

**Minutes of the Meeting of Unitholders No. 1/2024 of  
Erawan Hotel Growth Property Fund (ERWPF)**

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**Date, Time, and Place of Meeting**

The Meeting of Unitholders No. 1/2024 of Erawan Hotel Growth Property Fund (ERWPF) (the “**Fund**”) was held on 27 February 2024 at 14:00 hrs. at Grand Ballroom A, The Westin Grande Sukhumvit, Bangkok.

**The Meeting started at 14:00 hrs.**

**Introduction to the Meeting**

Prior to the commencement of the Meeting, Mr. Navabool Thongongarj, who acted as the meeting moderator (the “**Moderator**”), provided preliminary information about the Meeting by clarifying that this Meeting of Unitholders No. 1/2024 was held at Grand Ballroom A, The Westin Grande Sukhumvit, Bangkok, with attendees consisting of the unitholders, proxies from the unitholders, the Fund’s executives, Legal Advisor, Independent Financial Advisor, Fund Supervisor and those involved in organizing the Meeting. The Moderator further explained that the Management Company will publish the minutes of the Meeting, including questions and answers at the Meeting of Unitholders No. 1/2024 of the Fund through the website of SCB Asset Management Company Limited, as the Management Company of the Fund (the “**Management Company**”) and shall keep the unitholders informed about such publication via the Stock Exchange of Thailand’s website within 14 days from the meeting date or by 12 March 2024.

Subsequently, the Moderator introduced the attendees as follows:

**Management Company:** SCB Asset Management Company Limited

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|--------------------|---------------|--|
| 1. Mrs. Tipaphan   | Puttarawigorm | Executive Director,<br>Property & Infrastructure Investment Group                  |
| 2. Miss Daraneerat | Lerdpitmetha  | Senior Associate,<br>Property & Infrastructure Investment Management<br>Department |

**Independent Financial Advisor:** Jay Capital Advisory Company Limited

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|------------------|-----------------|---------------------------------|
| 1. Miss Jirayong | Anuman-Rajadhon | Managing Director               |
| 2. Mr. Chalit    | Udompornwattana | Senior Assistant Vice President |
| 3. Miss Achiraya | Varthamani      | Manager                         |

**Legal Advisors:** Chandler MHM Company Limited

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| 1. Miss Tananan  | Thammakiat  | Partner |
| 2. Mr. Tawatchai | Boonmayapan | Partner |

**Fund Supervisor:** Kasikornbank Public Company Limited

1. Miss Uthaiwan Kurattanakul Assistant Vice President, Securities Services Department
2. Miss Sukatorn Tongchai Assistant section head, Securities Services Department

Additionally, during the vote counting, the Fund Supervisor's representatives attending the Meeting in person shall act together with the Management Company as the witnesses of the vote counting and will invite the volunteered Unitholders attending the Meeting in person as the co-witnesses in order to illustrate transparency and to comply with the principles of good governance.

**Commencement of the Meeting**

Mrs. Tipaphan Puttarawigorm acted as the Chairperson of the Meeting (the "**Chairperson**"). The Chairperson welcomed the Unitholders to the Meeting of Unitholders No. 1/2024 (the "**Meeting**") and notified the quorum of the Meeting for acknowledgment that as of 25 January 2024, which is the record date to determine the unitholders who are entitled to attend the Meeting of Unitholders No. 1/2024, the total number of unitholders was 2,058 unitholders with the total 176,100,000 units sold. The number of unitholders attending at the start of the Meeting was 68 unitholders in person and 21 unitholders by proxy, respectively, equivalent to a total of 89 unitholders representing 122,517,090 units or 69.5725 percent of the total units sold. The quorum was, therefore, constituted in accordance with the requirement that the Meeting of Unitholders requires a total of at least 25 unitholders, holding at least one-third of the total units sold.

Consequently, the Chairperson opened the Meeting of Unitholders No. 1/2024 of the Fund and asked the Moderator to explain the Meeting's criteria and procedures to the Meeting of Unitholders.

Before proceeding with the information to be report for acknowledgment and for consideration and approval according to the agendas, the Moderator invited Miss Tananan Thammakiat to declare to the Meeting regarding the publication of the Invitation to the Meeting of Unitholders No. 1/2024 along with its enclosures on the Management Company's website, as well as to inform regarding the news publication on the website of the Stock Exchange of Thailand from 6 February 2024 onwards, to allow the Unitholders to consider the information at the Meeting of the Unitholders No. 1/2024 in advance and clarify the rules and guidelines for asking queries or expressing opinions related hereto as follows:

1. In each agenda, there will be an opportunity for attendees to inquire or express opinion on issues relevant to such agenda as appropriate;
2. In case there is a large number of questions related to that agenda submitted into the system, the Fund shall consider and select questions as appropriate to preserve the Meeting time; and
3. The Fund reserves the right to consider excluding any questions or give warnings to stop the expression of opinion that may be deemed impolite, defamatory to a third party, or is in breach of the laws which disturb and cause distress to other attendees.

Nonetheless, the Fund has authorized the Legal Advisor from Chandler MHM Company Limited to consider and provide warnings to unitholders who do not follow the rules and guidelines for asking queries or to stop expression of opinion that are not relevant to today's Meeting or do not comply with the said rules and guidelines in order for the Meeting to proceed smoothly.

In this Meeting, there will be video recording during the Meeting to record information for preparing minutes of the meeting of unitholders. The recorded information includes, photographs or motions from video recordings of the Meeting as well as contents, votes, questions, answers, and comments from attendees of this Meeting. The Management Company has arranged rows of seats for unitholders who do not wish to record their personal information during the Meeting in the area next to the video camera. Unitholders may find details regarding the exercise of their rights on personal information as outlined in Enclosure 8 of the Invitation to the Meeting.

Subsequently, the Moderator informed regarding the Meeting sequence that after the Management Company has informed to the Unitholders all information related to each agenda, the Chairperson will provide unitholders an opportunity to express their opinion or inquire about issues related to such agenda as appropriate. Should any unitholders wish to express their opinion or inquire after the Management Company has completed the clarification of information related to the agenda, the unitholder may raise their hand, walk to the microphone that had been prepared, and inform their full name and the status whether being a unitholder attending the Meeting in person or by proxy prior to the inquiry or expression of opinions, every time before starting to ask questions or express opinions, for the benefit of the accuracy and completeness of the preparation of minutes of the Meeting.

In case there is any pending question, the Management Company shall explain and disseminate answers through the website of the Stock Exchange of Thailand along with the dissemination of the minutes of this Meeting within 14 days from the meeting date or by 12 March 2024.

The Chairperson then proceeded with the Meeting according to the agendas as follows:

### **Agenda 1 To acknowledge the Minutes of 2023 Annual General Meeting of Unitholders of the Fund**

The Chairperson informed the Meeting that the Management Company deems it appropriate to propose to the Meeting to acknowledge the Minutes of the 2023 Annual General Meeting of Unitholders of the Fund which was held on 19 April 2023 at 09.30 hrs. at Ladprao Suite, Centara Grand at Central Plaza Ladprao. There were 64 unitholders attending the Meeting in person and by proxy, representing 104,506,887 units or 59.3452 percent of the total units sold (the total units sold are equivalent to 176,100,000 units), the details of which are set out in the copy of Minutes of 2023 Annual General Meeting of Unitholders of the Fund in Enclosure 1 of the Invitation to the Meeting.

### **Opinion of Management Company**

The Management Company deems it appropriate to propose that the Meeting acknowledge the Minutes of 2023 Annual General Meeting of Unitholders of the Fund as proposed.

### **Inquiries from the Unitholders**

The Chairperson asked the Meeting if there were any questions. The unitholder raised the following question:

1. Mrs. Warunee Thippayachai, a unitholder attending the Meeting in person, expressed her opinion that every meeting of unitholders should be physically held and not via electronic means as some of the unitholders are not familiar with new technology. If the meeting is electronically held, the Management Company might not be able to straightforwardly provide clarification.

The Chairperson clarified that the 2023 Annual General Meeting of Unitholders, which the Meeting is requested to acknowledge in this agenda, was held at Centara Grand at Central Plaza Ladprao and was not held electronically.

In this regard, Miss Tananan explained to the Meeting again the rules and guidelines for asking questions or expressing opinions relating to the Meeting.

There was no further question from the unitholders. The Chairperson continued the Meeting.

