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Notification of the Office of the Securities and Exchange Commission

No. SorNor. 11/2550

Re: Rules, Conditions and Procedures for
Establishment and Management of Property Funds

By virtue of Section 118(1) and Section 141(2) with the approval of the Securities and Exchange Commission, of the Securities and Exchange Act B.E. 2535 (1992) and Clause 3, Clause 6, Clause 11 and Clause 16 with the approval of the Securities and Exchange Commission, and Clause 2, Clause 4, Clause 10, Clause 12, Clause 17 and Clause 18(1) and Clause 19 of the Notification of the Securities and Exchange Commission No. KorNor. 30/2547, Re: Rules, Conditions and Procedures for Establishment and Management of Funds dated 10 June 2004, together with Clause 5 and Clause 18(6) of the Notification of the Securities and Exchange Commission No. KorNor. 30/2547, Re: Rules, Conditions and Procedures for Establishment and Management of Funds dated 10 June 2004 as amended by the Notification of the Securities and Exchange Commission No. KorNor. 1/2550, Re: Rules, Conditions and Procedures for Establishment and Management of Funds (No. 4) dated 24 April 2007, the Office of the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. This Notification shall come into force as from 1 October 2007, except for Clause 13, Clause 14, Clause 15, Clause 16, Clause 33, Clause 34 and Clause 80, which shall come into force as from 1 July 2007.

Clause 2. In this Notification:

“Mutual fund” means any mutual fund established by a mutual fund management company with the aim to invest the funds raised through the distribution of investment units in real estate (or property) or leasehold of real estate and to gain economic benefits from such investment;

“Retail fund” means the retail fund pursuant to the Notification of the Office of the Securities and Exchange Commission governing the establishment of mutual funds and the execution of agreements for management of private funds.

“Specified fund” means any mutual fund which has specified in its scheme the actual real estate to be acquired;

“Non-specified fund” means any mutual fund which specifies in its scheme only the type and location of the real estate to be acquired;

“Valuation” means the determination of value of real estate or leasehold in which a mutual fund invests, on the basis of a full valuation, for the purpose of disclosure to the public. Legal title, restrictions on possessory right of a property, legal terms, conditions and restrictions, other restrictions on property usage, details on the existing use and other relevant details must be examined, including physical inspection of the property;

“Valuation review” means providing of opinion on the value of real estate or leasehold in which a mutual fund invests, without conducting physical inspection of the property;

“Lease” means any lease whether directly or by assignment or sublease;

“Scheme” means a mutual fund scheme;

“Scheme capital” means the maximum amount, as specified in the scheme, which a mutual fund management company may sell investment units;

“Registered capital” means pool of funds which have been raised by the mutual fund management company through the distribution of investment units, and which are registered with the Office;

“Stock Exchange” means the Stock Exchange of Thailand;

“Variable” means the variables pursuant to the law governing derivatives;

“Advisor” means any legal person which renders advice or recommendation to the mutual fund management company in relation to the investment in or disposal of property or leasehold or the utilization of real estate acquired;

“Bank” means any commercial bank under the law governing commercial banking and banks established under a specific law;

“Property valuer” means any company whose name is on the list of valuation company as approved by the Office pursuant to the Notification of the Office of the Securities and Exchange Commission governing the granting of approval of valuation companies;

“Underwriter” means any securities company licensed to undertake securities business in the category of securities underwriting, and any securities company licensed to undertake securities business in the category of underwriting investment units;

“Fund manager” means person(s) who is(are) responsible for making decisions to invest in or dispose of securities and other assets which are not real

estate or leasehold or being responsible for seeking to gain economic benefits from other means;

“Property fund manager” means the person(s) who is(are) responsible for making decisions to invest in or dispose of real estate or leasehold;

“Retail subscriber” means any person who subscribes for investment units as set forth in the prospectus and who is not:

- (1) a special subscriber; and
- (2) an owner, lessor, assignor of lease and grantor of right over the property to be acquired by the mutual fund.

