

No. PFRD 029/2021

22 June 2021

Re: Notification of the Date of the Extraordinary General Meeting of Unitholders of Samui Buri Property Fund (SBPF) No. 2/2021 and the Record Date

To: The President
Stock Exchange of Thailand

Principal Asset Management Company Limited (“Management Company”), as management company of Samui Buri Property Fund or “SBPF” in short (“Fund”), organized the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021 on 9 April 2021 at 9:30 hrs. at Eastin Grand Hotel Sathorn Bangkok, and the Meeting had a mutual opinion to have the Management Company carry out the bidding process to seek for a purchaser of the Fund’s property without fixing a minimum bid price.

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

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

Agenda 2: To adopt the minutes of the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021 (for consideration)

As the Management Company arranged for the holding of the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021 on 9 April 2021, the Management Company has prepared and disclosed the minutes of the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021 as required by law. Therefore, the Management Company considers it appropriate to propose that the Unitholders’ Meeting consider adopting the minutes of the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021.

Management Company's opinion

The Management Company deems it appropriate that the Unitholders adopt the minutes of the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021, held on 9 April 2021, as proposed above, since the record of the said minutes has been correctly prepared.

Resolution

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

Agenda 3: To approve the disposal of the Fund's property (for approval)

The Management Company has carried out the general bidding process to seek for a purchaser of the Fund's property without fixing a minimum bid price, and the date of bid submission was scheduled on 10 June 2021. The Management Company would like to inform the Unitholders of the following details.

3.1 Financial status of the Fund

The Management Company hereby informs the Unitholders again of the Fund's financial status as reported in the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021, held on 9 April 2021, as follows.

The Fund's income is derived from the Property Lease Agreement made with the Lessee.

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

Year	Income	Expenditure	Net Balance	Cash Status	Note
2013				1,176,439.24	Financial status as at 31/12/2013
2014	48,716,833.33	43,380,929.19	5,335,904.14	6,512,343.38	Lessee paid part of the rent for 2014.

Year	Income	Expenditure	Net Balance	Cash Status	Note
2015	237,980.00	6,331,284.16	(6,093,304.16)	419,039.22	<p>Lessee did not pay the total amount of rent for 2015.</p> <p>In 2015, the Fund received compensation from the insurance company in the amount of THB 222,250 (waiting to repay it to Samui Buri Beach Resort Co., Ltd., which had made advance payment for the property repair cost).</p>
2016	10,000,249.25	418,817.98	9,581,431.27	10,000,470.49	<p>Compromised and settled with the Lessee by making the temporary lease agreement for a term of six months to seek for a new lessee and/or purchaser of the property.</p> <p>Made repayment to Samui Buri Beach Resort Co., Ltd. with the compensation of THB 222,250 from the insurance company (for the property repair cost paid in advance by Samui Buri Beach Resort) under the compromise agreement.</p>
2017	65,225,864.29	62,746,908.55	2,478,955.74	12,479,426.23	<p>House and land tax for 2013 - 2017 was levied by Koh Samui Municipality.</p>

Year	Income	Expenditure	Net Balance	Cash Status	Note
					No bids to rent and/or purchase the property were submitted. The temporary lease agreement was renewed with the existing Lessee for another year.
2018	7,368,884.25	12,038,316.74	(4,669,432.49)	7,809,993.74	No bids to rent and/or purchase the property were submitted. The temporary lease agreement was renewed with the existing Lessee for another three years.
2019	7,364,709.15	7,686,612.11	(321,902.96)	7,488,090.78	
2020	1,865,702.25	6,951,740.95	(5,086,038.70)	2,402,052.08	<p>The COVID-19 outbreak occurred. The hotel was closed, and foreign tourists were prohibited from entering Thailand.</p> <p>The Fund received rent from the Lessee only for January – March 2020.</p> <p>Cash (excluding unpaid cash) after deduction of unpaid expenses shall be THB 1,673,677.</p>