### **Resolution**

There was no voting as this agenda was for acknowledgment. The Meeting, therefore, acknowledged the Minutes of 2023 Annual General Meeting of Unitholders.

### **Agenda 2 To consider and approve the disposal of the Fund's Assets**

The Chairperson informed the Meeting that the Management Company deems it appropriate to propose that the Meeting considers the disposal of the Fund's Assets. The Chairperson then asked Miss Daraneerat Lerdpitmetha to provide information regarding the Fund and the operation performance of the Fund's assets.

### **Information and Performance of the Fund**

Miss Daraneerat provided general information about the Fund as follows:

<b>Fund's name</b>	<b>Erawan Hotel Growth Property Fund ("ERWPF")</b>
Management Company	SCB Asset Management Company Limited ("SCBAM")
Fund Supervisor	Kasikornbank Public Company Limited ("KBANK")
Registrar	Siam Commercial Bank Public Company Limited ("SCB")
Invested Assets	Ownership over 2 hotels, namely: 1) ibis Patong Hotel, Phuket Province 2) ibis Pattaya Hotel, Chonburi Province
Lessee	Erawan Growth Management Company Limited (" <b>Erawan Growth Management</b> ")
Fund type	Type 1 Property Fund (Freehold)
Total Asset Value as of 31 December 2023	THB 1,566.51 Million

Net Asset Value as of 31 December 2023	THB 1,495.85 Million, THB 8.4943 per unit
Par value	THB 7.7793
Registration Date of Property Fund Establishment	7 March 2013
Registration Date as a Listed Securities on the Stock Exchange of Thailand	4 April 2013 at the IPO price of THB 10.40

In terms of the operation performance of ibis Pattaya Hotel and ibis Patong Hotel over the past 10 years, which is from 2013 to 2023, the Fund has received a fixed rental of THB 72.5 Million per year from the Lessee. During the first 4 years, The Erawan Group agreed to guarantee a minimum rental revenue to the Fund which is equivalent to THB 111.5 Million per annum. As this guaranteed amount was subject to deduction on a daily basis, the total guaranteed amounts of revenue received were for 3 quarters in the first year and for 1 quarter in 2017. Subsequently, the guarantee covenant ended on 31 March 2017.

Nevertheless, considering the value of EBITDA of both hotels in each year, it appears that the operation performance of both hotels in certain years were insufficient to contribute to the fixed rental payment, especially during the year of COVID-19 outbreak, wherein the hotel business was heavily affected. Due to the locations of the two hotels, the hotels' main customer group is foreigners which accounts for more than 80 percent, thus the operation performance of both hotels were severely affected. As a result, the Lessee must pay the difference in order to sufficiently cover the fixed rental payable to the Fund each year. So far, the payment of which had always been made in full by the Lessee to the Fund.

### **The Fund's Asset Value**

Miss Daraneerat further informed regarding the total asset value of the two hotels over the past 10 years that the Fund initially invested in the amount of THB 1,830 Million, whereby during the first 3 to 4 years of having the guarantee covenant of rental revenue, the value of both hotels remained at a similar level compared to when the Fund's initial investment was made, as the appraisers appraised the value of the assets using income approach in accordance with the Fund's structure of benefit procurement. However, after 2017 wherein the guarantee covenant of rental revenue expired, together with the economic situation at that time from both the revolution and Russian economic crisis, which had an impact on the Russian tourists who were the main customer group of ibis Patong Hotel, along with the zero-dollar tour incident or the shipwreck accident in Phuket province; the hotels' operation performance were impacted by all of which, resulting in the appraised values of both hotels being lessened. The lowest value of THB 1,293 Million was during the year of the COVID-19 outbreak, but when the country reopened and tourists were able to stay in hotels with full operation as before, the appraised values began to rise again. The appraised value according to the latest appraisal as of 31 December 2023 conducted by the Fund was THB 1,466 Million.

In this regard, for the appraised values of the assets prior to the Fund's initial investment in December 2012, both appraisers used income approach for asset appraisal in accordance with the Fund's structure of benefit procurement from fixed rental which are shown as follows:

(Unit: Million THB)

Value as of December 2012	Replacement Cost Approach			Income Approach		
	ibis Patong hotel	ibis Pattaya hotel	Cost Approach value	ibis Patong hotel	ibis Pattaya hotel	Income Approach value
<b>Brooke Real Estate Co., Ltd.</b> - Land price per Square Wah (Phuket THB 250,000, Pattaya THB 180,000) - Replacement cost of structures	382 562	186 543	<b>1,673</b>	887	782	<b>1,669</b>
Total	<b>944</b>	<b>729</b>				
<b>Knight Frank Chartered (Thailand) Co., Ltd.</b> - Land price per Square Wah (Phuket THB 280,000, Pattaya THB 250,000) - Replacement cost of structures	428 426	259 444	<b>1,557</b>	991	777	<b>1,688</b>
Total	<b>854</b>	<b>702</b>				

At present, the Fund has engaged two appraisers to conduct an appraisal of the asset value for consideration by the unitholders, the details of which are as follows:

(Unit: Million THB)

Value as of 31 January 2024	Replacement Cost Approach			Income Approach		
	ibis Patong hotel	ibis Pattaya hotel	Cost Approach value	ibis Patong hotel	ibis Pattaya hotel	Income Approach value
<b>Quality Appraisal Co., Ltd.</b> - Land price per Square Wah (Phuket THB 330,000, Pattaya THB 350,000) - Replacement cost of structures	504 188	351 192	<b>1,235</b>	816.2	688.9	<b>1,505.1</b>
Total	<b>692</b>	<b>543</b>				

Value as of 31 January 2024	Replacement Cost Approach			Income Approach		
	ibis Patong hotel	ibis Pattaya hotel	Cost Approach value	ibis Patong hotel	ibis Pattaya hotel	Income Approach value
<b>TAP Valuation Co., Ltd.</b> - Land price per Square Wah (Phuket THB 350,000, Pattaya THB 350,000)	535	351.4	<b>1,273</b>	792	695	<b>1,487</b>
- Replacement cost of structures	194	192.5				
<b>Total</b>	<b>729</b>	<b>543.9</b>				

When compared to the values prior to the Fund's acquisition of assets, it appeared that the appraised value of land was increased by approximately THB 100,000 for both locations. In terms of the structures, depreciation based on the current useful life of both hotels, which is more than 17 years, must be taken into consideration and both appraisers have chosen the Income Approach for asset appraisal by taking into account the procurement of benefit of hotels which are still in operation.

In terms of the Fund's past record of the payment dividend and capital reduction proceeds, the Fund has paid a total of THB 2.3909 in dividends and paid proceeds from capital reductions of THB 2.6207 from the year 2013 to 2023, which also includes the estimate for the 1<sup>st</sup> quarter of 2024. The payment of distributions has been made at THB 5.0116 in total.

### **Background**

In connection with the receipt of the letter of intention to purchase the Fund's Assets (the "**Letter of Intention**") from The Erawan Group Public Company Limited (the "**The Erawan Group**"), the timeline of events is as follows:

<b>Date</b>	<b>Event</b>
18 August 2023	The Erawan Group sent the Letter of Intention to the Management Company.
4 September 2023	<ul style="list-style-type: none"> <li>The Investment Committee's Meeting of the Management Company considered the Letter of Intention from The Erawan Group.</li> <li>The Management Company notified to the Stock Exchange of Thailand of its receipt of the Letter of Intention from The Erawan Group and the holding of a public bidding for the Fund's Assets</li> </ul>
7 – 14 September 2023	The Management Company opened registration for the prospective bidders with intention to submit the bid envelope to purchase the Fund's Assets (the " <b>Bid Envelope</b> ").

