

**Minutes of Extraordinary General Meeting of Trust Unitholders No. 1/2020**  
**Strategic Hospitality Extendable Freehold and Leasehold Real Estate Investment Trust**  
**As of 25 June 2020**

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The meeting was held at Crystal Ballroom, 2<sup>nd</sup> Floor (Lobby), Holiday Inn Bangkok Silom, 981 Silom Road, Khwaeng Silom, Khet Bangrak, Bangkok 10500. The managing director, **Mr. Christophe Wybe Angelo Forsinetti**, presided over the meeting as the "Chairman", with **Ms. Kemakorn Ariyakul**, Manager of Compliance & Risk Management Division, as "Secretary".

The meeting commenced at 10:00 a.m.

The Secretary then introduced the board of directors of Strategic Property Investors Company Limited (the "Company" or "REIT Manager"), the manager of Strategic Hospitality Extendable Freehold and Leasehold Real Estate Investment Trust ("SHREIT"), the Company's executives, trustee's representative, independent financial advisor, financial advisor, auditor, and legal advisor to SHREIT, who joined the meeting, person by person, as follows:

**1. Directors of the Company (four out of five directors were present at the meeting)**

- |   |  |
|---|--|
| (1) Mr. Chanitr Charnchainarong           | Chairman of the Board / Independent Director |
| (2) Ms. Jotima Jotibundhit                | Independent Director                         |
| (3) Mr. Krit Phanratanamala               | Independent Director                         |
| (4) Mr. Christophe Wybe Angelo Forsinetti | Executive Director/ Managing Director        |

Mr. James Teik Beng Lim, Executive Director, did not join the meeting due to his special interest in the matters to be considered.

**2. The Company's executive (one person)**

Mr. Deepong Sahachartsiri Chief Financial Officer

**3. Representative of Krung Thai Asset Management Public Company Limited, as trustee (one person)**

Mr. Piraj Migasena Executive Vice president, Property Fund & Infrastructure Fund Department

**4. Representative of Asset Pro Management Company Limited, as independent financial advisor (one person)**

Mr. Somsak Sirichainarumitr Chief Executive Officer

**5. Representative of Baker Tilly Corporate Advisory Services (Thailand) Limited, as financial advisor (one person)**

Mr. YanYong Tantiviramanont Group Managing Partner

6. **Representative of EY Office Company Limited, as auditor (one person)**

Ms. Suchada Tantioran

7. **Representative of Baker & McKenzie Limited, as legal advisor (one person)**

Ms. Duangkamon Amkaew

The Secretary stated that there were six agenda items to be considered at the meeting.

**Item 1** To consider and acknowledge the minutes of the 2020 Annual General Meeting of the Trust Unitholders of SHREIT dated 27 April 2020

**Item 2** To consider and approve the assets disposition of Strategic Hospitality Extendable Freehold and Leasehold Real Estate Investment Trust by selling shares of Strategic Hospitality Holding Limited and Strategic Hospitality Holding Limited 2 to the Offeror with respect to the relevant conditions, including the authorization to the board of directors of the Company to enter into negotiations and/or agreements, to determine, amend, change the details or conditions of, to execute the related agreements, memorandum, and documents

**Item 3** To consider and approve the connected transaction between SHREIT and the person related to the REIT Manager

**Item 4** To consider and approve the capital reduction of SHREIT

**Item 5** To consider and approve the dissolution, liquidation, and appointment of a liquidator of SHREIT

**Item 6** Other business (if any)

The Secretary explained voting procedures for each agenda item to trust unitholders as follows.

(1) In order to facilitate the vote counting on each agenda item, the trust unitholders who disapprove or abstain from voting are asked to please raise their hands in order for the Company's staff to collect the ballots from the trust unitholders who disapprove or abstain from voting.

(2) The trust unitholders who do not raise their hand and submit their ballots to the Company's staff for collection shall be regarded as having approved the matter. In this instance, please return your ballots to the Company's staff at the exit after the meeting is adjourned.

(3) As for the vote calculation, a trust unitholder shall have one vote per one unit. The Company will deduct disapproval and abstention votes from the total votes of the trust unitholders attending the meeting. The remaining shall be deemed as affirmative votes for the agenda item.

(4) If none of the trust unitholders disapprove or abstain from casting votes, their votes for the agenda item, it shall be considered that the matter is approved by unanimous vote of the meeting.

The Secretary informed the meeting that the Agenda Items 2 to 4 contain the matters in which some trust unitholders might have special interest, and Agenda Items 2 through 5 to be presented for approval at the Extraordinary General Meeting of the Trust Unitholders No. 1/2020 of SHREIT are all related and interdependent. If any of the Agenda Items 2 through 5 is not approved, the Agenda Items that have previously been approved shall be revoked and the remaining Agenda Items will not be presented at the meeting for trust unitholders' approval.