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

	2021	Note
Income		
Rental Fee	0	
Interest	600	
Total Income	600	
Expense		
Management Fee	0	Collection of fees suspended by the Management Company
Trustee Fee	504,000	The trustee being coordinated regarding consideration to suspend collection of fees
Registrar Fee	0	Collection of fees suspended by the Management Company
Legal Advisor Fee	1,000,000	Including estimated cost of the lawsuit against the Lessee
Audit Fee	300,000	Estimated fee. In the course of recruitment.
Registration Fee - Annual Basis	107,000	Activity imposed by legal provision
Property Appraisal Fee	125,000	Activity imposed by legal provision
Expense for Unitholders' Meeting	350,000	Activity imposed by legal provision
Insurance Premium	280,000	Activity imposed by legal provision
Other Expense	120,000	
Total Expenses	2,789,400	
Net Income before house and land tax	-2,788,800	
<i>Beginning cash (1 January)</i>	<i>1,673,677</i>	
<i>Ending cash (31 December)</i>	<i>-1,115,123</i>	

*Estimates made by the Fund Manager according to the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021, held on 9 April 2021.

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

3.2 Results of the bid opening to seek for a purchaser of the Fund's property

The Management Company hereby reports the results of the current bid opening to seek for a purchaser of the Fund's property to the Unitholders' Meeting for consideration and approval, as follows.

The Management Company has carried out the general bidding process to seek for a purchaser of Samui Buri Beach Resort, which is the Fund's property, as from 5 May 2021, and the date of bid submission was scheduled on 10 June 2021.

The Management Company would like to summarize results of the action, as follows.

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

1.1 Six persons made contact through brokers:

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

1.2 Three persons directly contacted the Management Company:

- (a) Propmaxx Co., Ltd.
- (b) Sinthoranee Property Co., Ltd.
- (c) Khun Jitapha Apipunya

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

3. The details of both parties' bid prices and conditions are shown below.

Bidder	Chayo Asset Management Co., Ltd.	Palm Beach Samui Asset Co., Ltd.
Broker	Mr. Kaiwan Worathepnitinan	Mr. Pakinai Sawatnavin
Bid price	THB 203,500,000	THB 230,000,000
Other condition	<p>If the Fund is unable to transfer the property within the prescribed date on 2 August 2021, the bidder agrees to extend the transfer period for another 120 days, without charging a penalty and interest.</p> <p>If the period of 120 days expires, and the Fund is still unable to transfer the property, the bidder agrees to extend the period for another 180 days and charge penalty interest at 10 percent per annum accrued on the purchase deposit from 2 August 2021 until the date of property transfer.</p>	<p>The bidder will, on the existing Lessee's behalf, pay the Fund the outstanding rent of THB 8,694,000 that the existing Lessee has not paid.</p> <p>The bidder agrees to, on the Fund's behalf, directly pay the existing Lessee the property renovation cost of THB 12,301,007 that the existing Lessee requests from the Fund.</p> <p>The bidder agrees to pay house and land tax that has not been levied by Koh Samui Municipality and to make such payment directly to the municipality.</p> <p>The bidder proposes that the Fund pay the withholding tax, corporate income tax, specific business tax and any other taxes related to ownership transfer.</p>

The Management Company has analyzed both offers in different aspects as follows.

1. Bid price

The Management Company considers as to whether the received bid prices are in accordance with the market mechanism, reflect the property value, and are appropriate.

1.1 Whether the received bid prices are in accordance with the market mechanism and reflect the property value.

This bid opening to seek for a purchaser of the property is the 5th time in a 5-year period. the Management Company has carried out four bid openings to seek for a new lessee and/or purchaser of the property, as shown below.

