

**SAMUI BURI PROPERTY FUND**  
**AUDITOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 JULY 2021**  
**TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE UNITHOLDERS OF SAMUI BURI PROPERTY FUND**

#### **Opinion**

We have audited the financial statements of Samui Buri Property Fund ( the Fund) , which comprise the statement of financial position and the details of investments as of 4 November 2021 (dissolution date), and the statement of comprehensive income, changes in net assets and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the statement of financial position of Samui Buri Property Fund as of 4 November 2021 (dissolution date), its financial performance, changes in net assets and cash flows for the period from 1 July 2021 to 4 November 2021 (dissolution date), in accordance with accounting guidelines for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by The Securities and Exchange Commission, Thailand and in conformity with a liquidation basis of accounting applied on basis of financial statements presentation in the emphasis of matter paragraph.

#### **Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

- (1) As mentioned in Note to Financial Statements No.1, the Fund was dissolved on 4 November 2021 because on 19 October 2021, the Annual General Meeting of Unitholders of the year 2021 resolved to approve the dissolution of the Fund, with the majority number of votes of the total number of investment units held by the Unitholders attending the Meeting and eligible to vote. As a result, the financial statements of the Fund were prepared on a liquidation basis of accounting.

(2) We draw attention to Note 5 to the financial statements, which describes the dissolution of the Fund and the submitting bids to purchase the property in the general bidding on 10 June 2021 of 2 bidders. The Fund has entered into a sale and purchase agreements with both bidders. The conditions of sale and purchase and important schedule are set out in the agreements. The Fund expects the entire process to take a minimum of 60 days or more from the date on which the Unitholders' Meeting resolves to approve the dissolution of the Fund (19 October 2021). As a result, during the period ended 4 November 2021, the Fund recorded the fair values of investments in properties by reference to the price agreed in the sale and purchase agreement with the first purchaser net of selling expenses and other returns as stipulated in the agreement of Baht 229.80 million due to the Fund's management views that there is highly probable that the first purchaser will comply in accordance with the conditions of the sale and purchase agreement.

In this connection, we do not express a qualified opinion in respect of the abovementioned matters.

### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Fund's financial statements of the period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

### **The dissolution and valuation of investments in properties of the Fund**

We draw attention to Notes 1 and 5 to the financial statements, through the Annual General Meeting of Unitholders of the year 2021 dated 19 October 2021, the unitholders approved unanimously to dissolve the Fund and acknowledged the offering of investment in properties to 2 bidders. We give specific attention to such area because it is significant to the Fund's financial statements which affects to the consideration of the valuation of investment in properties that is offered for sale to the bidders. The Fund's Management may use judgment to the valuation of investments in properties.

Therefore, our audit included understanding, reviewing the dissolution of the Fund was proceeded according to the Securities and Exchange Commission's regulation, read the minute of meeting and related documents to ensure the Fund complied to the Securities and Exchange Commission's regulation, read the sale and purchase agreements and agreed the sale's value of investment in properties in the agreement to accounting record. We also reviewed the fair value calculation of investments in properties of the Fund's management by reference to the price agreed in the sale and purchase agreement, net of selling expenses and other returns as stipulated in the agreement and examined the related documents to ensure the appropriateness, completeness and correctness of the account record for the fair value calculation of investments in properties.

We also reviewed the adequacy of the disclosures of the note to the financial statements No. 1 and 5.

## **Others**

The financial statements of the Fund for the year ended 30 June 2021, were audited by another auditor who expressed an unqualified opinion on those statements on 30 August 2021.

## **Other information**

The Fund's management is responsible for the other information. The other information comprises the information included in the Fund's Annual Report, but does not include the financial statements and our auditor's report thereon. We reckoned that we would receive the Annual Report after the date of our report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we have read the Fund's Annual Report and if we conclude that there is significant material misstatement of this other information, we are required to report that fact to the Fund's management to correct the misstatement.

## **Responsibilities of Fund's Management for the Financial Statements**

The Fund's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting guidelines for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by The Securities and Exchange Commission, Thailand, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund's management is responsible for assessing the Fund's ability and disclosing matters related to going concern. In preparation and presentation of the Fund's financial statements, the Fund's management considers using liquidation basis of accounting because of the Fund was dissolved on 4 November 2021.