The Secretary informed the meeting that Quidlab Company Limited has been assigned to be responsible for trust unitholders registration, and the barcode system of Quidlab Company Limited will be used in this meeting.

The Secretary informed the meeting that, at the time of the commencement of the meeting, there were 26 trust unitholders present at the meeting in person, representing 3,659,998 units, and there were 111 trust unitholders present by proxy, representing 306,283,203 units; totaling 137 trust unitholders in attendance at the meeting, representing a total of 309,943,201 units, or 87.8432 percent of the total trust units issued and sold by SHREIT, thus forming a quorum in accordance with the Trust Deed. The Extraordinary General Meeting of the Trust Unitholders No. 1/2020 was therefore declared opened.

The Chairman of the Board assigned Mr. Christophe Wybe Angelo Forsinetti to act as "Chairman of the meeting and moderator." The meeting would be conducted in English followed by Thai translation.

The Chairman commenced the meeting and proposed the following agenda.

**Agenda Item 1 To consider and acknowledge the minutes of the 2020 Annual General Meeting of the Trust Unitholders of SHREIT dated 27 April 2020**

The Chairman informed the meeting that, as stated in the invitation letter, the Company had already prepared the minutes of the 2020 Annual General Meeting of the Trust Unitholders, which was distributed to the Stock Exchange of Thailand and disclosed on the Company's website ([www.sh-reit.com](http://www.sh-reit.com)), a copy of which is attached in **Enclosure 1**. The summary of agenda item 6 of the 2020 Annual General Meeting is as follows.

**Agenda Item 6 To consider and acknowledge an offer from LT Rubicon Limited with respect to the purchase of 100 percent of shares in Strategic Hospitality Holding Limited (SHH) and Strategic Hospitality Holding Limited 2 (SHH2)**

The Company, as REIT Manager of SHREIT, received an offer letter from LT Rubicon Limited ("LTB" or the "Offeror") dated 30 January 2020 (the "Offer") for the Offeror's proposed acquisition of 100 percent of all issued and subscribed share capital of Strategic Hospitality Holding Limited ("SHH") and Strategic Hospitality Holding Limited 2 ("SHH2"), and the Offeror's ultimate beneficial owner is Mr. James Lim, who is also one of the executive directors of the Company. Therefore, the transaction for the sale of share capital that SHREIT holds in SHH and SHH2 to the Offeror constitutes the connected transaction between SHREIT and the person related to the REIT Manager, and an independent financial advisor (IFA) must be appointed by law if the SHREIT would like to proceed with the transaction.

The Company prepared all the information completely for trust unitholders to consider and decide on the Offer. The matter would be presented to trust unitholders for further consideration.

The Chairman stated that this agenda item is for acknowledgement, no voting is required.

The Secretary invited the trust unitholders to make inquiries and recommendations on the matter.

**A trust unitholder** asked the following questions.

(1) A proxy form that the REIT Manager distributed to trust unitholders in the invitation letter allows the appointment of two proxies (and stated the independent director of the Company as one of the proxy), but also states that only one proxy shall be appointed. Is the proxy form legally valid? Should any person challenge the validity of the proxy form, making the meeting become void, who will be responsible for the costs incurred in connection with the meeting; and

(2) There is a trust unitholder who has a special interest in the disposal of SHREIT's assets to be considered at the meeting, and the issue is quite material. Is that trust unitholder who has a special interest in the matter allowed to vote for that agenda item, and how many trust unitholders have a special interest and are not allowed to vote?

**Ms. Duangkamon Amkaew from Baker & McKenzie Limited, the legal advisor of SHREIT**, explained that the proxy form is legally valid and has been used in every previous meeting of trust unitholders. Should any person challenge the validity of the proxy form, making the meeting become void, all the costs and expenses incurred in connection with this meeting will be borne by LT Rubicon Limited, the Offeror, regardless of the outcome of the unitholders' consideration. This is because this meeting is specifically held to consider the Offer of LT Rubicon Limited. As for the legal costs, it must first be considered and determined what these costs are for. If there is a claim related to the costs that SHREIT must be responsible for, SHREIT will have to bear the costs, provided that the SHREIT has the right to consider if the REIT Manager should share these costs as well or reimburse from the REIT Manager should the REIT Manager caused such damages.

Mr. Deepong Sahachartsiri, Chief Financial Officer, added that Mr. James Lim is a trust unitholder who has a special interest in the proposed transaction, as he is a current ultimate beneficial owner of the Offeror, while holding a total of 239,502 trust units of SHREIT and serving as an executive director of the REIT Manager. Mr. James Lim is, therefore, considered to have a special interest in the proposed matter and is not allowed to vote on agenda items 2 and 3 of the meeting, as stated in the invitation letter. The REIT Manager has examined the matter, taking into account both direct and indirect interest, and found that only Mr. James Lim has a special interest in the proposed transaction.