	Seeking	Action	Minimum Price	Result
1st bid opening 31 August 2016	Lessee and/or purchaser	CBRE (Thailand) Co., Ltd. was appointed as Bid Manager.	THB 700 million	No submission.
2nd bid opening 18 May 2017	Lessee and/or purchaser	Appointed CBRE (Thailand) Co., Ltd. to as a Bid Manager.	No minimum price fixed.	Bid was submitted for the tender purchase price of THB 550 million, but the bidder withdrew prior to the date of the Unitholders' Meeting.
3rd bid opening 16 March 2018	Lessee	The bidding process was carried out by the Management Company.		No submission.
4th bid opening 11 February 2021	Lessee and/or purchaser	Phoenix Property Development and Consultancy Co., Ltd. was appointed to act as Bid Manager.	THB 400 million	No submission.

In the previous four times where minimum prices for offers to purchase the property were fixed and no offers were submitted, this reflects the fact that even though the minimum prices fixed based on the property's appraisal prices were reduced each time, they were still higher than the prices or values

that the investors considered because of two reasons: the amount of renovation cost and the tourism market condition in the previous period, as follows.

(a) Investment in property renovation

In the past 4 - 5 years, the property has been leased out under temporary lease agreements for short terms of six months, one year, and three years. For the latest lease, the Lessee did not invest in property renovation for long-term business operation but sustained it to wait for a new lessee or purchaser from the seeking process that was being carried out by the Fund to accept the property transfer from the Fund.

As the hotel business requires marketing of no less than one year in advance, in conjunction with the temporary, short-term lease agreement, the Lessee is unable to obtain financial support from financial institutions for the purpose of property renovation in line with the marketing plan.

Furthermore, the mandatory closure of the hotel since April 2019 as a result of the 2019 coronavirus (COVID-19) outbreak caused the property to be improperly maintained, resulting in deterioration of its condition. The Management Company estimated the initial budget for property renovation of approximately THB 120 million, as reported to the Unitholders in the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021, held on 9 April 2021.

In any investment by investors, gross investment which includes purchase price, property renovation budget and marketing budget is a material factor in the consideration of the limit or value of the property that they are capable of buying in comparison with expected return.

(b) Tourism market condition

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

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

The second wave outbreak at the end of 2020 up to the third wave outbreak after Songkran in 2021 that is continuing to the present put off the hope of seeing recovery of the tourism sector until enough vaccines have been procured and provided to the public to the extent that the economic activities, including tourism, are acceptable again.

With respect to Koh Samui tourism market, the main businesses in connection with tourism, including hotels, restaurants, guided tours and other businesses, rely primarily on foreign tourists. In considering the tendency of hotel business on Koh Samui, the important factor is the impacts from the outbreak situation on the economic sector and recovery of the foreign markets.

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

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

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

Therefore, after considering the general bidding process, including the current and near-future conditions of the hotel and tourism market, the Management Company opines that the received bid prices are in accordance with the market mechanism and reflect the property value.

1.2 Whether the received bid prices are appropriate.

The property value may be considered in two aspects, i.e., the property value as appraised by the appraiser and the value of investment unit which can be classified into two types: net property value and market value of investment unit traded on the exchange.

The property value was appraised by the appraiser by using the income approach in accordance with the stipulation of the Office of the Securities and Exchange Commission (SEC Office) and

professional standards practiced by the appraiser. The said approach is suitable for an income-producing property in which an investor invests in the hope for income expected to gain in the future.

In the past six years since 2016, the appraised property value has decreased respectively, as follows:

Year	2016	2017	2018	2019	2020	2021
Property value	667.50	646.60	601.40	536.80	399.00	387.20
Forced sale price					299.00	299.00

The net property value per investment unit of the Fund has decreased as follows:

Year	2016	2017	2018	2019	2020	2021
Net property value per investment unit	7.3207	7.9193	7.3384	6.4134	4.6736	4.5305
Fund value	606.16	655.72	607.62	531.03	386.98	375.13

The average market price of investment unit has changed as follows:

Year	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	1 – 10 Jun 2021	Average in Six Months
Average price	2.88	2.52	2.41	2.72	2.40	2.19	2.20	2.42
Fund value	238.531	208.815	199.754	225.115	198.807	180.807	181.769	200.407

According to the foregoing, the bid prices received from both parties are lower than the property value appraised by using the income approach by 47.44 percent and 40.60 percent, respectively, and lower than the forced sale price by approximately 31.94 percent and 23.08 percent, respectively.