The Fund's management is responsible for overseeing the Fund's financial reporting preparation process.

## **Auditor's Responsibilities for the Audit of the Financial Statements.**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund's management.
- Conclude on the appropriateness of Fund's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Fund's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide with Fund's management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Fund's management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Prasitporn Kesama.



Mr. Prasitporn Kesama

Certified Public Accountant No. 9910

ASV & ASSOCIATES LIMITED

Bangkok

8 December 2021

**SAMUI BURI PROPERTY FUND**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF 4 NOVEMBER 2021(DISSOLUTION DATE)**

**UNIT : BAHT**

<b>ASSETS</b>	<b>NOTES</b>	<b>4 November 2021</b>	<b>30 June 2021</b>
Investments at fair value (at cost 4 November 2021 : Baht 828,000,000) (at cost 30 June 2021 : Baht 828,000,000)	5, 14	229,801,080.80	387,200,000.00
Cash and cash equivalents	6	13,772,081.85	3,147,497.09
Rental receivable	7	-	-
Other receivables		775,450.44	782,591.88
Prepaid expenses		-	148,838.74
Other assets		230,813.84	182,806.13
<b>TOTAL ASSETS</b>		<b>244,579,426.93</b>	<b>391,461,733.84</b>
<b>LIABILITIES</b>			
Accrued expenses	8	16,647,352.12	15,229,954.93
Deposits received from purchase of properties	5	11,500,000.00	-
Other liabilities		3,845.12	5,978.58
<b>TOTAL LIABILITIES</b>		<b>28,151,197.24</b>	<b>15,235,933.51</b>
<b>NET ASSETS</b>		<b>216,428,229.69</b>	<b>376,225,800.33</b>
<b>NET ASSETS :</b>			
Capital received from unitholders	1	828,000,000.00	828,000,000.00
Deficits	9	(611,571,770.31)	(451,774,199.67)
<b>NET ASSETS</b>		<b>216,428,229.69</b>	<b>376,225,800.33</b>
Net assets per unit		2.6138	4.5437
Total outstanding investment units at the end of period/year (units)		82,800,000.0000	82,800,000.0000

The accompanying notes are an integral part of the financial statements.

**SAMUI BURI PROPERTY FUND**  
**DETAILS OF INVESTMENTS**  
**AS OF 4 NOVEMBER 2021(DISSOLUTION DATE)**

UNIT : BAHT

Details of investment are classified by type of investments.

Type of Investments	As of 4 November 2021			As of 30 June 2021		
	Cost/PrInclpal	Fair Value	Percentage of	Cost/PrInclpal	Fair Value	Percentage of
	(Baht)	(Baht)	(Percentage)	(Baht)	(Baht)	(Percentage)
<b>Investments in properties</b>						
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	828,000,000.00	229,801,080.80	100.00	828,000,000.00	387,200,000.00	100.00
<b>Total Investments in properties</b>	<b>828,000,000.00</b>	<b>229,801,080.80</b>	<b>100.00</b>	<b>828,000,000.00</b>	<b>387,200,000.00</b>	<b>100.00</b>
<b>Total investments</b>	<b>828,000,000.00</b>	<b>229,801,080.80</b>	<b>100.00</b>	<b>828,000,000.00</b>	<b>387,200,000.00</b>	<b>100.00</b>

The accompanying notes are an integral part of the financial statements.