Date	Event
15 September – 31 October 2023	The prospective bidders conducted the due diligence on the Fund’s Assets and submitted the initial Bid Envelope (Initial Offer).
8 - 9 November 2023	The Management Company sent a letter to the prospective bidders who submitted the initial Bid Envelope (Initial Offer) which have been selected for the purpose of inviting them to submit the final Bid Envelope (Final Offer) containing the final bid price.
9 November – 21 December 2023	The prospective bidders who submitted the initial Bid Envelope (Initial Offer) negotiate the draft agreements relating to the disposal of the Fund’s Assets and submit the final Bid Envelope (Final Offer) containing the final bid price.
25 – 26 November 2023	The Management Company appointed Quality Appraisal Co., Ltd. and TAP Valuation Co., Ltd. as the appraisers of the Fund’s Assets to provide information in support of the decision-making of the unitholders.
23 November 2023	The Management Company appointed Jay Capital Advisory Co., Ltd. as the Independent Financial Advisor to give opinion with regard to the final bid price of The Erawan Group to the Unitholders.
10 January 2024	The Investment Committee’s Meeting of the Management Company considered the final Bid Envelope (Final Offer) containing the final bid price from the prospective bidders together with other relevant conditions and is of the view that the bid price and other relevant conditions of The Erawan Group are beneficial to the Fund and the unitholders; therefore, the meeting of unitholders is proposed to be held in order for the unitholders to approve the disposal of the Fund’s Assets to The Erawan Group and the dissolution of the Fund.

**Key Summary of the Disposal of the Fund’s Assets**

- |  |   |
|--|---|
| 1. Transaction Date                            | After the approval from the meeting of unitholders of the Fund is obtained and the Fund and The Erawan Group have satisfied all conditions precedent specified in the agreements relating to the disposal of the Fund’s Assets. |
| 2. Counterparty and Relationship with the Fund | The Erawan Group is related to the Fund as a unitholder holding more than 10 percent of the Fund’s total units sold.  |
| 3. General Characteristics of Transaction      | The Fund will dispose of the Fund’s Assets to The Erawan Group at the price of THB 1,590,000,000.   |



4. Details of the Fund's Assets to be disposed of	<p>(1) <u>ibis Patong Hotel</u>: ownership over land and buildings, utility systems relevant to the hotel business, furniture, fixtures, and equipment in respect of ibis Patong Hotel located at No. 10, Chalermprakiat Road, Patong Sub-District, Kathu District, Phuket Province 83120, and;</p> <p>(2) <u>ibis Pattaya Hotel</u>: ownership over land and buildings, utility systems relevant to the hotel business, furniture, fixtures, and equipment in respect of ibis Pattaya Hotel located at No. 463/79, Pattaya 2 Road, Nhongprue Sub-District, Bang Lamung District, Chonburi Province 20150.</p>
5. Transaction Size and Total Value of Consideration	<p>THB 1,590,000,000 (the total value of consideration)</p> <p>109.52 percent (the transaction size)</p>
6. Value of the Fund's Assets to be disposed of	THB 1,437,000,000 (Reviewed Appraisal Value as of 30 June 2023).
7. Benefits from Disposal of the Fund's Assets	To make payment of the distributions to the unitholders and enter the process of dissolution and liquidation of the Fund.
8. Approval of the Transaction	This transaction shall be approved by the meeting of unitholders with the votes of no less than three-quarters of the total units of the unitholders attending the Meeting and having the right to vote excluding the units held by the unitholders which are not entitled to vote in this transaction.

### **Transaction Structure of the Disposal of the Fund's Assets**

Before entering into the sale and purchase transaction of the Fund's assets, namely the ibis Patong Hotel and the ibis Pattaya Hotel, the Fund and The Erawan Group shall proceed as follows:

1. The Fund shall proceed to terminate the lease agreement for land and building together with furniture, tools, and equipment for ibis Patong Hotel and ibis Pattaya Hotel between the Fund and Erawan Growth Management dated 29 March 2022;
2. The Fund shall proceed to execute the agreement to terminate the undertaking agreement between the Fund and The Erawan Group dated 27 March 2013; and
3. The Fund and The Erawan Group shall determine the ownership transfer and payment of assets price date in order to proceed with the transfer of ownership registration at the relevant land office.

The Fund will be able to proceed with a return of average distributions to the unitholders after the payment of the asset price is received and the transfer of ownership is completed.

The prices of the Fund's Assets purchased and sold shall be as follows:

<b><u>The Fund's Assets Purchased and Sold</u></b>	<b><u>Price</u></b>
• immovable and movable properties of ibis Patong Hotel	THB 780,000,000
• immovable and movable properties of ibis Pattaya Hotel	THB 810,000,000
	Total value THB 1,590,000,000

Note: The purchase price may be subject to change on the transaction date. However, the combined prices between the immovable and movable properties to be purchased will be a total of THB 780,000,000 for the ibis Patong Hotel and THB 810,000,000 for the ibis Pattaya Hotel, totaling THB 1,590,000,000.

The Management Company has arranged for the appraisal of the material assets by two independent appraisers as approved by the Office of the Securities and Exchange Commission in order to appraise the Fund's Assets on this occasion as follows:

<b>The Independent Appraiser:</b>	Quality Appraisal Co., Ltd.	TAP Valuation Co., Ltd.
<b>Valuation Date</b>	31 January 2024	31 January 2024
<b>Appraised in Total Value (THB)</b>	<b>THB 1,505,100,000</b>	<b>THB 1,487,000,000</b>
- <b>ibis Pattaya Hotel</b>	THB 688,900,000	THB 695,000,000
- <b>ibis Patong Hotel</b>	THB 816,200,000	THB 792,000,000
<b>Appraisal Method</b>	Income Approach	Income Approach

Compared to the purchase price offered by The Erawan Group, which is higher than the appraised value assessed by the independent appraisers as follows:

<b>Total Asset Value</b>	<b>Offering Price</b>	<b>Quality Appraisal Co., Ltd.</b>	<b>TAP Valuation Co., Ltd.</b>
<b>Total Asset Value (THB Million)</b>	<b>1,590.00</b>	<b>1,505.10</b>	<b>1,487.00</b>
Compared to the bid price (THB Million)		<b>&gt;84.90</b>	<b>&gt;103.00</b>
Compared to the bid price (%)		<b>5%</b>	<b>6%</b>

### **Estimate costs**

The Erawan Group agrees to be responsible for expenses related to the execution of agreements relating to the disposal of the Fund's Asset and the transfer of ownership thereof, such as fees for the appointment

of appraisers, Independent Financial Advisor, and Legal Advisor, and expenses related to the convocation of meeting of unitholders and the dissolution of the Fund, etc., totaling approximately THB 6 Million.

The Erawan Group shall pay the entire amount of the assets purchased and sold at THB 1,590,000,000 to the Fund on the ownership transfer date, exclusive of other related expenses and the specific business tax related to the ownership transfer of the immovable properties purchased and sold at the rate of 3.3 percent borne by the Fund.

If the unitholders have resolved not to approve the disposal of assets in Agenda 2, various operating expenses occurred shall be borne by the Fund, including consulting fees, expenses for organizing an information session for the unitholders prior to the Extraordinary General Meeting of Unitholders (Pre-EGM), expenses for the Invitation to the Meeting of Unitholders of the Fund (EGM), expenses for organizing a Meeting of Unitholders of the Fund (EGM), and expenses for publication of a news via the newspapers.

### **Opinion of Management Company**

The Management Company is of the view that for the disposal of the Fund's Assets transaction, the Fund will receive proceeds from the disposal of the Fund's Assets, the value of which is higher than the values specified in the asset appraisal reports conducted by two independent appraisers i.e., Quality Appraisal Co., Ltd. and TAP Valuation Co., Ltd. for approximately 5 percent and 6 percent, respectively. In this regard, as the Independent Financial Advisor has considered the benefits expected to be received by the Fund and the unitholders of the Fund from entering into the transaction, disadvantages, and risks that may arise, including the appropriateness of the price and conditions for entering into the transaction; the Independent Financial Advisor is of the opinion that entering into this transaction is appropriate as detailed in Enclosure 3 of the Invitation to the Meeting.

In any case, the conditions for renewal of the Lease Agreement with the current Lessee are as follow:

### **Conditions regarding Renewal of the Lease Agreement**



At present, the Fund and Erawan Growth Management have renewed the Lease Agreement for the 3<sup>rd</sup> time with a period of 3 years from 1 April 2022 to 31 March 2025. Either the Fund or Erawan Growth Management has the option to renew the Lease Agreement for another 2 times (one having a lease period of 3 years and the other of no more than 4 months) the 5<sup>th</sup> renewal of which will be expired on 31 July 2028. In any case, the parties have the right to negotiate another renewal of the Lease Agreement in addition to the specified periods by 31 March 2027.