Considering the bid prices in comparison to the average investment unit prices on the exchange in the past six months, the bid price offered by Chayo Asset Management Co., Ltd. represents the value of approximately THB 2.46 per investment unit, and the bid price offered by Palm Beach Samui Asset Co., Ltd. represents the value of approximately THB 2.78 per investment unit. The prices offered by both are higher than the average prices in the past six months.

Considering it as a whole, it can be summarized that from the past four attempts of general bid opening to seek for a new lessee and/or purchaser, including this 5th attempt, the received bid prices reflect the view of the market towards the Fund's property under the current tourism market condition.

2. Other conditions

In addition to the price offers, the two bidders proposed other conditions to the Fund, which can be viewed as both parties having concerns about the property transfer to the successful bidder. However, the two bidders have different guidelines for management, as described below.

Bidder	Chayo Asset Management Co., Ltd.	Palm Beach Samui Asset Co., Ltd.
Other condition proposed	<ul style="list-style-type: none"> ❖ The bidder proposes the condition of time extension. If the Fund is unable to transfer the property by the prescribed date on 2 August 2021, the bidder agrees to extend the transfer period for another 120 days, without charging a penalty or interest. ❖ If the period of 120 days expires, and the Fund is still unable to transfer the property, the bidder agrees to extend the period for another 180 days and charge interest at 10 percent per annum accrued on the purchase deposit principal placed by the bidder with the Fund. 	<ul style="list-style-type: none"> ❖ The bidder agrees to pay the Fund the outstanding rent on the existing Lessee's behalf. ❖ The bidder agrees to, on the Fund's behalf, pay the Lessee the excess property renovation cost that the Lessee requests from the Fund. ❖ The bidder agrees to, on the Fund's behalf, pay house and land tax that has not been levied by Koh Samui Municipality and make such payment directly to the municipality upon collection. ❖ The bidder proposes that the Fund pay the withholding tax, corporate income tax, specific business tax and any other taxes related to ownership transfer.
Guidelines for management	<ul style="list-style-type: none"> ❖ In case of any objection or conflict between the Fund and the Lessee, the Fund shall solve the issue that occurs at its own expense. 	<ul style="list-style-type: none"> ❖ The bidder has made an agreement with the Lessee and attached the memorandum of agreement between the bidder and the Lessee

Bidder	Chayo Asset Management Co., Ltd.	Palm Beach Samui Asset Co., Ltd.
	<ul style="list-style-type: none"> ❖ Even though the Fund views that the current lease agreement is a temporary one which continues from the compromise agreement back in 2017, the Lessee may raise an objection and cause the Fund to pay enforcement costs and waste time, preventing the property from being transferred in time on 2 August 2021. ❖ If the matter can be settled within 120 days, the Fund will not be charged with interest by the bidder. ❖ If the enforcement of the agreement is prolonged, the Fund may be charged with interest in addition to legal costs and will be prevented from dissolving the Fund. The Unitholders will not receive their share of money until the property can be transferred to the bidder. 	<ul style="list-style-type: none"> to the bid submitted to the Fund on 10 June 2021. ❖ The Fund has no obligation (both in terms of expenses and performance period) to enforce the lease agreement. The property can be transferred on the scheduled date which is 2 August 2021. ❖ If the Fund has excess liquidity from the property disposal, the Fund may exercise its discretion to consider reducing the registered capital. If the registered capital decreases to lower than THB 500 million, calculated based on the par value of investment unit, the Fund will dissolve the Fund and further average out the money back to the Unitholders.

Furthermore, the Management Company checked the bidders' qualifications as to whether they were associated with or were the same group of persons as the current Lessee and found that both bidders are not connected to or associated with the current Lessee.

