|-------------------------------------|
| May 2021 – Oct 2021 Rent per month | 3,500,000 | 515,000 | 200,000 | 200,000 |
| Nov 2021 – Apr 2022 Rent per month | 3,500,000 | 515,000 | 550,000 | 200,000 |

| Period | Rent under Agreement (THB) | Fund's Average Expense (THB) | Conclusion From Previous Negotiation (THB) | New Proposal of Lessee (THB) |
|-------------------------------------|--|------------------------------|--|--|
| Total rent (May 2021 – Apr 2022) | 42,000,000 | | 4,500,000 | 2,400,000 |
| Remark | In accordance with the circular resolution on 10 August 2020 | | Reduced by THB 37,500,000, compared to rental rate under the current agreement | Reduced by THB 39,600,000, compared to rental rate under the current agreement |

Opinion of Legal Advisor

According to the Fund's prospectus with respect to rights, duties and responsibilities of the Management Company, the Management Company has the right to carry out management of the Fund's properties to be in accordance with the law on securities and exchange, including any other relevant notifications, and in line with the objectives, investment rules, investment limitations, approved projects, and agreements made, as well as legal bindings under the investment unit subscription form. The Management Company shall take care of and manage the Fund with honesty by applying knowledge, capabilities and skills, and with due care and attention in a standardized or professional manner for the utmost benefit of all unitholders pursuant to the Notification of Capital Market Supervisory Board No. TorNor. 36/2562 Re: Property Fund Management, dated 25 April 2019 (as amended).

The extension of rental reduction period as requested by the Lessee does not fall within the authorization of the Management Company to exercise its discretion as this action is neither in accordance with the lease agreement nor the unitholders' resolution, and this will result in the Fund losing its right to receive rent payment under the lease agreement, which is contrary to the Management Company's duties to manage the Fund for the utmost benefit of all unitholders. Moreover, the reduction of rent has previously approved by the resolution of the unitholders. Therefore, change to the rental terms and conditions which adversely affects the Fund will be subject to the unitholders' approval by a resolution of the unitholders.

In the event that the unitholders resolve to disapprove the extension of rental reduction period as requested by the Lessee, the Lessee will be obligated to pay rent in the amount and within the period

prescribed in the agreement. If the Lessee fails to pay rent as prescribed, the Fund has the legal right to enforce the Lessee to comply with the agreement or terminate the agreement and demand return of the property. Nonetheless, even though the Fund has a better legal status than the Lessee in respect of the legal actions, these may incur the costs and expenses to the Fund and involve long and time-consuming procedures. In addition, the legal dispute may cause the Lessee to stop paying the rent.

2. Opinion of Management Company

Due to impacts from the COVID-19 outbreak situation since the beginning of 2020, continuing to the new wave of the outbreak at the end of 2020, including the latest wave during April 2021, the Lessee was required to close the properties for a period of time. Up until now, Mall 1 is still closed, while the hotel and serviced apartment are open to accommodate guests staying in only some of the rooms.

The Management Company is of the view that the unitholders should consider approving the extension of rental reduction period in accordance with the Lessee's proposal. If the unitholders resolve to approve the extension of period for rent reduction in this agenda, the Management Company will enter into a new addendum to the property lease agreement with the Lessee so that it is in line with the resolution of the unitholders.

However, if the unitholders pass a disapproving resolution and based on the current business condition, the Lessee may fail to comply with the current temporary lease agreement causing the breach by the Lessee. The Management Company is obliged to take action to enforce the agreement under the legal right, i.e., litigation. Even though the Fund has high possibility to win the case according to its legal right, these may incur the costs and expenses to the Fund and involve long and time-consuming procedures approximately 12 – 18 months. The Lessee may request for the payment relaxation for a period of time, e.g., 3 – 5 years.

Moreover, the current lease agreement shall expire in April 2022. The Management Company shall commence the process searching for a new lessee in the third quarter or August 2021, approximately. It is expected that the search result, including the plan to increase the long-term value of the Fund shall be proposed to the unitholders for consideration by December 2021.

The Management Company is of the view that under the current business conditions which were impacted by the outbreak of the COVID-19, the proposal of the Lessee is deemed reasonable to the extent

that the remaining period of the agreement up to the expiration in April 2022 shall not suffice for the business to recover at the level of the full payment under the current agreement. Therefore, the extension of the rental reduction period is regarded as the rational proposal. The Fund shall not be required to initiate the legal proceedings which may interfere the search for a new lessee as planned. The Management Company has opined that the unitholders should consider approving the extension of the rental reduction period as proposed by the Lessee.

3. Matter to be Resolved

The Management Company would like to propose that the unitholders consider approving or disapproving the extension of rental reduction period, from originally ending in April 2021 to until the expiration of the current temporary lease agreement (April 2022). The details are as follows:

1. The extension of the rental reduction period from May 2021 to April 2022 to be reduced from Baht 3,500,000 per month to Baht 200,000 per month (exclusive of VAT); and
2. Exemption of outstanding rental (reduced amount) in its entirety as per clause 1.

4. Vote Counting and Resolution

A resolution for this agenda must be passed by a majority of votes out of the total number of investment units held by unitholders responding and being entitled to cast a vote.

With respect to vote counting for this agenda, the Management Company will not count the votes from the interested unitholders. In this regard, the Management Company will verify the interest of unitholders again after determining the name list of unitholders who are entitled to receive the letter requesting a resolution.

5. Process Schedule

The Management Company hereby schedules the date of determination of the name list of unitholders who are entitled to receive the letter requesting a resolution (Record Date) on 5 July 2021. The Management Company determines the delivery date of the letter requesting the unitholders' resolution and supporting documents to the unitholders on 12 July 2021 and determines the return date of the response

to the Management Company on 29 July 2021. The Management Company will gather and inform a result of the unitholders' resolution to the unitholders for acknowledgement via the portal of Stock Exchange of Thailand by 30 July 2021.

Please be informed accordingly.

Yours sincerely,



(Mr. Suttipan Kreemaha)

Senior Vice President

Head of the Property Fund and
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