### **Opinion of the Independent Financial Advisor**

To support the consideration and approval for entering into the transaction under this agenda, Mr. Chalit Udompornwattana, the Independent Financial Advisor from Jay Capital Advisory Company Limited, has

expressed supporting opinions for consideration in 3 issues, namely appropriateness of the price, appropriateness of the conditions, and reasonableness for the entering into the transaction as follows:

#### Appropriateness of the Price

The Independent Financial Advisor has considered the proposal from The Erawan Group by comparing the fair value receivable by the unitholders in 2 cases as follows:

1. In case of the disposal of the Fund's Assets

This is considered from the net cash value from entering into the transaction which is evaluated by adding the estimated dividend and capital reduction proceeds to be received by the unitholders from the disposal of assets at this time with other assets and other liabilities according to its book value and deducting with expenses incurred from the transaction, such as the Fund's dissolution and liquidation expenses, etc.

Therefore, upon adding the cash value expected from the disposal of the assets in a total amount of THB 1,590 Million, with other assets and deducting with other liabilities from the financial statements as of 30 September 2023 and expenses incurred from the entering into the transaction, most of which is in specific business tax in a total of approximately THB 52 Million; the estimated dividend and capital reduction proceeds payable will be approximately THB 1,552 Million. Upon dividing by the total units issued and sold of approximately 176 Million units, the estimated dividend will be equal to THB 8.81 per unit.

2. In case the Fund continues its business operation

The Independent Financial Advisor has adopted 4 different approaches for appraisal in accordance with the following details:

No.	Valuation Approach	Details
1.	Net Asset Value Approach or "NAV"	Valuation of the fair value based on the net book value of assets as appeared in the latest financial statement as of 30 September 2023, which is the Fund's latest statement as of the date of opinion provided by the Independent Financial Advisor.
2.	Adjusted Net Asset Value Approach or Adjusted NAV	Valuation of the fair value based on the Net Asset Value Approach adjusted with the value of the appraised assets to reflect the market value thereof as much as possible.
3.	Volume Weighted Average Price Approach or VWAP	Valuation on trading prices and trading volumes of the investment units in the market and calculated into the Volume Weighted Average Price to reflect the price of investment units.

No.	Valuation Approach	Details
4.	Discounted Cash Flow Approach or DCF	Valuation of the fair value by taking into account the Fund's ability to generate free cash flow in the future with the discount calculated into its present value.

The Independent Financial Advisor is of the opinion that the 1<sup>st</sup> to 3<sup>rd</sup> valuation approaches may be inappropriate because these approaches may not reflect the ability to generate cash flow in the future. The Independent Financial Advisor, therefore, chose to take the 4<sup>th</sup> valuation approach into consideration in case where the Fund continues to operate its business.

In its consideration using the Discounted Cash Flow Approach, the Financial Advisor has estimated the fixed rental and variable rental of the Fund projected for a period of approximately 10 years with the estimated variable rental based on the actual performance of the Fund's Assets from 2017 to 2023, but the Independent Financial Advisor will not take the operation performance during the period of the COVID-19 outbreak from 2019 to 2022 into consideration. Nonetheless, other information includes those obtained from interviews with the executives and information from various public sources such as the Bank of Thailand's estimates concerning the ability to generate cash flow and the ability to pay variable rental from the Fund's Assets.

When deducting the Fund's estimated rental value with its expenses in order to determine the net profit on investment and the cash flow expected to be received by the unitholders each year, adding with the terminal value of the cash flows, and deducting with the Weighted Average Cost of Capital of approximately 7.39 percent, the present value of the net assets is approximately THB 1,436 Million, or approximately THB 8.16 per unit.

In addition, the Independent Financial Advisor has conducted a sensitivity analysis according to those factors affecting the operational performance of the Fund's Assets, including the occupancy rate, which is subject to change at a rate of +/- 3 percent, and the growth rate of room rates, which is subject to change at a rate of +/- 0.5 percent. As a result, the fair value of the net assets of the investment units is in the range of approximately THB 1,374 Million to THB 1,500 Million, or approximately THB 7.81 to THB 8.52 per unit.

Therefore, when comparing the fair value from both cases, the unitholders can expect a fair value of THB 8.81 per investment unit in case of the disposal of the Fund's Assets, which is higher than in case the Fund continues its business operation, at approximately THB 7.81 to 8.52 per unit. Therefore, the Independent Financial Advisor is of the opinion that the price for entering into the transaction is appropriate.

Appropriateness of the Conditions

In entering into the transaction, the Fund will enter into 3 agreements with The Erawan Group, including the Immovable Property to Sale and to Purchase Agreement, the Movable Property Sale and Purchase Agreement, and the agreement to terminate the undertaking agreement. The Independent Financial Advisor has considered the conditions of the draft Immovable Property to Sale and to Purchase Agreement and the draft Movable Property Sale and Purchase Agreement as follows:

1. The purchase price of the immovable properties, i.e., the land and building, and the movable properties, i.e., decorative equipment, tools, appliances, and others totaled approximately THB 1,590 Million;
2. The conditions precedent having material terms of obtaining approval for the disposal of assets from the meeting of unitholders; and
3. The Erawan Group shall be responsible for all transaction costs, except for the specific business tax at the rate of 3.3 percent borne by the Fund.

In addition, the Independent Financial Advisor has considered the draft agreement to terminate the lease agreement and the draft agreement to terminate the undertaking agreement, and after considering the conditions thereof, the Independent Financial Advisor views that the conditions precedent, the remuneration payment terms, the costs-sharing between the Purchaser and the Seller, as well as other conditions, are ordinary conditions which are not unfavorable to the benefits of the Fund or the unitholders. Therefore, the Independent Financial Advisor is of the opinion that the conditions of the agreements for entering into the transaction are appropriate.

#### Reasonableness for the Entering into the Transaction

The advantages of entering the transaction are as follows:

- (1) The selling price of the assets at THB 1,590 Million is higher than those fair values as appraised by the two independent appraisers and the Independent Financial Advisor;
- (2) Distributions to the unitholders in case of the Fund's disposal of assets are higher than in case the Fund continues its business operation;
- (3) Reducing the risk that the Fund is unable to seek benefits from the assets as expected;
- (4) Reducing the risk in case Erawan Growth Management does not renew the lease agreement; and
- (5) Reducing liquidity risk for the trading of investment units on the Stock Exchange of Thailand.

The disadvantages of entering the transaction are as follows:

- (1) The disposal of assets may be the disposal of assets with the potential to generate income; and
- (2) Risks to the unitholders from lower returns on other investments rather than investment in the Fund.

For the above reasons, the Independent Financial Advisor, therefore, is of the opinion that the entering into the disposal transaction of the Fund's Assets to The Erawan Group and the Fund's dissolution and paying the capital distribution proceeds to the unitholders is appropriate. Therefore, the unitholders should consider and approve the entering into this transaction.

The Management Company deems it appropriate to propose this matter to the meeting of unitholders for consideration and approval of the disposal of the Fund's Assets, including the authorization of the Management Company to perform the following acts:

- (1) To perform necessary and relevant acts in the interest of the disposal of the Fund's Assets and the determination of the value of the Fund's Assets to be disposed of to the extent that is not contrary to or in conflict with the resolution of the meeting of unitholders and/or the order and/or instruction or advice of the Office of the Securities and Exchange Commission (the "**SEC Office**") and/or the Stock Exchange of Thailand and/or other relevant authorities, as well as contact with the SEC Office, the Stock Exchange of Thailand, government agencies or public organizations or any other person with respect to such acts;
- (2) To negotiate, prepare, sign, and/or amend documents, agreements, or obligations for the disposal of the Fund's Assets and the termination of relevant documents, agreements, or obligations; and
- (3) To perform any other acts necessary and relevant to the aforementioned acts in all respects, including the appointment and/or removal of the sub-attorney for the aforementioned acts until completion.

### **Inquiries from the Unitholders**

The Chairperson asked the Meeting if there were any questions. The unitholders raised the following questions:

1. Mrs. Warunee Thippayachai, a unitholder attending the Meeting in person, opined that even if Erawan Growth Management does not renew the lease agreement, there are others that are capable of being a lessee thereof.

In addition, Mrs. Warunee opined that the appraised value of the assets as presented by the Management Company is lower than the reality. Mrs. Warunee shared her personal experience in real estate development that the land values and construction costs are currently much higher than before and suggested that the Government Housing Bank should be appointed as an appraiser because the valuation approach and criteria adopted by the Government Housing Bank would better reflect the true asset value and the appraised value would be higher than the price offered by the Management Company.