Summary of bid results and suggestions

From the results of bidding process to sell the Fund's property, the Management Company would like to summarize the analysis of the received offers and suggestions, as follows:

	Chayo Asset Management Co., Ltd.	Palm Beach Samui Asset Co., Ltd.	Remark
Bid price	THB 203,500,000	THB 230,000,000	<p>No minimum bid price fixed.</p> <p>This is in accordance with the discussion at the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021, held on 9 April 2021.</p> <p>The prices are lower than the forced sale price by approximately 31.94 percent and 23.08 percent, respectively.</p>
Other condition	<p>If the Fund is unable to transfer the property on 2 August 2021, the Fund will be given an extension of 120 days to remedy it, without being charged with penalty interest.</p> <p>If the Fund still cannot remedy it, it will be given another extension of 180 days and charged with penalty interest.</p>	<p>The bidder will assume the responsibility to pay outstanding obligation/debt between the Fund and the Lessee, as well as Koh Samui Municipality.</p>	

	Chayo Asset Management Co., Ltd.	Palm Beach Samui Asset Co., Ltd.	Remark
Direct expenses related to bidding process			
Brokerage fee (3 percent)	THB 6,105,000	THB 6,900,000	Payable by the Fund to broker
Other expenses except for those related to dissolution and liquidation of the Fund			
Legal costs	THB 200,000	-	
Bid price after initial expenses	THB 197,195,000	THB 223,100,000	
Average bid price after initial expense per investment unit	THB 2.38	THB 2.69	The average price in the past six months equals THB 2.42.
Conclusion	<p>The Fund has the burden to evict the current Lessee (if it refuses to move out), which may take indefinite time. There are other obligations between the Fund and the current Lessee and Koh Samui Municipality.</p> <p>The bid price is lower than the forced sale value by 31.94 percent.</p> <p>The average bid price after initial expenses per unit is lower than the average price in the past six months.</p>	<p>The Fund has no burden to evict the current Lessee and no other obligations between the Fund and the current Lessee and Koh Samui Municipality.</p> <p>The bid price is lower than the forced sale value by 23.08 percent.</p> <p>The average bid price after initial expenses per unit is higher than the average price in the past six months.</p>	

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

With respect to the other conditions, each bidder has different ways of dealing with the issues. The consideration shall therefore be mainly based on the Fund's interest.

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

Nonetheless, for the benefit of the Unitholders and for time and cost saving, the Management Company hereby proposes that the Unitholders' Meeting consider approving the disposal of property in the following orders:

1. To approve the disposal of the Fund's property to Palm Beach Samui Asset Co., Ltd. on the following key conditions.

- (a) Sale price is THB 230,000,000.
- (b) The purchaser pays the outstanding rental fees on the current Lessee's behalf in the amount of THB 8,694,000 upon waiver of penalty interest.
- (c) The purchaser pays the excess renovation cost of THB 12,301,007 on the Fund's behalf directly to the current Lessee.
- (d) The purchaser pays, on the Fund's behalf, house and land tax for 2018 and 2019 that has not been levied, to relevant authority upon collection.
- (e) The Fund pays the brokerage fee of THB 6,900,000 (3 percent of the sale price).

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

- (a) Sale price is THB 203,500,000.
- (b) If the Fund is unable to transfer the property on the scheduled date of 2 August 2021, the purchaser agrees to extend the transfer period for 120 days without charging penalty or interest.
- (c) If the period of 120 days expires, and the Fund is still unable to carry out the property transfer, the purchaser agrees to extend the transfer period for another 180 days. Additionally, the Fund shall be charged with interest at 10 percent per annum accrued on the purchase deposit principal placed by the purchaser with the Fund.
- (e) The Fund pays the brokerage fee of THB 6,105,000 (3 percent of the sale price).

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

Legal advisor's opinion

In disposing the Fund's real property, the Management Company shall carry it out openly and in the best interest of the Fund. The disposal of the Fund's significant real property may be done upon receiving of the Unitholders' resolution passed by votes of no less than three-fourths of the total number of investment units held by the Unitholders present at the meeting and entitled to vote pursuant to the Notification of Capital Market Supervisory Board No. TorNor. 36/2562 Re: Property Fund Management, dated 25 April 2019 (as amended).