A trust unitholder continued to discuss about the REIT Manager's fiduciary duty, in that it is required to ensure proper care as a professional, and exercise a higher standard of responsibility than a person of ordinary prudence. A trust unitholder emphasized that the REIT Manager must render a high standard of service as a professional whether in proposing matters for the trust unitholders' consideration, or rendering its opinions.

A trust unitholder asked the following questions.

(1) Is it true that it is highly possible that the SHREIT might not be able to repay the loan to the bank in the next quarter, and the auditor might once again issue a disclaimer of opinion on the financial statements, causing a temporary suspension in the trading of trust units?

(2) What measures would the bank be able to take if the SHREIT cannot repay the loan?

(3) What is the relationship between Mr. James Lim, the Offeror and the sponsors (owner of the assets)?

Mr. Deepong Sahachartsiri, Chief Financial Officer, referred to the auditor's opinion, in that the auditor explained about the adverse effect of the COVID-19 pandemic, which materially affects the rent revenue, financial standing and overall business performance of the SHREIT, as well as other significant matters, including uncertainties associated with the financial institution creditors' waiver in case of SHREIT's failure to pay interest, SHREIT's failure to maintain financial ratio under the loan agreements, the auditor's disclaimer of opinion on the financial statements as of 2019 of the subsidiaries, and the decision of the unitholders in relation to the SHREIT's disposal of all investments in the subsidiaries. These uncertainties caused the auditor to issue a disclaimer of opinion on SHREIT's financial statements.

The most significant uncertainty pointed out by the auditor is the COVID-19 pandemic, which directly subjected SHREIT to a stringent cash flow situation, affecting its ability to repay loans.

The REIT Manager estimated that there is a strong possibility that the bank will issue a waiver to SHREIT for the first quarter, but after discussing the matter with the auditor, if these significant uncertainties still continue to exist, the auditor might once again issue a disclaimer of opinion on the financial statements for the next quarters, which may affect the bank's decision on a waiver, and constitute an event of default.

A trust unitholder continued to ask what measures the bank would be able to take if SHREIT cannot repay loan.

Mr. Deepong Sahachartsiri, Chief Financial Officer, answered that because it is a foreign bank in our case, there could be a difference in the enforcement action, and the foreign bank tends to be less flexible and may take actions and remedies available to it under the loan agreements, e.g. security enforcement. However, the REIT Manager has been discussing and will continue to discuss this matter with the bank closely.

A trust unitholder continued to ask what the relationship between Mr. James Lim and the sponsors is.

Mr. Deepong Sahachartsiri, Chief Financial Officer, explained that Mr. James Lim does not have any relationship with the sponsors (owner of the assets), whose details were disclosed in the Initial Public Offering prospectus.

A trust unitholder raised questions about SHREIT's liquidity management measures, saying that the REIT Manager is supposed to come up with these strategies and measures instead of disposing of the SHREIT's assets. The trust unitholder asked if the REIT Manager has implemented any measures to ease the liquidity shortage faced by the SHREIT, e.g. negotiating with the bank, or improving SHREIT's performance to negotiate an extended repayment plan, or seeking refinancing, as the trust unitholder believes that the total value of the assets held by the bank is higher than the debt itself. Why did the REIT Manager decide to propose the sale of SHREIT's assets for the meeting's consideration?

Mr. Deepong Sahachartsiri, Chief Financial Officer, explained that the SHREIT has implemented every measure as suggested by the trust unitholders, and the reason that the auditor issued a disclaimer of opinion on SHREIT's financial statements was mainly for the surrounding uncertainties. If these uncertainties continue to exist, it would be difficult to come up with a clear business strategy, and the auditor would not be able to give an opinion on the financial statements.

A trust unitholder said that when a company faces a liquidity shortage, the company is supposed to come up with appropriate measures and discuss the same with an auditor, to see if these measures are suitable, so the auditor can note the same in the financial statements. The current situation shows that the REIT Manager failed to convince the auditor that the SHREIT has at hand professionally viable measures to tackle the risk faced by it.

The Chairman mentioned to the meeting that as most of the questions relating to Agenda Item 2, the Chairman then suggested that the unitholders should raise the questions during the consideration of the Agenda Item 2 and proceeded to the next agenda item.