Mrs. Warunee further expressed her opinion that the depreciation should not be calculated higher than 20% to 30% even though both hotels were built more than 17 years ago, because the construction costs are higher than depreciation costs, whereas the depreciation is only used as the hotel's cash flow for its business operation. Meanwhile, the hotel has already made additional investments in purchasing new furniture and adding additional decorations, as well as giving examples of other hotels that were built a long time ago but still appear new.

2. Mr. Thitipong Sophonudomphon, a unitholder attending the Meeting in person, asked whether the assets can remain unsold if the unitholder views that the offering price is not reasonable because The Erawan Group offered a purchase price without any premium on the investment units' value, comparable to selling the hotels' scrap; and expressed disagreement against the Management Company's proposal of the sale.

The Chairperson explained to the two unitholders that the Management Company merely offered an option for the unitholders' consideration whether to sell the assets or not. If the unitholders see that the sale is not appropriate, they can vote not to sell. This agenda is only to present the proposal that the Management Company has received for the unitholders' consideration along with the opinion of the advisors to support the consideration.

3. Mr. Panu Tangpoonsintana, a unitholder attending the Meeting in person, inquired about the reference to the appraised value of land in 2012 in Phuket and Pattaya by two appraisers. Which appraised value that the purchase price of land from The Erawan Group in 2012 was based on?

The Chairperson explained that in the Fund's investment in immovable properties, the SEC Office requires that the price be based on the expected revenue stream from the assets. In 2012, both appraisers' appraised values using the Income Approach were THB 1,669 Million and THB 1,688 Million, respectively. The cost of land is only provided as supporting information for consideration. However, in its investment, the Fund will adopt the revenue calculated from agreements to be executed with lessees together with forward-looking operating results without directly calculating from the cost of land.

Mr. Panu further observed that considering the appraised prices as of 2024, the appraised prices of land in Phuket by both appraisers only increased slightly compared to 10 years ago. However, the actual purchase price is much higher than the appraisal. In fact, the purchase price of land in Phuket should be much higher than the appraised price at up to THB 500,000 per Square Wah while the price in Pattaya is almost twice as high. Therefore, the sale of assets should take into account the actual cost of land rather than the valuation using the Income Approach.

The Chairperson thanked Mr. Panu for the observation and clarified regarding the cost of land in Phuket or Pattaya that the SEC Office allows the Management Company to refer to the immovable properties appraisers as approved on the SEC Office's list and having expertise in assets valuation using both Income and Cost Approaches. The Management Company has reviewed the appraisers' assumptions that they adopted the rental rate or lease rate for pre and post COVID-19 which have been improved and also considered the estimation that in case the assets continue being leased under the existing lease agreement, what will be the value of the Fund. In other words, if there is the disposal of assets under the Fund's revenue structure of having lessees, what will be the true value of each asset. This clarification given is also a clarification according to Mrs. Warunee's opinion on the issue of appraised value.

However, Mr. Panu made further observations on the following issues:

- (1) As Miss Daraneerat stated that the ibis Patong Hotel and the ibis Pattaya Hotel were constructed approximately 17 years ago, if depreciation of the buildings is deducted according to general accounting principles, which can be deducted for a maximum of approximately 20 years, such assets will only be able to deduct depreciation for another 3 years and will have a remaining value of zero even though the building still exists. In addition, with regard to Mrs. Warunee's opinion that the construction of new buildings in the hotels cannot be constructed at this offering price, and views that the offeror should be aware of this issue as well that buying this asset is like getting assets for free as the depreciation has been completely deducted, while the accounting principles are used to deduct the company's expenses only;
- (2) Over the past 10 years, the Fund has paid, from time to time, dividends or returned capital reduction proceeds to the unitholders in cases where the dividends cannot be made but there is still sufficient cash flow. In this regard, he viewed that it is not a true capital reduction because it was just a method for the Fund to consider what kind of payment it could make to the unitholders and merely used that method to make the payment;
- (3) In case Erawan Growth Management does not renew the lease agreement, he viewed that the Russians or Indians who have their own tour groups might be interested in buying if the Fund could announce the sales at a higher reach. From 2023, the hotel situation is likely to be improved along with the tourism promotion, thus, he viewed that the situation of procuring



lessees was not worrisome and there are other existing groups of capitalists who have interests therein; and

- (4) The terminal value of cash flow growth at a rate of 1 percent is too low.

On this issue, Mr. Chalit clarified that the terminal value of cash flow is the value of cash flow calculated from continued business operations. In this case, the determination of 1-percent cash flow growth each year from 2024 onwards is not too low because the actual operation performance of the Fund is taken into account when considering the terminal value rate of cash flows, which had been without growth and the benefit payment was constant. However, the future condition of the capital market may improve, and it is normally compared with the country's historical GDP at an average of 2 percent, therefore, the cash flow growth rate should be at 1 percent.

For this issue, Mr. Panu further inquired why the rate was not based on the 2 percent country's GDP.

Mr. Chalit explained that as the Fund's revenue had been constant without any growth from the fixed rental, therefore, the growth rate of cash flow should be at 1 percent.

Mr. Panu made a final additional comment as he is of the view that the current projections, which were based on the operating results since 2013, exclusive only of the years 2019 to 2022 during the COVID-19 outbreak, are inappropriate because there was always a crisis that affected the Fund's operations from 2013 until 2019. Therefore, it is not appropriate to take the operation performance of those years into consideration at all. The revenue trend of the assets since 2023 has improved, so the projection should be more forward-looking. Further, he still views that the offering price of The Erawan Group is too low, but it is understood that decisions of major unitholders of the Fund are to be taken into account when considering whether to sell the assets, while such major unitholders must also consider according to the opinions of their own Unitholders as well. Nevertheless, there are several minor unitholders of the Fund who still hold the Fund's units because of their views that the Fund invested in the ownership of assets, and the value thereof will not decline. Although the Independent Financial Advisor explained that in the future there may be changes to the central business district that may affect the price of said land, the Fund's plots of land are located by the seaside and in a tourist town. Therefore, the land prices should only be increased.

4. Mr. Natthawat Chaichanasiri, a unitholder attending the Meeting in person, suggested that unitholders should ask questions in one round and the Management Company shall collect and answer such questions in one round to avoid asking repeated questions and further inquired that:

- (1) What is the total area of ibis Phuket Hotel and ibis Pattaya Hotel?

Miss. Daraneerat clarified that the land size of ibis Pattaya Hotel is 1,300.92 Square Wah and the land size of ibis Patong Hotel is 1,528.60 Square Wah.

- (2) What is the land appraisal value of the Department of Lands and what is the difference from the appraised values of the two appraisers?

Miss Daraneerat clarified that the official appraised value of ibis Pattaya Hotel is THB 65,000 per Square Wah, while both appraisers appraised the value at THB 330,000 to THB 350,000 per Square Wah; and the official appraised value of ibis Patong Hotel is THB 44,500 per Square Wah, while both appraisers appraised the value at THB 330,000 per Square Wah.

- (3) Should the sale of the Fund's freehold assets use the same valuation approach as an investment in leasehold rights? Mr. Natthawat further opined that the selling price of the assets must at least be equal to the assets' price, of which other unitholders have already expressed their opinions that the construction costs from 10 years ago are no longer applicable to today's construction. Therefore, the assets valuation should not be based on accounting because even though the building is 17 years old, the deteriorated parts are not the structure, and its conditions can be improved.

Mr. Chalit explained that the Replacement Cost Approach would only take the investment costs, which are the land and construction costs, into consideration, while the Income Approach will consider the revenue expected in each period. In other words, to determine the selling price of assets with an ability to generate income, the sellers should consider applying either valuation approach only. Nevertheless, even if the two valuation approaches are not directly related, they are reflecting on each other, for example, if an investment is made by purchasing an expensive plot of land located in a high-value area, the rental rate thereof shall be set at a high price as well. However, that plot of land may no longer be in a high-value area as time passes, and the rental that can be collected previously may also decrease. Therefore, the assets that once had potential may either gain higher or less potential, and it cannot be predicted in its early days. Mr. Chalit then gave examples of land in various locations in Thailand to illustrate. Therefore, in preparing the appraised values, the income-generating potential of the assets in the future was taken into account based on various sources of information including the land and construction costs.