**SAMUI BURI PROPERTY FUND**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

**UNIT : BAHT**

	<u>NOTES</u>	<u>For the period 1/7/21 - 4/11/21</u>	<u>For the year ended 30 June 2021</u>
<b>INCOME</b>			
Rental income		600,000.00	7,200,000.00
Interest income		127.92	445.84
<b>TOTAL INCOME</b>		<b><u>600,127.92</u></b>	<b><u>7,200,445.84</u></b>
<b>EXPENSES</b>			
Management fee	<i>10, 11</i>	800,660.87	2,392,207.73
Trustee fee	<i>10</i>	160,132.15	478,517.16
Registrar fee	<i>10, 11</i>	133,443.50	398,701.27
Professional fee		827,502.50	2,186,935.90
Expected credit loss		600,000.00	6,000,000.00
Land and building tax (Reversal)		(16,672.79)	(2,405,053.00)
Other operating expenses		493,713.13	1,599,283.60
<b>TOTAL EXPENSES</b>		<b><u>2,998,779.36</u></b>	<b><u>10,650,592.66</u></b>
<b>NET INVESTMENT LOSS</b>		<b><u>(2,398,651.44)</u></b>	<b><u>(3,450,146.82)</u></b>
<b>NET GAIN (LOSS) ON INVESTMENTS</b>			
Net loss on change in fair value of investments	<i>5, 14</i>	(157,398,919.20)	(11,800,000.00)
<b>TOTAL NET LOSS ON INVESTMENTS</b>		<b><u>(157,398,919.20)</u></b>	<b><u>(11,800,000.00)</u></b>
<b>DECREASE IN NET ASSET FROM OPERATIONS</b>		<b><u>(159,797,570.64)</u></b>	<b><u>(15,250,146.82)</u></b>

The accompanying notes are an integral part of the financial statements.

**SAMUI BURI PROPERTY FUND**

**STATEMENTS OF CHANGES IN NET ASSETS**

**FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

**UNIT : BAHT**

	<b>For the period</b>	<b>For the year ended</b>
	<b>1/7/21 - 4/11/21</b>	<b>30 June 2021</b>
<b>Decrease in net assets from operations during the period/year</b>		
Net investment loss	(2,398,651.44)	(3,450,146.82)
Net loss on investments	(157,398,919.20)	(11,800,000.00)
<b>Net decrease in net assets from operations</b>	<b>(159,797,570.64)</b>	<b>(15,250,146.82)</b>
<b>Decrease in net assets during the period/year</b>	<b>(159,797,570.64)</b>	<b>(15,250,146.82)</b>
Net assets at the beginning of the period/year	376,225,800.33	391,475,947.15
<b>Net assets at the ending of the period/year</b>	<b>216,428,229.69</b>	<b>376,225,800.33</b>

**UNIT : UNIT**

<b>Changes of investment units (Baht 10 per unit)</b>		
Investment units at the beginning of the period/year	82,800,000.0000	82,800,000.0000
<b>Investment units at the ending of the period/year</b>	<b>82,800,000.0000</b>	<b>82,800,000.0000</b>

The accompanying notes are an integral part of the financial statements.

**SAMUI BURI PROPERTY FUND****STATEMENTS OF CASH FLOWS****FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)****UNIT : BAHT**

	<b>For the period</b>	<b>For the year ended</b>
	<b>1/7/21 - 4/11/21</b>	<b>30 June 2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Decrease in net assets from operations</b>	<b>(159,797,570.64)</b>	<b>(15,250,146.82)</b>
Adjustments reconcile the increase (decrease) in net assets from operations -		
to net cash provided by (used in) operating activities		
Expected credit loss	600,000.00	6,000,000.00
Increase in rental receivables	(600,000.00)	(4,800,000.00)
Decrease in other receivable	7,141.44	1,015,200.02
(Increase) decrease in prepaid expenses	148,838.74	(4,056.54)
Increase in other assests	(48,007.71)	(103,785.68)
Increase (decrease) in accrued expenses	1,417,397.19	(2,038,552.11)
Increase in deposits received from purchase of properties	11,500,000.00	-
Increase (decrease) in other liabilities	(2,133.46)	3,262.99
Net loss on change in fair value of investments	157,398,919.20	11,800,000.00
<b>Net cash provided (used in) operating activities</b>	<b>10,624,584.76</b>	<b>(3,378,078.14)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10,624,584.76</b>	<b>(3,378,078.14)</b>
Cash and cash equivalents at the beginning of the period/year	3,147,497.09	6,525,575.23
<b>Cash and cash equivalents at the ending of the period/year</b>	<b>13,772,081.85</b>	<b>3,147,497.09</b>

The accompanying notes are an integral part of the financial statements.