**Agenda Item 2** To consider and approve the assets disposition of Strategic Hospitality Extendable Freehold and Leasehold Real Estate Investment Trust by selling shares of Strategic Hospitality Holding Limited and Strategic Hospitality Holding Limited 2 to the Offeror with respect to the relevant conditions, including the authorization to the board of directors of the Company to enter into negotiations and/or agreements, to determine, amend, change the details or conditions of, to execute the related agreements, memorandum, and documents

The Chairman informed the meeting that, as stated in the invitation letter, the board of directors of the REIT Manager is of the opinion that the disposal of SHREIT's main assets will benefit SHREIT. SHREIT has net assets value as of 31 March 2020 of THB 2,587.34 million or THB 7.3329 per trust unit, will receive consideration from the disposal of SHREIT's main assets at the disposal price equivalent to value per trust unit of THB 6.00-6.30 which is the value per trust unit of approximately THB 6.00 - 6.30 is after the repayment of outstanding bank debt but before other adjustments based on foreign exchange rate, net working capital, all other liabilities and relevant costs at the date of the transaction. Net value per unit after the repayment of outstanding bank debt and all other adjustments is approximately THB 5.01 - 5.65 based on the exchange rate at the date of transaction. The net value per trust unit of THB 5.01 – 5.65 is higher than the market price of SHREIT (the weighted average market price of SHREIT during 7-14 days before the board of directors' meeting is in the range THB 4.25 - 4.45 per trust unit), in which SHREIT will provide the distribution and/or capital reduction payout to the trust unitholders using the proceeds from the disposal of SHREIT's main assets after repayment of outstanding bank debt and all other adjustments and provisions relating the disposal of SHREIT's main assets, dissolution and liquidation of SHREIT.

The board of directors of the REIT Manager is of the opinion that entering into the transaction is in accordance with the Trust Deed and relevant laws for the best benefit of the trust unitholders of SHREIT. The disposal price is reasonable and fair as it is higher than the market price as mentioned above. In addition, Mr. James Lim, who has a special interest will not participate in the decision on making for this transaction. Therefore, the trust unitholders should consider and approve the disposal of SHREIT's main assets.

After the disposal of SHREIT's main assets, the trustee and the REIT Manager of SHREIT will propose dissolving SHREIT and will request delisting SHREIT's trust units from being listed securities on the SET. SHREIT will then enter into the liquidation process.

The Chairman informed the meeting of the trustee's opinion as attached in **Enclosure 9**, that the trustee would like to advise that the matter that will be presented for approval by the trust unitholders for agenda item 2 is not against the Trust Deed's objective of SHREIT. However, the disposition of assets of SHREIT has the transaction size higher than 30 percent of SHREIT's total assets and the connected transaction between SHREIT and the person related to the REIT Manager has the transaction size higher than THB 20,000,000 and/or 3 percent of SHREIT's net asset value. SHREIT must obtain a resolution from the trust unitholders' meeting, which requires affirmative votes of not less than three-fourths of all trust units of trust unitholders attending the meeting and having the right to vote. The REIT Manager has appointed independent asset appraisal companies, which are on the approved list of the asset appraisal companies of the SEC, to appraise the assets of SHREIT for public purposes. Moreover, the REIT Manager has prepared the Opinion of Independent Financial Advisor on Disposal of Assets, Connected Transaction, and Dissolution of SHREIT for the investors' consideration.

Trustee is of the opinion that the disposition of assets of SHREIT is not against the Trust Deed of SHREIT or relevant laws.

However, trustee would like to emphasize to the trust unitholders to consider and vote on this agenda thoroughly and carefully. Trustee has considered that the period of time in which the independent asset appraisal companies and/or the independent financial advisor used in determining the assumptions for the fair value of assets and/or the fair value of the trust unit of SHREIT, may be under the current economic conditions and circumstance which are generally known that there is a global outbreak of COVID-19 during this period and having the direct impact on the hotel business. The independent financial advisor has specified the conditions of the COVID-19 epidemic situation in this financial projection assumptions, which are the reason to believe that if the assumptions relating to the outbreak of COVID-19 and/or the projection period have changed significantly, the result of the financial projection can change and affect the fair value assigned by the independent asset appraisal companies and the independent financial advisor, and the opinion on the reasonableness of the transaction and opinion on the dissolution can change as well.

The REIT Manager has estimated the net value per trust unit that the trust unitholders will receive if the resolution is approved in this meeting by calculating from the offered price and deducting the repayment of outstanding bank debt, the remaining value per trust unit is approximately THB 6.00 - 6.30. The REIT Manager therefore estimates that the remaining value, after deducting other adjustments based on foreign exchange rate, net working capital, all other liabilities and relevant costs at the date of the transaction, the remaining net value per trust unit is approximately THB 5.01 - 5.65.