In this regard, one of the reasons why the appraisal of the Fund's assets is not based on the Cost Approach is because the two hotels of the Fund are not located in areas with high land values compared to Yaowarat or Rama 4 areas. Therefore, the appraised value from the Income Approach will have a higher value than the Cost Approach because the appraisal using the Income Approach must take into account the costs, operating expenses and the profit for the Fund's assets to procure additional cash from business operations and to make dividend payments to the unitholders.

The appraisal approaches for assets invested in leasehold rights and ownership are similar and the Income Approach can be used for consideration in both cases. The difference is that investments in leasehold are subject to an expiration date, while the investments in ownership are perpetual. Therefore, the appraisal for the investments in leasehold rights using the Income Approach shall end its projection at the 30<sup>th</sup> year or in accordance with the remaining lease term, while the projection for the investments in ownership will be estimated perpetually.

5. Miss Supattra Sittichai, a unitholder attending the Meeting in person, opined that the Fund should consider the premium value of the investment units and asked in which year were the ibis Patong Hotel and the ibis Pattaya Hotel built and what are the total area?

The Chairperson explained that the ibis Patong Hotel opened for operation in May 2008 and the ibis Pattaya Hotel opened for operation in July 2008.

6. Mr. Sumet Phalaphibun, a unitholder attending the Meeting in person, questioned whether the appraisers knew the offering price before conducting the appraisal.

The Chairperson explained that the appraisers and the offeror did not see each other's information. The offering price was submitted via the Bid Envelope opened at the Fund Supervisor's office. On

the day that the Bid Envelope was opened, the appraisers had already conducted the appraisal of the assets.

In this issue, Mrs. Warunee Thippayachai, a unitholder attending the Meeting in person, further asked about how many bidders submitted their Bid Envelope.

The Chairperson explained that according to the timeline of events, as presented, the Management Company has notified the Stock Exchange of Thailand of the opening of public bidding, which is an ordinary practice for announcing the sale of assets or seeking new lessees for property funds. Thereafter, the bidding was published in the newspapers in both Thai and English, and opened for inquiries from prospective bidders. The prospective bidders must execute a confidentiality agreement to prevent the request of information from competitors. There were two prospective bidders in total who made a contact and inquiry, however, none of them registered on the registration date for submission of the Bid Envelope. Regardless, the due diligence process still took place. In the end, only The Erawan Group submitted the document evidencing intention to purchase and placed a deposit with the Management Company as required in each round of price offering submission in the amount of THB 5 Million and THB 65 Million, respectively.

7. Mr. Prayat Anuchirachiva, a unitholder attending the Meeting in person, thanked other unitholders who provided information in various areas for consideration, especially in terms of assets valuation and regarding the cost of new construction that he would like to request the Fund to consider provide further clarification and asked if the Meeting does not agree with the sale of assets at this time, will there be an opportunity to receive additional information that the Management Company would seek for further discussion at the next meeting?

The Chairperson explained that if the unitholders resolved to disapprove this agenda, the Management Company will continue to convene annual general meetings as arranged in previous years and the unitholders may request information or submit their queries now.

8. Mr. Somchai Jensatiraphan, a unitholder attending the Meeting in person, inquired about the following issues:

- (1) Is the replacement buildings particular in the appraisal report disseminated along with the Invitation to the Meeting the price to be considered in the case of new construction?

The Chairperson explained that the said replacement buildings particular is the price considered in the case where there is new construction. In this regard, the replacement cost means the costs that must be paid out to rebuild the assets of their current nature. The Management Company uses this value in insuring the Fund's Assets. In terms of the construction cost, both appraisers have used information from the same source, i.e. the Association of Property Valuers of Thailand, which determines the construction cost at THB 25,000 per square meter. Once calculated, the total construction costs are THB 240 Million and THB 237 Million.

Miss Daraneerat further clarified that the appraised values based on the replacement cost of both appraisers are based on an assessment of a 5-storey hotel building with the hotel interior area valued at THB 25,000 per square meter, exclusive of the balcony area, concrete yard area, and external components, which is calculated to be THB 240 Million,. This is considered on the latest building construction standards of the Association of Property Valuers of Thailand and calculated the price per square meter according to the structure and decoration costs. Even though the Fund's Assets are three-star hotels, the Lessee has maintained its condition to be able to provide services to customers without interruption.

- (2) Is there a condition under the agreement entered into with Erawan Growth Management, which requires Erawan Growth Management to terminate the agreement before seeking a new lessee? Or has a new lessee ever been sought to manage the hotels before the agreement was renewed previously?

The Chairperson explained that the lease agreement entered into with Erawan Growth Management since the Fund's establishment has a condition stipulating that the lease agreement could be renewed up to 5 times, whereby a party is entitled to demand the counterparty to exercise the option, provided that such party is not in breach thereof, and the counterparty shall renew the agreement at the agreed-upon rate. Therefore, as Erawan Growth Management has been able to make the rental payment as scheduled so far, the lease agreement was renewed until 2028. Upon 2027, the Fund and Erawan Growth Management will have to renegotiate the renewal thereof because as further renewal is beyond the scope agreed upon when the first investment was made. By that time, should the Fund receive an offer from any prospective lessee, the Management Company must allow other prospective lessees to propose terms and conditions, and those terms and conditions must be presented to the unitholders for consideration again after the lease agreement with Erawan Growth Management expires in 2028.

- (3) Upon renewal of the lease in 2025, can Erawan Growth Management choose not to renew the lease?

The Chairperson explained that Erawan Growth Management cannot choose not to renew the lease because the Fund will exercise its rights under the lease agreement to demand Erawan Growth Management to renew the lease agreement.

In this regard, Mr. Somchai opined based on his experience in holding investment units of property funds that invest in hotel properties, that the meeting of Unitholders of the property fund that has been dissolved did not accept the first offering price because the unitholders viewed that the price was too low and the assets are in a good location with potential to generate income or procure new hotel management lessees. But in the end, they were unable to find a new hotel manager, therefore, it was sold at a price lower than the first offering price. As such, if the transaction is not approved at this time, it may have to be sold at a lower price in the future.

9. Mr. Narat Manothasunthon, a unitholder attending the Meeting in person, questioned that:

- (1) Is ibis Patong Hotel located next to the Novotel Hotel? Because the beach in that area is the only unspoiled beach area in Phuket province.

Miss Daraneerat clarified that ibis Patong Hotel is located on Chaloem Phrakiat Road and is close to a Muslim cemetery, and the Chairperson further clarified that the location of the ibis Patong Hotel is not adjacent to the sea and is approximately 1 kilometer away from the Novotel Hotel.

Mr. Chalit further clarified that the plot of land on which ibis Patong Hotel is located is situated in an alley approximately 1 kilometer away from the Novotel Hotel and 400 meters from the seaside.

For this issue, Mr. Panu Tangpoonsintana, a unitholder attending the Meeting in person further opined that a distance of about 1 kilometer is not considered far and opined that the land price should still be high.

- (2) How was the bidding process conducted? Because an acquaintance who is a hotel operator in Phuket province was not aware of the bidding.

The Chairperson explained the process for the commencement of the bidding of the Fund's Assets that the Management Company received the offer on 18 August 2023 and then informed the Stock Exchange of Thailand that there would be a bidding. Those interested can register and sign a confidentiality agreement with the Management Company. Once completed, the Management Company allowed for registrants to audit the hotel information related to operation performance and various licenses of the hotels to consider submitting the first and second bidding offers.

- (3) Mr. Narat further commented that the buildings will depreciate over time, but the price of land will continue to increase, not decrease.

10. A person attending the Meeting asked what the legal restriction is for the 2<sup>nd</sup> and 3<sup>rd</sup> persons who have no right to vote in this agenda item.

The Chairperson explained that both of them were executives of The Erawan Group.

Once there was no unitholders raising further questions, the Chairperson continued to proceed with the Meeting.

### **Resolution**

This agenda item is for consideration and approval for the disposal of the Fund's material assets and transactions entered into with a connected person of the Fund which shall require the votes of not less than three-quarters of the total units of the unitholders attending the Meeting and having the right to vote. The resolution is set to come into effect on the date of the adoption of the resolution by the unitholders.

Even though the Meeting has passed a resolution to approve the actions as specified in this agenda item, the Fund will be able to carry out such actions only when the Meeting also passes a resolution to approve the actions as specified in Agenda 3. Therefore, in the event that the Meeting has resolved not to approve Agenda 3, the Fund shall not be able to take any action as approved by the Meeting in this agenda item.