## **SAMUI BURI PROPERTY FUND**

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

**UNIT : BAHT**

#### **1. DESCRIPTION OF SAMUI BURI PROPERTY FUND**

Samui Buri Property Fund (“The Fund”) is a close-ended property fund which no project life stipulated. The Fund was approved by the Office of the Securities and Exchange Commission (“SEC”) on 22 July 2010 with the initial registered value of investment units is Baht 828 million (divided into 82.80 million investment units of Baht 10 each).

The Fund has the key objective to use the proceeds from sale of investment units to invest in land and condominium in “Samui Buri Beach Resort Hotel” (except for the sports club), including tools and equipments and other assets in order to generate rental income or other benefits, located in Amphur Koh Samui, Surat Thani.

Principal Asset Management Company Limited is the Management Company and the Fund Registrar and Citibank N.A. is the Trustee.

The Fund has a policy to pay dividend according to the procedures as specified in the prospectus.

On 19 October 2021, the Annual General Meeting of Unitholders of the year 2021 resolved to approve the dissolution of the Fund, with the majority number of votes of the total number of investment units held by the Unitholders attending the Meeting and eligible to vote. The dissolution was registered with the Securities and Exchange Commission on 4 November 2021. Principal Asset Management Public Company Limited is the liquidator.

#### **2. BASIS FOR PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS**

**2.1** The Fund was dissolved on 4 November 2021 because of the conditions for termination of the project according No. 1. As a result, the financial statements for the period from 1 July 2021 to 4 November 2021 (Dissolution date) are prepared on a liquidation basis. Under the liquidation basis, all assets are stated at the estimated realizable amounts and all liabilities are stated at the estimated settlement amounts.

**2.2** The financial statements have been prepared in accordance with accounting guidelines for the Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust established by the Association of Investment Management Companies and endorsed by The Securities and Exchange Commission, Thailand. For the areas not covered by the accounting guidelines, the Fund applies the requirements in accordance with Thai Financial Reporting Standards issued by the Thailand Federation of Accounting Professions (TFAC) which effective on financial reporting period of the financial statements.

## SAMUI BURI PROPERTY FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

#### FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)

UNIT : BAHT

**2.3** The financial statements in Thai language are the official statutory financial statements of the Fund. The financial statements in English language have been translated from Thai language financial statements.

**2.4** Use of accounting estimates

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate are revised and in any future periods affected.

### **3. NEW FINANCIAL REPORTING STANDARDS**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

**3.1** Financial reporting standards that became effective in the current year

The TFAC issued and revised the financial reporting standards and interpretations and new accounting treatment guidance that are effective for fiscal years beginning on or after 1 July 2020. These financial reporting standards do not have any significant impact on the financial statements. The new standard involves changes to key principles are as follows:-

- The set of TFRSs related to financial instruments consists of five accounting standards and interpretations consist of:-

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The Fund adopted these financial reporting standards which the Fund's manager has considered that the above recognition does not have any significant impact on the adjustment of the deficit as of 1 July 2020.

## **SAMUI BURI PROPERTY FUND**

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

**UNIT : BAHT**

- **IFRS 16 Leases**

IFRS 16 supersedes TAS 17 Leases together with related Interpretations. However, accounting by lessors under IFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Fund adopted these financial reporting standard which the Fund's manager has considered that the above recognition does not have any significant impact on the adjustment of the deficit as of 1 July 2020.

#### **3.2 New financial reporting standards issued and not yet effective**

In addition to financial reporting standards issued and revised as mentioned above the IFRS has also issued and revised the other number of financial reporting standards which will become effective for annual financial periods beginning on or after 1 July 2021. The Fund does not plan to early adopt these IFRS. The Fund's management has assessed the effect of the above financial reporting standards and believes that these standards will not have significant impact on the financial statements for the year in which they are effective.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Revenue and expense recognitions**

- Rental income under operating leases is recognized as revenue in the statements of comprehensive income on a straight-line basis over the term of the leases. The recognized revenue which is not yet due per the operating lease agreements has been presented under the caption of "Rental receivables".
- Interest is recognized as income on a time proportion basis.
- Other income and other expenses are recognized on the accrual basis.