Trustee has considered that the estimated net value per trust unit by the REIT Manager which the trust unitholders will receive if the resolution is approved in this agenda of approximately of THB 5.01 – 5.65 is significantly lower than the estimated net value per trust unit that the trust unitholders will receive if the resolution is approved in this agenda, according to the opinion of the independent financial advisor of THB 6.14 – 6.20 and is significantly lower than the initial public offering price (IPO) of THB 10 per trust unit and the net assets value (NAV) per trust unit as of 31 March 2020 of THB 7.3329 per trust unit. Such information is one of the important factors that the trust unitholders must consider the advantages, disadvantages, risks and long-term effects of the vote on this agenda item.

In addition, the estimated net value per trust unit by the REIT Manager is based on the exchange rate as of 17 March 2020, which will be different on the date of the transaction. Therefore, the trust unitholders should consider exchange rate risk in voting on this agenda as well.

**The Chairman** explained voting procedures and conditions for this agenda item to trust unitholders that the entering to the proposed transaction is the disposition of assets with the transaction size equal to or higher than 30 percent of SHREIT's total assets. Therefore, the transaction must be approved by the trust unitholders' meeting and



affirmative votes of not less than three-fourths of all trust units of the trust unitholders attending the meeting and having the right to vote.

As for vote counting of trust unitholders who are entitled to vote, the Company will not include the votes of the trust unitholders with a special interest in the transaction under consideration. The trust unitholders who have a conflict of interest that do not have the right to vote in this agenda (as of the record date of trust unitholders eligible to attend the meeting on 29 May 2020) are provided in the List of Trust Unitholders in **Enclosure 15**. The Company has attached the Information Memorandum on the Assets Disposition of SHREIT and the Connected Transaction between SHREIT and the Person Related to the REIT Manager in **Enclosure 4** and the Opinion of the Independent Financial Advisor on Disposal of Assets, Related Transaction, and Dissolution of SHREIT in **Enclosure 7** for your consideration.

The Secretary invited the trust unitholders to make inquiries and recommendations on the matter.

**A trust unitholder** asked the Chairman:

- (1) What is the REIT Manager's opinion on the financial projections or assumptions prepared by the independent financial advisor (IFA)?
- (2) Please clarify the difference between the value per trust unit of THB 6.00 – 6.30 that trust unitholders will receive from the Offeror and the final value per trust unit of THB 5.01 – 5.65.
- (3) Taking into account the difference between the exchange rate on the date of the financial projection and on the transaction date, would the final value per trust unit still be around the value of THB 5.01 – 5.65?
- (4) Is there any prepayment fee in case of the prepayment made by SHREIT?
- (5) Who will be responsible for the costs and expenses incurred as a result of the dissolution of the SHREIT or disposal of the SHREIT's main assets?

**Mr. Deepong Sahachartsiri, Chief Financial Officer**, answered to question (1) that the REIT Manager did not make the financial projections in the same way as prepared by independent financial advisor in the IFA report, because the REIT Manager's main objective is to establish a strategic plan on how to operate the SHREIT in the ordinary course of business, while the independent financial advisor will focus on creating financial projections, which are not comparable. However, in identifying financial projection assumptions, the REIT Manager will provide necessary information to the independent financial advisor, and the independent financial advisor will use its own discretion to determine what information is relevant and suitable. The REIT Manager is of the opinion that most of the information is in line with that provided by the REIT Manager.

Mr. Deepong Sahachartsiri answered to questions (2) and (3) that the value per trust unit of THB 6.30 is the value after repayment of bank debts, and the exchange rate applicable on the date of announcement of the value is not the same as that used to calculate the value per trust unit of THB 5.01 – 5.65, which is the value after other adjustments (Net Working Capital). In addition, the 2020 Annual General Meeting of the Trust Unitholders of SHREIT had not yet been held when announcing the value per trust unit of THB 6.30. The information was therefore not up-to-date, given it was the information as of the end of 2019 (the Offer was dated 30 January 2020), which was the value after repayment of bank debts. By factoring in the difference between exchange rate applicable as of the date of announcement of the value per trust unit of THB 6.30 and that as of 24 June 2020, the value per trust unit decreased from THB 6.30 to approximately THB 5.90, without taking other adjustments into account. The value of THB 5.01 – 5.65 is therefore the value after net working capital and all debt repayment before entering into the proposed transaction. Some important debts include outstanding expenses related to hotel operations, e.g. expenses related to hotel operators' consent for the SHREIT's disposal of its main assets, because the SHREIT will be required to comply with all the covenants under the hotel management agreements, including payment of the relevant fees and outstanding debts. These expenses in aggregate are approximately USD 5 -10 million, and the value per trust unit of THB 5.01 – 5.65 is the minimum value which already factored in the exchange rate differences.