The unitholders with interests who have no right to vote in this agenda item are The Erawan Group Public Company Limited, Miss Woramon Ingkatanuvat, and Miss Ploi Aranyakanond.

Any unitholder who has an objection or disapproval may raise their hands for the staff to collect their ballots and sign their names thereon. In this regard, the Fund Supervisor's representatives and at least one unitholder are invited to jointly count the votes.

The Meeting has considered and cast their votes to approve the disposal of the Fund's Assets with details as proposed by the Chairperson according to the following votes:

-	Approved	76,075,327	votes	equivalent to	83.4160%
-	Disapproved	15,082,809	votes	equivalent to	16.5382%
-	Abstained	41,800	votes	equivalent to	0.0458%

of the total votes of the unitholders attending the Meeting and being entitled to vote.

Nevertheless, there were 28 additional unitholders who attended the Meeting in this agenda, representing a total of 3,902,846 units.

**Agenda 3 To consider and approve the dissolution of the Fund, delisting of units as listed securities from the Stock Exchange of Thailand, liquidation, and appointment of liquidator.**

The Chairperson further declared that after the Meeting has resolved to approve the actions as specified in Agenda 2, the Management Company deems it appropriate to propose that the Meeting consider and approve the dissolution of the Fund, delisting of units as listed securities from the Stock Exchange of Thailand, liquidation, and appointment of a liquidator in this Agenda 3 accordingly.

**Background**

According to the proposal of the Management Company to the Meeting to consider and approve the disposal of the Fund's material assets in Agenda 2, the resolution of the Meeting to approve the disposal of the said material assets will result in the Fund's Assets being entirely disposed of and the assets value being lower than THB 500 Million, which is the minimum criteria for the Fund to continue its operation and the Fund will not be able to invest the proceeds from the disposal of assets any further. Therefore, it is considered a cause of termination of the Fund's scheme.

Therefore, the Management Company proposes that the Meeting consider and approve the dissolution of the Fund, delisting of units as listed securities from the Stock Exchange of Thailand, liquidation, and appointment of a liquidator.

**Procedures for Dissolution of the Fund**

After the Meeting has resolved to dissolve the Fund and the delisting of the Fund's units, the Fund will perform acts according to the following tentative timeline:

**From April 2024 onwards**

1. The Management Company and the Purchaser confirm the transfer and payment date;
2. The Management Company sets the record date for determining the names of unitholders entitled to receive the dividends and/or capital distributions, and the date for dissolution of the Fund;
3. The Management Company and the Purchaser enter into the transaction relating to the Department of Lands at the relevant land office;
4. The Management Company pays dividends and/or a portion of capital distributions to each unitholder;
5. The Fund is dissolved;
6. Delisting of the investment units as listed securities from the Stock Exchange.
7. The liquidator gathers and distributes assets to all unitholders, and settles the obligations of the Fund; and

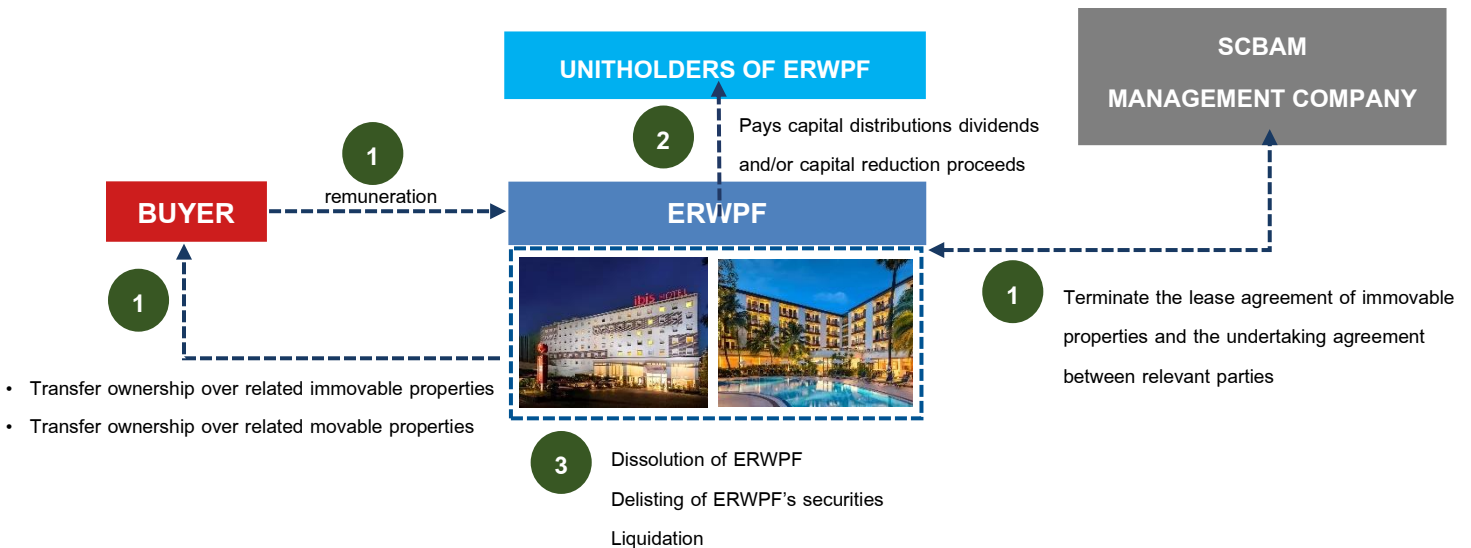
8. The liquidator registers the dissolution of the Fund with the SEC Office.

The Fund shall appoint a liquidator, namely SCB Asset Management Company Limited, to act as the liquidator to take necessary and appropriate actions to dissolve the Fund, and propose a liquidator fee at a rate not exceeding THB 100,000 (excluding VAT) until the liquidation duties are completed, with the details as proposed, as well as to authorize the Management Company to perform the following acts:

- (1) To perform necessary and relevant acts in the interest of the dissolution of the Fund, liquidation, and liquidation process, including the delisting of units as listed securities from the Stock Exchange, and contact with the SEC Office, the Stock Exchange of Thailand, government agencies or public organizations or any other person with respect to such acts;
- (2) To negotiate, prepare, sign, and/or amend documents, agreements, or obligations for the dissolution of the Fund, liquidation, appointment of liquidator, and delisting of units as listed securities from the Stock Exchange of Thailand; and
- (3) To perform any other acts necessary and relevant to the aforementioned acts in all respects, including the appointment and/or removal of the attorney for the aforementioned acts until completion.

**Summary Overview of the Entering into the Assets Disposal Transaction**

The Chairperson explained the overview and procedure for entering into the asset disposal transaction and dissolution of the Fund in accordance with the following diagram:



**Opinion of Management Company**

Once the unitholders have resolved to approve the disposal of the Fund’s Assets in Agenda 2, this will result in the Fund not having any material assets that are immovable property and rendering the Fund unable to maintain the qualification regarding the amount of registered capital being lower than THB 500 Million

when calculated from the par value of the units, which is considered a cause for the dissolution of the Fund as specified in Clause 35 of the Fund's scheme. The Management Company is of the view that the unitholders should consider and approve the dissolution of the Fund, delisting of units as listed securities from the Stock Exchange of Thailand, liquidation, and appointment of the liquidator to comply with the relevant laws.

### **Inquiries from the Unitholders**

The Chairperson asked the Meeting if there were any questions. There were unitholders asking queries and/or expressing their opinions as follows:

1. Mrs. Warunee Thippayachai, a unitholder attending the Meeting in person, opined that the unitholders who have cast their votes in disapproval should be entitled to consider exercising legal rights.
2. Mr. Prayat Anuchirachiva, a unitholder attending the Meeting in person, inquired that:

- (1) What will be the form of returns and whether they are subject to additional taxes?

The Chairperson explained that the Management Company has paid the dividend of approximately THB 5 per investment unit to the unitholders. Based on the calculations made by the Independent Financial Advisor, the net return that the unitholders will receive after deducting expenses borne by the Fund, including the specific business tax, will be approximately THB 8.81 per investment unit. The Fund's par value is currently at THB 7.7793 per investment unit. Therefore, the excess of this value, which is equal to THB 1.0307, is considered profit from the disposal of assets. Such profits will be paid out in the form of dividends, which will be subject to withholding tax as usual, while the reduction in par value will not subject to withholding tax because it is considered a return of capital to the unitholders.