### **4.2 Investment measurement**

Investment is recognized as asset at the cost of investment on the date of which the Fund has the right on investment. The cost of investment includes the purchase price and all direct expenses which the Fund paid to acquire the investment.

Investment in property is stated at fair value and is not depreciated. The valuation is made by an independent appraiser every 2 years and the valuation will also be reviewed within one year after the last valuation date, except for the period before the initial appraisal, which had been stated at the purchasing price according to the SEC's Notification.

## **SAMUI BURI PROPERTY FUND**

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

**UNIT : BAHT**

Net unrealized gains or losses arising from the revaluation of investments at fair value is reflected in the statements of comprehensive income on the measurement date.

#### **4.3 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from the date of acquisition which are not used as collaterals.

#### **4.4 Rental receivable and allowance for expected credit losses**

The Fund assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Fund and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Fund reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

#### **4.5 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date.

The Fund apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Fund measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

## **SAMUI BURI PROPERTY FUND**

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

**UNIT : BAHT**

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Fund determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **4.6 Impairment of financial assets**

The Fund recognises an allowance for expected credit losses on its financial assets measured at amortised cost without considering credit-impaired events occurred. The Fund accounts for changes in expected credit losses in stages with different methods to determine the allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not have significant financing components, the Fund applies a simplified approach to determine the lifetime expected credit losses.

#### **4.7 Income tax**

The Fund is responsible for paying corporate income tax on the assessable income under the Section 40 (4) (a) of the Revenue Code (interest and discount) at the rate of 15% of income before deducting any expenses, which is effective from 20 August 2019.

### **5. INVESTMENTS IN PROPERTIES**

Investment in property represented investments in land and building including furniture and equipments and other assets as follows :-

- The Fund invested in properties, the Samui Buri Beach Resort sized of 88 rooms, consisted of 5 plots of land, total area is 13-0-27 rai and buildings, total area is 15,772.86 sqm. close to the river with beach width of 6.5 meter with facilities, swimming pool, dining room and parking area for hotel business. The land and building are located at 26/24, Soi Wat Nha Pra Lan, Tambon Mae Nam, Amphur Koh Samui, Surat Thani, which has been bought and transferred on 22 July 2010 in the amount of Baht 828.00 million.

As of 30 June 2021, the Fund has hired an independent appraisal company, Global Asset Valuer Company Limited to appraise the value of the investment in properties. According to the appraisal report dated 5 May 2021, the method used in appraising the properties is income approach under discounted cash flows indicated is the appraisal values of Baht 387.20 million (Note 14).



## SAMUI BURI PROPERTY FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

#### FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)

UNIT : BAHT

Key assumptions used in the valuation are summarized below :-

Key assumptions	Assumptions	Effect to fair value when increase assumption value
Rental per square meter (Baht)	1,729 – 3,650	Increase in fair value
Discount rates (%)	12	Decrease in fair value
Capitalization rates (%)	9	Decrease in fair value
Occupancy rates (%)	15 - 70	Increase in fair value

For the year ended 30 June 2021, the Fund recorded loss on change in fair value of investments in the statement of comprehensive income amounting to Baht 11.80 million.

On 19 October 2021, the Annual General Meeting of Unitholders of the year 2021 resolved to approve the dissolution of the Fund, with the majority number of votes of the total number of investment units held by the Unitholders attending the Meeting and eligible to vote. The Unitholders acknowledged the submitting bids to purchase the property in the general bidding on 10 June 2021 of 2 bidders (Palm Beach Samui Asset Co., Ltd. (first purchaser) and Chayo Asset Management Co., Ltd. (second purchaser)). The Fund has entered into a sale and purchase agreements with both bidders according to the agreements dated 23 September 2021. The conditions of sale and purchase and important schedule are as follows:-

- 1) To dispose of the Fund's property to Palm Beach Samui Asset Co., Ltd. on the following key conditions.
  - The sale price shall be Baht 230 million. The Fund had already received the deposit of Baht 11.50 million on 26 October 2021.
  - The purchaser pays, on the current Lessee's behalf, the outstanding rental fees of Baht 8.69 million and waives the interest and penalty.
  - The purchaser pays directly to the current Lessee, the excess improvement cost of Baht 12.30 million. The excess improvement cost is not Fund's liabilities.
  - The registration of property transfer is scheduled within 60 days from the date on which the Unitholders' Meeting resolves to approve the dissolution of the Fund and the Management Company is appointed as the Fund's liquidator. The property transfer period may be extended for no more than 30 days. Palm Beach Samui Asset Co., Ltd. will pay, on the current Lessee's behalf, the outstanding rental fees of Baht 8.69 million on the date of request for extension of the property transfer registration period.