For questions (4) and (5) regarding whether the prepayment fee will be applicable in case of prepayment, Mr. Deepong Sahachartsiri explained that all the relevant costs and expenses in that connection have already been included in the cost projection of SHREIT (approximately USD 5 -10 million), resulting in quite a high number, as this number already included additional costs incurred as a result of the delayed payments of interest. For other expenses in relation to the disposal of the SHREIT's main assets, service fees for relevant advisors, and other fees, these expenses will be borne by the Offeror regardless of the outcome of this meeting.

**A trust unitholder** asked the Chairman whether the REIT Manager has calculated the percentage discrepancy of the exchange rate difference based on the criteria set out by the Bank of Thailand, and what is that percentage? What is the basis of the exchange rate used as assumption for calculating the final value per trust unit, and is it considered to be in the best interest of trust unitholders? The trust unitholder also requested that the REIT Manager clarify whether SHREIT has implemented any measures to handle and manage the liquidity crisis in this situation. Is there is any good reason for SHREIT to dispose of all its main assets at the moment, and are those measures in the best interest of trust unitholders?

**Mr. Deepong Sahachartsiri, Chief Financial Officer**, clarified that the decision to dispose of all of SHREIT's main assets is based on the review of the disposal price prepared by the independent financial advisor, compared with the current information and projection of SHREIT's future performance. When compared with the risks SHREIT might face in the future, the REIT Manager is of the opinion that the disposal price is reasonable.

A trust unitholder continued to ask about the actual reason for the REIT Manager's decision to sell all the assets of the SHREIT, because the REIT Manager's decision is purely based on assumptions, not the real situation. Is the offering price reasonable compared to SHREIT's real properties? The trust unitholder emphasized the importance of coming up with effective measures to manage the risks instead of selling the assets.

Mr. Deepong Sahachartsiri, Chief Financial Officer, presented the most recent performance results of each hotel and the occupancy rate in the first quarter of year 2020 to the trust unitholders, comparing with those of the same quarter of the last year, to show that the COVID-19 pandemic has materially and adversely affected SHREIT's financial performance.

| Hotel                        | Occupancy Rate (%) |                   |               |             |
|------------------------------|--------------------|-------------------|---------------|-------------|
|                              | Quarter<br>1/2020  | Quarter<br>1/2019 | April<br>2020 | May<br>2020 |
| Pullman Jakarta Central Park | 58.67%             | 75.94%            | 1.79%         | 17.89%      |
| Ibis Saigon South            | 18.15%             | 48.52%            | 0.02%         | 0.00%       |
| Capri by Fraser HCMC         | 30.00%             | 63.70%            | 13.00%        | 13.00%      |

Mr. Deepong Sahachartsiri provided further clarification on the COVID-19 situation in Indonesia that there were approximately 1,000 new cases and 30 deaths per day, on the average. Pullman Jakarta Central Park Hotel is located in an area with a high number of infections (West Jakarta). The Indonesian government is particularly careful when considering re-opening international borders, and has issued the notification to extend the large-scale social restrictions until the end of June 2020. This includes a ban on holding meetings and seminars. This has a direct impact on SHREIT's performance as the key customers of the hotel are customers who come to attend meetings and seminars.

A trust unitholder asked the REIT Manager about SHREIT's risk management measures during this kind of situation once again. Until when does the REIT Manager anticipate the situation will remain? And what is the actual reason to consider the disposal of all assets of the SHREIT?

Another trust unitholder asked the meeting to consider, conclude, and resolve this matter before the meeting ends at 12:00 p.m. without considering other agenda items. The trust unitholder made an observation that the final value that the trust unitholders are expecting to receive (THB 5.01 - 5.65 per unit) is a little too low. However, when considering the COVID-19 situation, which directly impacts hospitality businesses, it is likely impossible to request change in the disposal price for now.

Trust unitholders exchanged their opinions on this matter. The Secretary announced the current time and requested for cooperation of all trust unitholders to discuss other views after the end of the meeting and to take into account the necessity to proceed with the meeting in accordance with the agenda.

A trust unitholder made an observation that the assumptions of the independent financial advisor were likely based on a worst-case scenario and had no best case/ base case assumptions. In addition, the assumptions did not include net operating income support (NOI Support) from sponsors, which is not reasonable. Moreover, when comparing with the market price, it is even more inappropriate. The net asset value (NAV) of 7.3329 per unit should have been used for comparison.

Mr. Deepong Sahachartsiri, Chief Financial Officer, clarified that the net asset value (NAV) is a book value calculated based on investment value, and adjusted by the annual valuation at the end of each year. The latest value as of the end of year 2019 is approximately THB 7.3329 per unit. The COVID-19 pandemic arose after the valuation while the projection of the IFA was based on the current information and as a forward-looking forecast. Therefore, the net asset value (NAV) cannot be used as a factor to be compared with the current situation.