If the Fund has excess liquidity from the property disposal, the Fund may exercise its discretion to consider reducing the registered capital as specified in the Fund Management Project by reducing the investment unit value, averaging out the money back to the Unitholders, and filing an application to amend the Fund's registered capital, as well as amending the registration particulars. If the registered capital decreases to lower than THB 500 million, calculated based on the par value of investment unit, the Management Company may dissolve the Fund and average out the money back to the Unitholders.

If the Unitholders' Meeting resolves to disapprove the disposal of property as proposed, the Fund, by the Management Company, shall enforce the claim for payment by the Lessee of all outstanding

rental fees, together with interest, under the Property Lease Agreement. It may be required to take both civil judicial action for breach of the Property Lease Agreement and criminal action for a cheque related offense, against the Lessee. In this regard, the Management Company has appointed a lawyer to proceed with filing of a complaint with the inquiry officer of Koh Samui Police Station, Surat Thani Province, to take legal action against the Lessee and its authorized directors.

Moreover, the current Property Lease Agreement contains the 2nd extension of the lease term under the temporary lease agreement, dated 30 January 2017, for which the Fund, Lessee and relevant parties made a compromise agreement in court to settle the dispute between them on 30 January 2017. The compromise agreement prescribes that the temporary lease agreement shall be an integral part thereof. The temporary lease agreement gives the parties an opportunity to extend the lease term thereunder, and when the extended temporary lease expires, the Lessee is obligated to return possession of the property and transfer the hotel business license and any other existing licenses used in the hotel business operation to the Fund or its designee within the timeframe determined by the Fund. As the current Property Lease Agreement is for extension of the lease term under the temporary lease agreement, the Fund may enforce return of the leased property and transfer of the hotel business license and any other licensed used in the hotel business operation in the Lessee's possession to the Fund or its designee upon expiration of the extended temporary lease, without the need to bring a new action. The Fund, as the judgment creditor, is entitled to petition to the court for execution in accordance with the compromise agreement and consent judgment. Nonetheless, as the extension of the lease term under the current Property Lease Agreement involves several terms and conditions different from those under the temporary lease agreement annexed to the compromise agreement, there is a risk that this could be challenged as to it being an entering into of a new lease agreement rather than an extension of the lease term under the temporary lease agreement. If the court views the said challenge favorably, the Fund will not be able to enforce return of the leased property and transfer of the required licenses to the Fund under the temporary lease agreement which is an integral part of the compromise agreement. The Fund will have to take action under the law by filing a new action to evict the Lessee from the property, which will necessitate funding and time to proceed.

Management Company's opinion

The Management Company is of the view that the Unitholders should consider approving the disposal of property in the proposed order because the action will be taken openly and in accordance with the opinion of the Extraordinary General Meeting of Unitholders of the Fund No. 1/2021, held on 9 April 2021, that the seeking shall be done without fixing a minimum price, and the conditions offered are beneficial to the Fund and the Unitholders.

Resolution

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

Unitholders with special interest

Based on the list of the Fund's Unitholders as of 19 March 2021, the Unitholders having special interest which are not entitled to vote on this agenda include Samui Buri Beach Resort Co., Ltd., holding 85,500 investment units, and Ms. Pornpat Praprutchob, holding 12,920 investment units, or equivalent to an aggregate of 0.12 percent of the total number of issued investment units of the Fund, that will not be included by the Management Company in the vote counting for this agenda item.

Agenda 4: Other matters (if any)

The Management Company will send out the invitation to the Extraordinary General Meeting of Unitholders of the Fund No. 2/2021 and supporting documents for each agenda no less than 14 days prior to the date of the said meeting. In addition, the Management Company has scheduled the record date on 6 July 2021.

Please be informed accordingly.

Yours sincerely,



(Mr. Suttipan Kreemaha)

Senior Vice President

Head of the Property Fund and

Real Estate Investment Trust Department

Property Fund and Real Estate Investment Trust Department

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