“Special subscriber” means any entity which subscribes for investment units being allotted under special conditions, which are the following:

- (1) Provident funds;
- (2) Mutual funds under the law governing securities and exchange;
- (3) Government pension fund;
- (4) Collective investment scheme under foreign law which offers investment units to the public;
- (5) Thai Red Cross;
- (6) Saving cooperatives and cooperative communities;
- (7) Social security fund;
- (8) Insurance companies;
- (9) Charities for public purposes;
- (10) Government agencies and state enterprises under the law governing budgetary procedure;
- (11) Universities;
- (12) Investors as approved by the Office.

“Fund supervisor” means a mutual fund supervisor;

“Property manager” means any juristic person appointed by a mutual fund management company to perform the duty of administrating or seeking to gain economic benefits from the real estate acquired by the mutual fund;

“Valuation report” means a report made by property valuer specifying details of the valuation or valuation review which is signed by a principal valuer

whose name is on the list as approved by the Office pursuant to the Notification of the Office of the Securities and Exchange Commission governing the granting of approval of valuation companies;

“Recurrent income” means any income received by the mutual fund which is generated, on a regular basis, from utilization of the real estate by third parties such as rent, service fee, etc., including interest arisen from such income;

“Derivatives” means any derivatives contracts under the law governing derivatives or other similar contracts;

“Goods” means goods under the law governing derivatives;

“Prospectus” means a prospectus which contains the particulars as prescribed by the Notification of the Office of the Securities and Exchange Commission concerning the prospectus for the offer of investment units of property funds;

“Office” means the Office of the Securities and Exchange Commission

Chapter 1

Establishment of Mutual Funds

Clause 3. An application for establishment of a mutual fund shall be approved providing that it complies with the following rules;

- (1) Being a mutual fund which offers investment units to the public;
- (2) Being a closed-ended mutual fund;
- (3) Having the details of the scheme which are not inconsistent with the rules as prescribed by the Office.

Clause 4. The mutual fund management company shall submit an application for establishment and management of mutual funds in writing, together with supplementing documents for the application as follows:

- (1) Details of the scheme containing items as specified in the Mutual Fund Approval System (MFAS), which is the system established to support the submission of application to establish mutual funds under this Notification. In this regard, the company shall submit details of the scheme through the aforementioned system. During the period that the Mutual Fund Approval System (MFAS) is being developed and not completed, details of the scheme shall be prepared in accordance with the notification concerning details of property fund scheme;

(2) Draft commitment between unitholders and the mutual fund management company, which shall contain at least material contents as specified in Section 119;

(3) Draft agreement for appointment of fund supervisor, which shall contain at least material contents as specified in Clause 5; and

(4) Draft prospectus.

In respect of a specified fund, the valuation report prepared by at least two property valuers must be submitted by the mutual fund management company in addition to the above documents.

Clause 5. A draft agreement for appointment of fund supervisor shall contain at least the provisions on the following duties:

(1) Complete the inspection of properties acquired by a mutual fund within the following period of time:

(a) thirty days from the date on which the fund supervisor receives from the mutual fund management company, a written notice that the mutual fund is in possession of the property;

(b) one year from the date on which the fund supervisor has completed the previous inspection.

(2) Record conditions of the property correctly, completely and truly as inspected by the fund supervisor within thirty business days from the date on which such inspection begins;

(3) Notify the mutual fund management company of any significant deterioration of the property within five business days from the date on which the deterioration is found by the fund supervisor;

(4) Inform the mutual fund management company to conduct a re-valuation as and when the fund supervisor deems that there occurs an event or a change which significantly affects the value of the property or the value of the leasehold of a mutual fund;

(5) Examine to ensure that the acquiring and disposal of the property or leasehold for a mutual fund is made in compliant with the scheme and the rules stipulated under this Notification;

(6) Verify that the calculation of the asset value, net asset value and value of investment unit of the mutual fund is correct and that it is made in compliant with the rules stipulated under this Notification;

(7) Render opinions relating to the performance of the mutual fund in the mutual fund report;

(8) Consider and approve the method for disposal of property under the second paragraph of Clause 77.

Clause 6. In considering an application for establishment and management of a mutual fund, the Office may require the mutual fund management company to submit or amend any documents under Clause 4 completely and correctly or to submit additional documents.