## **SAMUI BURI PROPERTY FUND**

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#### **FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

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- The purchaser pays, on the Fund's behalf, house and land tax for 2018 and 2019, as well as land and building tax, that have not been levied to relevant authority upon collection.
  - The purchaser pays the fee for registration of ownership transfer, and the Fund pays withholding tax, corporate income tax, specific business tax and any other taxes related to the ownership transfer.
  - The Fund pays the commission fee of Baht 6.90 million (3 percent of the sale price).
- 2) In the event that Palm Beach Samui Asset Co., Ltd. is unable to accept the property transfer as scheduled or within any period of time the liquidator deems appropriate to extend, the Fund shall dispose of the property to Chayo Asset Management Co., Ltd. and/or its affiliate on the following key conditions.
- The sale price shall be Baht 203.50 million.
  - The Fund will notify Chayo Asset Management Co., Ltd. upon Palm Beach Samui Asset Co., Ltd. being unable to accept the property transfer as scheduled or within any other extended period. Chayo Asset Management Co., Ltd. shall pay the sale and purchase deposit of Baht 20.35 million to the Fund upon receiving such notice.
  - The transfer of property is scheduled within 30 days from the date of receipt of written notice from the Fund.
  - If the Fund is unable to transfer the property as scheduled from the date on which the purchaser receives written notice from the Fund, the purchaser agrees to extend the transfer period for 120 days without charging penalty or interest.
  - If the period of 120 days expires, and the Fund is still unable to carry out the property transfer, both parties agree to extend the transfer period for another 180 days. Additionally, the Fund shall be charged with interest at 10 percent per annum accrued on the principal of purchase deposit placed by the purchaser with the Fund.
  - The purchaser pays the fee for ownership transfer registration at 1 percent, and the Fund pays the remaining fee for ownership transfer registration (1 percent), bank charges, taxes and any other expenses related to the ownership transfer.
  - The Fund pays the commission fee of Baht 6.11 million (3 percent of the sale price).

## SAMUI BURI PROPERTY FUND

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As of 4 November 2021 (dissolution date), the Fund recorded the fair values of investments in properties by reference to the price agreed in the sale and purchase agreement with the first purchaser net of selling expenses and other returns as stipulated in the agreement of Baht 229.80 million (Note 14) due to the fund management views that there is highly probable that the first purchaser will comply in accordance with the conditions of the sale and purchase agreement as follows:-

- 1.) Due Diligence had been undertaken by the buyer prior to offering and entering into sale and purchase agreement.
- 2.) The Fund had already received the deposit of Baht 11.50 million from the buyer.
- 3.) In real estate transaction, it is unlikely that the buyer who already undertaking due diligence, made an offer, entered into sale and purchase agreement and paid security deposit would not proceed with transaction except for the unforeseen reasons which did not discovered in due diligence process such as the asset was expropriated or due to the natural disasters that significantly impact on the usage and/or value of the asset, which may lead to termination of the sale and purchase agreement or re-negotiation on terms and conditions.

The Fund recorded loss on change in fair value of investments in the statement of comprehensive income for the period ended 4 November 2021 (dissolution date) in the amount of Baht 157.40 million.

As of the date of this report, the properties have not been transferred between the Fund and the buyer.