Mr. Deepong Sahachartsiri requested that the IFA provide further clarifications.

The representative from Asset Pro Management Company Limited, as IFA of SHREIT, explained that the IFA has conducted projection in three scenarios, namely, worst case, best case, and base case. The estimated value of base case is USD 88 million. To calculate worst case and best case, ten percent of Average True Range (ATR) was added and deducted respectively. The value between worst case and best case is about USD 76 - 99 million.

The value of year 2020 was quite low because the projection was based on the then current information which the IFA received from each hotel combined with an opinion of the REIT Manager. The IFA had used discretion and considered using the raw data, which are relevant and reasonable, both in respect of occupancy rate and average daily rate to prepare assumptions for calculating the revenue per available room. The IFA had considered the reasonableness of the projection, based on both actual information and estimated information.

For years 2021 and 2022, the IFA had already specified in the opinion of the independent financial advisor that the COVID-19 pandemic situation would continue to have impact for a while (approximately three years, which is years 2020 - 2022), until the situation returns to normal, and for projection of the following years, the IFA had included expenses for renovation into calculation.

The IFA believed that the assumptions are reasonable, and other information with respect to cost structure and expense structure is all based on the contracts to which SHREIT is a party. The projection of the IFA already included net operating income support (NOI Support) from sponsors.

A trust unitholder made an observation that the IFA used only an income approach to create the projection. However, referring to the criteria of the Bank of Thailand on fair value measurements (IFRS 13), the three methods, namely, market approach, cost approach, and income approach, must be used.

The IFA explained that the opinion of the IFA referred to the market price and the asset appraisal report of the independent appraiser who is a specialist. In addition, the IFA also prepared the working paper for fair value calculation in case of COVID-19-free situation. The estimated value would be USD 99.59 million, which is still lower than the offering price of USD 118 million.

A trust unitholder stated that, at present, trust unitholders are still unable to see a clear picture of the worst-case scenario if the assets of SHREIT are not disposed of.

Mr. Deepong Sahachartsiri, Chief Financial Officer, illustrated the current situation of hospitality businesses in Vietnam. Although, COVID-19 pandemic situation in Vietnam is better than other countries, the lockdown measures have resulted in border closure and ban on foreign tourists (except certain types of tourists) entering the country. Those groups of tourists could not travel into the country and enjoy the services. As most customers of both hotels (Capri by Fraser and IBIS Saigon South) are those who attend Saigon Exhibition and Convention Centre (SECC), the REIT Manager foresees these impacts and risks; and foresees that the cash flow of SHREIT would be tight. When the REIT Manager received the Offer, the REIT Manager considered the same by comparing with the opinion of the IFA and risks of business operation in the future. Therefore, the REIT Manager viewed that if the assets of SHREIT could be disposed of at the price specified in the Offer, it would be more beneficial to the trust unitholders. If there is no disposal of assets now, there is high possibility that the price of trust units would go down and opportunity for the dividend payment would be low given the risks. In providing the opinion of the REIT Manager, the REIT Manager has considered the offering price compared with the appraisal price of the independent appraiser, the final proceeds that the trust unitholders would receive at the end, and the future business risks.

A trust unitholder asked about and gave an opinion on the IFA's projection. The trust unitholder also provided an opinion on investment climate in Vietnam and Indonesia, which, in his view, still remain attractive for investors, and the overview of economic situation would become better in the near future.

The Chairman noted and agreed with the trust unitholder that Vietnam and Indonesia remain attractive countries for investors. The Chairman explained that SHREIT has done everything it could be to improve the situation, but it is still unforeseeable that the situation will improve and recover in such a short period of time.

The IFA explained that further information, including investment and renovation cost, could be found in the attachment of the IFA report.

A trust unitholder asked whether the trustee has determined that the Offeror is not a related person of any of trust unitholders other than Mr. James Lim and that all trust unitholders, except Mr. James Lim, are trust unitholder who have the right to vote on Agenda Item 2.

Mr. Deepong Sahachartsiri, Chief Financial Officer, answered that the examination had already been completed and informed trustee of the same.

A trust unitholder asked whether the Offer is legally binding. Does the Offeror have the right to revoke or change the offering price after the meeting has resolved to approve the proposed transaction?

Miss Duangkamon Amkaew, legal advisor from Baker & McKenzie Limited, as legal advisor of SHREIT, explained that the Offer is not legally binding as the definitive agreement has not yet been executed and it is still subject to the outcome of today's meeting. However, the offering price specified in the Offer will not be changed. LT Rubicon Limited, as the Offeror, will be responsible for all costs incurred as a result of and in connection with the holding of this meeting, regardless of the outcome of the meeting. For this part, the Offeror specifically notified the REIT Manager in writing, so it will be binding on the Offeror on the relevant expenses.