- (2) Can the return payout be classified into different forms? This is because the unitholders who purchased at a price less than THB 10 are profitable while the unitholders who purchased at a price of THB 10 did not make any profit at all.

The Chairperson explained that the dividend amount of THB 5.0116 per investment unit is inclusive of the estimated performance of the Fund's Assets in the first quarter of 2024. Therefore, the total amount of dividends payable to all unitholders over the 10-year period until the assets are disposed of will be approximately THB 13. Therefore, in case the unitholders have held the investment units since the Fund's establishment date at a value of THB 10.40 per investment unit, they will receive an excess amount of approximately THB 3.

- (3) What are the factors that caused changes in the par value of investment units?

The Chairperson explained that it was because the Management Company had paid capital reduction proceeds since the Fund was established. Once there is a loss from appraisal due to decreases in the value of the Fund's Assets, the payouts to the unitholders, even when the rental is still received, cannot be made in the form of dividends in case of an accumulated loss from appraisal. As a result, the Fund had to proceed with the capital reduction by decreasing the par value during each capital reduction and the par value was reduced from its original value of THB 10.40 per investment unit to THB 7.7793 per investment unit at present.



3. Mr. Prawit Phirotwongchai a unitholder attending the Meeting in person inquired that:

- (1) According to the information presented, the estimation of income is made until when and during what month will the actual dissolution of the Fund take place?

The Chairperson explained that the dividend in the amount of THB 5.0116 per investment unit is inclusive of the estimated rental receivable from Erawan Growth Management until the first quarter of 2024, with the transfer of ownership over assets scheduled to take place in the second quarter. If there is an excess from the rental, it would be minimal and the amount of returns would not be greatly different from the Management Company's estimation. In any case, the Fund will still receive the rental until the assets transfer date.

- (2) When will the unitholders receive returns?

The Chairperson explained that after today's resolution is obtained, the Management Company will make an appointment with the Purchaser. The Purchaser may need to raise funds to pay for the assets, but it will not be later than the second quarter or 30 June 2024. The Chairperson further clarified that on the announcement date of the returns, both the capital reduction proceeds and dividends will be announced but the dividends shall be subject to the withholding tax.

4. A person attending the Meeting ] posed questions on the followings:

- (1) Request for confirmation of understanding in relation to the amount of THB 8.81, that this will be paid out by the Management Company in the form of capital reduction proceeds as much as possible and the rest will be paid out as dividends.

The Chairperson confirmed that the capital returns would be paid out according to the existing book value and the dividends would be paid out from the capital surplus as required by law.

- (2) Even though the Meeting has resolved to approve the disposal of assets, if the unitholders do not sell their investment units, will they still be entitled to continue holding such investment units or would they be forced to sell all units?

Miss Tananan explained that if both agenda items were approved, the Fund's dissolution and liquidation process would be initiated. The unitholders, as the beneficiaries of the liquidation, will receive their returns and there will no longer be investment units of the Fund that can be traded on the Stock Exchange of Thailand.

- (3) In the event that certain unitholders had deposited their investment unit certificates with their broker or having the investment unit certificate but failing to return them, is it correct that the Fund would proceed with the returns payout anyway?

Miss Tananan replied yes, because it is the dissolution of the Fund.

5. A person attending the Meeting asked whether the unitholders will definitely receive an investment return of THB 7.7793 and is it correct that the difference between THB 7.7793 and THB 8.81 will be subject to the withholding tax first?

The Chairperson confirmed the unitholder's understanding and the Chairperson provided information to reassure understanding that the amount of THB 5.0116 is inclusive of the rental, which is the estimated operating results for the first quarter of 2024. The amount of THB 8.81 was taken from the calculation of the Independent Financial Advisor and was calculated from the assets' value after deducting expenses. Therefore, the remaining par value of THB 7.7793 will not be

subject to the withholding tax, while the difference between THB 7.7793 and THB 8.81 is considered dividends which are subject to withholding tax at the rate of 10 percent for individuals.

6. A person attending the Meeting inquired if the investment units can still be traded on the Stock Exchange of Thailand and will those buyers hereafter be entitled to the returns as explained?

Miss Tananan explained that after this, there will be an arrangement to execute the relevant agreements and register the sale and purchase of assets at the land office. However, the investment units can still be traded on the Stock Exchange of Thailand as usual until the record date for the Fund's dissolution. The unitholders as of such record date will be entitled to receive the returns of profit and the dividends from the dissolution of the Fund.

7. A person attending the Meeting asked if the investment units are purchased at the price of THB 8.50 per unit, which parts of the amount are subject to taxes after the returns in the amount of THB 8.81 is received?

Miss Tananan clarified that the Management Company cannot provide information regarding the income tax burden of each individual specifically because the information depends on the income of each unitholder.

However, regarding the withholding tax, the Chairperson explained that the dividends are subject to deduction under laws.

Mr. Chalit further clarified that according to the estimation of the Independent Financial Advisor, the dividend amount of THB 1.0307 is subject to withholding tax at the rate of 10 percent. However, this figure may be slightly changed.

8. A person attending the Meeting inquired about the certainty that the unitholders will receive returns in the amount of THB 8.81 per investment unit.

The Chairperson explained that the amount of THB 8.81 per investment unit was the estimated value of the Independent Financial Advisor in case the purchase price from The Erawan Group is received in the amount of THB 1,590 Million, and after the deduction of expected expenses to be borne by the Fund, most of which is the specific business tax, the remaining amount will be THB 8.81 per investment unit. However, there may be slight changes in the Fund's expenses that may occur hereafter, such as liquidation expenses. Apart from this, the Fund is not expected to enter into any other transactions. Therefore, the difference should not be much, provided that the declaration will be made from the financial statements that have already reserved provisions for expenses.

9. A person attending the Meeting questioned whether the annual general meeting will still be held after this.

The Chairperson explained that as the Fund has yet to be dissolved, the annual general meeting, therefore, shall continue to be convened to report on the 2023 performance.

10. A person attending the Meeting asked if the unitholders, who casted their votes in disapproval, file a case against the Fund, can the Fund proceed with its dissolution?

Mr. Tawatchai explained that in such cases, the Fund will still be able to proceed as approved by the Meeting of Unitholders so long as the Court has not ordered any action otherwise.

Once there was no unitholders raising further questions, the Chairperson continued to proceed with the Meeting.

## **Resolution**

This agenda item is for consideration and approval of the dissolution of the Fund, delisting of units as listed securities from the Stock Exchange of Thailand, liquidation, and appointment of the liquidator which shall require a majority vote of the unitholders attending the Meeting and having the right to vote. The resolution is set to come into effect on the date of the adoption of resolution by the unitholders.

There are no unitholders with interests who have no right to vote in this agenda item.

The Meeting has considered and cast their votes to approve the dissolution of the Fund, delisting of units as listed securities from the Stock Exchange of Thailand, liquidation, and appointment of the liquidator with details as proposed by the Chairperson according to the following votes:

-	Approved	126,347,935	votes	equivalent to	99.9430%
-	Disapproved	72,001	votes	equivalent to	0.0570%
-	Abstained	0	votes	equivalent to	0%

of the total votes of the unitholders attending the Meeting and being entitled to vote.

## **Agenda 4 Other matters (if any)**

Mrs. Warunee Thippayachai, a unitholder attending the Meeting in person, inquired about the vote casting in Agenda 3 whether the voting has already been called or not.

The Chairperson informed that the counting of votes shall be counted from the number of those unitholders who disapprove and abstain from vote and there has already been a call to raise hands to submit ballots for voting in Agenda 3.

As there were neither proposals of any other matters to the Meeting for consideration nor additional questions raised, the Chairperson then informed that the Management Company would publish the minutes of the Meeting, including questions and answers at today's Meeting, through the Management Company's website and shall keep the unitholders informed about such publication via the Stock Exchange of Thailand's website within 14 days from the meeting date or by 12 March 2024. Regardless, should the unitholders have additional questions, please contact the Customer Relations Division of SCB Asset Management Company Limited at 02 777 7777 or follow news from the website of the Stock Exchange of Thailand.

In the end, the Chairperson thanked all attendees and declared the Meeting of Unitholders No. 1/2024 of the Fund adjourned at 16.40 hrs.

Sincerely yours,

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(Mrs. Tipaphan Puttarawigorn)  
Chairperson of the Meeting  
Erawan Hotel Growth Property Fund  
by SCB Asset Management Co., Ltd.