#### 6. CASH AND CASH EQUIVALENTS

As of 4 November 2021 (dissolution date) and 30 June 2021, cash and cash equivalents consisted of:-

Bank	4 November 2021		30 June 2021	
	Baht	Interest rate (%)	Baht	Interest rate (%)
<u>Saving account</u>				
Citibank N.A.	13,772,081.85	0.05	3,147,497.09	0.05
Total	13,772,081.85		3,147,497.09	

**SAMUI BURI PROPERTY FUND****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)**

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**7. RENTAL RECEIVABLES - NET**

As of 4 November 2021 (dissolution date) and 30 June 2021, the outstanding balances of rental receivables as follows:-

	<b>4 November 2021</b>	<b>30 June 2021</b>
Rental receivable	8,400,000.00	7,800,000.00
<u>Less</u> allowance for expected credit losses	(8,400,000.00)	(7,800,000.00)
Net	-	-

**8. ACCRUED EXPENSES**

	<b>4 November 2021</b>	<b>30 June 2021</b>
Accrued property tax expense	12,080,000.00	12,163,280.00
Other accrued expenses	4,567,352.12	3,066,674.93
Total	16,647,352.12	15,229,954.93

**9. DEFICITS**

Movements of deficit for the period ended 4 November 2021 (dissolution date) and for the year ended 30 June 2021, are as follows:-

	<b>4 November 2021</b>	<b>30 June 2021</b>
Beginning balance as of the period/year	(451,774,199.67)	(436,524,052.85)
Net investment loss	(2,398,651.44)	(3,450,146.82)
Loss on change in fair value of investments	(157,398,919.20)	(11,800,000.00)
Ending balance as of the period/year	(611,571,770.31)	(451,774,199.67)

**10. EXPENSES**

The Management Company serves as the Fund's manager and Fund registrar. Citibank N.A. serves as the trustee of the Fund's assets and bank accounts. The fees are charged as follows:-

- Management fee is charged at the rate of not exceeding 1.00 per cent per annum (exclusive of value added tax) of the Fund's net asset value.
- Trustee fee is charged at the rate of not exceeding 0.50 per cent per annum (exclusive of value added tax) of the Fund's net asset value.

## SAMUI BURI PROPERTY FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

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- Registrar fee is charged at the rate of not exceeding 0.10 per cent per annum (exclusive of value added tax) of the Fund's net asset value.

#### 11. RELATED PARTY TRANSACTIONS

The Fund had significant business transactions with the Management Company and other enterprises, which share the same shareholders and/or director as the Management Company and the Fund.

<b>Related companies</b>	<b>Relationship</b>
Principal Asset Management Co., Ltd.	Management Company, the Fund Registrar and Liquidator

Significant transactions for the period ended 4 November 2021 (dissolution date) and for the year ended 30 June 2021 are summarized below:-

<b>Related companies</b>	<b>4 November 2021</b>	<b>30 June 2021</b>	<b>Pricing Policy</b>
<b>Principal Asset Management Co., Ltd.</b>			
Management fee	800,660.87	2,392,207.73	As specified in the agreement and prospectus (Note 10)
Registrar fee	133,443.50	398,701.27	As specified in the agreement and prospectus (Note 10)

As of 4 November 2021 (dissolution date) and 30 June 2021, the Fund had significant outstanding balances with related party as follows:-

<b>Related companies</b>	<b>4 November 2021</b>	<b>30 June 2021</b>
<b>Principal Asset Management Co., Ltd.</b>		
Accrued management fee	2,041,574.01	1,213,837.65
Accrued registrar fee	340,262.34	202,306.27

#### 12. COMMITMENTS

The Fund is obliged to pay management fee, trustee fee, registrar fee, advertising, public relation, and promotion expenses and others expenses under the agreements and/or the prospectus.

#### 13. SEGMENT INFORMATION

The Fund has operated under one geographical activity for segment information which is rental of properties in Thailand. Therefore, income, gains and assets shown in the financial statements are related to the mentioned business sector and geographical area.

## SAMUI BURI PROPERTY FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

#### FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)

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#### 14. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Fund does not speculate or engage in the trading of any derivative financial instruments.

##### ● Fair Value

- As the majority of financial assets and liabilities of the fund of the financial statement are classified in short-term, the fair values are close to the carrying amount such as  
Financial assets consisted of cash and cash equivalents and rental receivables.  
Furthermore, the investment properties have been appraised regularly by an independent appraiser consistently. Therefore, the Fund's management believes that the carrying values of assets and liabilities do not differ materially from their fair values.
- The Fund uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant the Financial Reporting Standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.
- In applying the above-mentioned valuation techniques, the Fund endeavors to use relevant observable inputs as much as possible in accordance with fair value hierarchy.
- The fair value of investments in properties excluded unearned rental and service income, and deferred income from operating lease agreements and added back with lease liabilities.