A trust unitholder raised a question about the financial statement as of 31 March 2020, which specifies that there are lease receivables (Subleases) of around THB 46 million. Are these debts still in force? And are the sponsors still obliged to pay net operating income guarantee amount to SHREIT? If the amount has not been paid, will it be deemed breach of contract by the sponsors?

Mr. Deepong Sahachartsiri, Chief Financial Officer, clarified that the lease receivables (Subleases) of around THB 46 million are still in force. The sponsors are still obliged to pay net operating income guarantee amount to SHREIT as it is still within the obligation period specified in the contract; regardless of the outcome of the meeting today.

As there were no further questions or opinions from the trust unitholders, the Secretary asked the meeting to consider and cast their votes on Agenda Item 2. The representative of the trustee participated in the vote counting inspection.

**Resolutions:** The Secretary informed the meeting that, for this agenda item, there were 25 additional trust unitholders, representing 16,761,717 units, who registered and attended the meeting after announcing the number of trust unitholders in attendance at the meeting and declaring the meeting to open; totaling 162 trust unitholders in attendance at the meeting, representing a total of 326,704,918 units, or 92.5938 percent of the total trust units issued and sold by SHREIT.

The trust unitholders in attendance at the meeting and having the right to vote cast the following votes (one vote per one trust unit) (excluding votes of Mr. James Lim, a trust unitholder who has a special interest in this agenda item, holding 239,502 units, equal to 0.07 percent of the total trust units issued and sold).

| Approved    | Disapproved | Abstained | Void | Unitholders | Total vote  |
|-------------|-------------|-----------|------|-------------|-------------|
| 237,973,328 | 87,666,090  | 1,065,500 | 0    | 162         | 326,704,918 |
| 72.8404%    | 26.8334%    | 0.3261%   | -    | -           | 100.00%     |

Although the matter was approved by a majority vote of the meeting of 72.8404 percent, the total vote was still less than three-fourths of all trust units of trust unitholders attending the meeting and having the right to vote. Therefore, the vote was not sufficient to approve SHREIT's entering into the transaction as proposed in Agenda Item 2.

Since Agenda Items 2 through 5 are all related and interdependent, given that Agenda Item 2 was not approved by the trust unitholders' meeting, the remaining Agenda Items 3 to 5 were not presented at the Extraordinary General Meeting of the Trust Unitholders No. 1/2020 for trust unitholders' consideration.

#### Agenda Item 6 Other business (if any)

A trust unitholder requested that the REIT Manager clarify about what happened during the past two and a half years since SHREIT has been established and the REIT Manager has started managing the SHREIT, leading to significant decrease in the net asset value (NAV).

Mr. Deepong Sahachartsiri, Chief Financial Officer, explained that the main reasons for the decrease of the net asset value (NAV) are capital reduction and payout in the previous periods, as well as the book value which declines in accordance with the decrease of asset value at the end of every year.

A trust unitholder asked that since there is no disposal of SHREIT's assets as proposed in Agenda Item 2, how SHREIT plans to manage the assets of SHREIT in the future.

Mr. Deepong Sahachartsiri, Chief Financial Officer, explained that the REIT Manager will continue to manage the assets of SHREIT with its best endeavors. One of the key measures is to find new assets to invest in, so that the size of SHREIT would be large enough to prevent any extreme fluctuation. However, this might be difficult to accomplish.

Trust unitholders shared their suggestions on SHREIT's asset management. Some of the trust unitholders proposed that there should be a plan to manage assets and SHREIT's operation in compliance with the new normal.

There should also be a financial liquidity management plan to ensure confidence of minority trust unitholders. Some trust unitholders would like the REIT Manager to consider plans to reduce expenses incurred.

Mr. Deepong Sahachartsiri, Chief Financial Officer, acknowledged suggestions of all trust unitholders and explained that SHREIT could not pay dividends due to excessive expenses in one quarter only. After that, SHREIT has not faced any expense issues. The REIT Manager is of the opinion that expenses of SHREIT recorded in the account are not high and are quite stable. The main factor causing fluctuation in SHREIT's expenses is the exchange rate. In the long term, SHREIT will have to come up with a risk management plan to manage the fluctuating expenses in order to increase profits.

A trust unitholder noted that the net asset value (NAV) of SHREIT has been continuously declining. To increase it, it may need strategic management and efficient mergers and acquisitions.

There were no other matters raised by the trust unitholders to consider. Therefore, the Chairman declared the meeting adjourned.

The meeting adjourned at 12:30 p.m.



(Mr. Christophe Wybe Angelo Forsinetti)

Chairman of the meeting / Director