As of 4 November 2021 (dissolution date), the Fund had the financial assets that were measured at fair value through profit or loss using different levels of inputs as follows

	Level 1	Level 2	Level 3	Total
Investment in properties	-	-	229,801,080.80	229,801,080.80

As of 30 June 2021, the Fund had the financial assets that were measured at fair value through profit or loss using different levels of inputs as follows

	Level 1	Level 2	Level 3	Total
Investment in properties	-	-	387,200,000.00	387,200,000.00

**SAMUI BURI PROPERTY FUND****NOTES TO THE INTERIM FINANCIAL STATEMENTS****FOR THE PERIOD FROM 1 JULY 2021 TO 4 NOVEMBER 2021 (DISSOLUTION DATE)****UNIT : BAHT****Valuation techniques and inputs of Level 3 valuations:-**

As of 4 November 2021 (dissolution date) and 30 June 2021, the effect of fair value measurements using significant unobservable inputs (level 3) are as follow :-

<b>Investment in properties</b>	<b>4 November 2021</b>	<b>30 June 2021</b>
Beginning balance of the period/year	387,200,000.00	399,000,000.00
Loss on change in fair value of investments	(157,398,919.20)	(11,800,000.00)
Ending balance of the period/year	229,801,080.80	387,200,000.00

As of 4 November 2021 (dissolution date), the fair value assessment of the investment in properties in level 3 was calculated by the Fund's management (Note 5).

As of 30 June 2021, the fair value assessment of the investment properties in level 3 has been determined based on the income approach and discounted cash flow projections. The independent appraiser applied discount rate at 12 per cent of by reference to yield rate of government bond plus risk of investment in the property, generated cash flow and other factors. Furthermore, there are principal assumptions for the assessment which comprise of capitalization rate of 9 per cent. Valuations are performed as of the financial reporting date by an independent appraiser who holds recognized and relevant professional qualifications and has recent experience in the location and category of the investment properties.

The sensitivity analysis for significant assumptions used in investment in properties valuation can be analyzed as follows:-

	<b>Change in assumption</b>	<b>Change in fair value increase (decrease) (million Baht)</b>
		<b>30 June 2021</b>
Discount rate	Increase 0.5%	(13.60)
Discount rate	Decrease 0.5%	14.20
Capitalization rate	Increase 0.5%	(10.50)
Capitalization rate	Decrease 0.5%	11.70
Rental growth rate	Increase 0.5%	10.90
Rental growth rate	Decrease 0.5%	(10.60)

During the current period, there were no transfers within the fair value hierarchy.

**SAMUI BURI PROPERTY FUND**

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● **Interest rate risk**

Interest rate risk represents risk from investment in debt instruments and bank deposits. However, since the Fund's assets and liabilities are subject to interest rates close to current market rate; therefore, risk from interest rate is minimum.

● **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 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 statement of financial position represents the Fund's maximum exposure to credit risk.

● **Liquidity risk**

The Fund manages enough cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities.

● **Foreign currency risk**

The Fund has no financial assets and liabilities in foreign currency. Hence there is no foreign currency risk.

● **Market risk**

The Fund is exposed to risks from rental income whose returns on investment fluctuate depend on domestic and overseas factors including the economic and political situations, natural disasters and the condition of the financial market.

● **Risk Management**

The Fund manages the risk that may arise from the investment by specifying risk management policies such as considering the ability to pay the rents of the lessee, cancellation or not renew the leases, the net asset value of the fund may not be the true value and competitions, etc.

**15. RECLASSIFICATION**

The Fund's financial statements for the year ended 30 June 2021 have been reclassified to conform to the current period. The reclassification does not have any effect to the previously reported decrease in net assets from operations or net assets.



**SAMUI BURI PROPERTY FUND**

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**16. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issuance by the authorized persons of the Fund on 8 December 2021.