In the case where the mutual fund management company fails to do so within the period of time specified by the Office under the first paragraph, it shall be deemed that the mutual fund management company no longer wishes to apply for the establishment and management of the mutual fund, unless the company can demonstrate that such failure to proceed as required by the Office within the specified time is caused by any *force majeure* or on justifiable ground.

Clause 7. The mutual fund management company which has been granted approval by the Office to establish and manage a mutual fund shall ensure that contents of the commitment between unitholders and the mutual fund management company, the agreement for appointment of fund supervisor and the prospectus are the same as those contained in the drafts which have been approved by the Office.

Clause 8. Where a mutual fund intends to make an investment, whether totally or partially, in a leasehold, the mutual fund management company shall include the word “leasehold” in the property fund’s name.

Chapter 2

Offer and Allotment of Investment Units

Clause 9. The mutual fund management company which has been granted approval to establish and manage a non-specified fund shall not disclose any information relating to the real estate or leasehold to be acquired when advertising the fund and in the prospectus unless the company has received an approval granted by the Office to change the scheme to a specified fund.

In requesting for an approval on the change under the first paragraph, the mutual fund management company shall submit to the Office the draft prospectus containing information on the real estate or leasehold to be acquired together with relevant details pursuant to the Notification of the Office of the Securities and Exchange Commission governing the prospectus of property funds.

Clause 10. Prior to the initial public offering of investment units, the mutual fund management company shall the summary (material information) part of the prospectus to the Office at least one business day prior to the prospectus being delivered, distributed or made available to investors. Such document shall also be submitted through the Mutual Fund Report and Prospectus System (MRAP)

of the Office. Any change to the prospectus shall be updated without delay and shall be made through the above system.

Clause 11. In offering investment units, the mutual fund management company shall ensure that material information in respect of investment units and the mutual fund is distributed sufficiently to investors. The mutual fund management company shall have details of the mutual fund scheme available for reviewing upon a request by investors. The information must be up-to-date at all times.

Clause 12. The mutual fund management company shall cause to have the initial public offering of investment units within one year from the approval date of the mutual fund, and such offer shall be made in compliance with the provisions in the prospectus.

Clause 13. In offering investment units to retail subscribers, the mutual fund management company shall also comply with the following:

(1) Prescribe the minimum subscription amount to be no more than fifty thousand Baht;

(2) Not allot investment units in excess of one-third of the total outstanding investment units to any person or person(s) of the same group, except for the following cases:

(a) the allotted person is the Government Pension Fund, social security fund, provident fund or mutual fund for retail investors;

(b) the allotted person is a juristic person established under Thai law and not subject to corporate income tax, such as, Government Saving Bank, Stock Exchange, charities or temples, etc.;

(c) any other person with a waiver granted by the Office as necessary and appropriate.

(3) specify the period for the initial offering of investment units to be no less than seven days;

(4) arrange for allotment system to be appropriate and fair to subscribers. In this regard, the allotment shall be first made to subscribers of small amount of investment units ("small-lot first" basis);

(5) Not impose any term and condition on distribution of investment units which shall prejudice a particular groups of investors in purchasing the investment units, which may prevent the distribution of investment units from being distributed publicly;

(6) Publicly advertise the public offering of investment units so as to ensure that information concerned reaches the general public.

In the case where any person purchases investment units of a mutual fund which are offered for retail subscribers so as to resell them, or the purchase is made for an omnibus account, the mutual fund management company shall set out a requirement for such person to comply with (1), (2), (3), (4) and (6) *mutatis mutandis*.

The provisions under (1), (3), (4), (5) and (6) shall not apply to the private placement offering of investment units for the purpose of increasing registered capital which is specified in the prospectus or which is offered to holders of investment units of that mutual fund.

Clause 14. For the purpose of determining whether a person is of the same group pursuant to Clause 13(2), Clause 16, Clause 19(4), Clause 21, Clause 33, Clause 34 and Clause 54, persons related in the following manners shall be regarded as being in the same group:

- (1) Parent and minor child;
- (2) Spouses;
- (3) A juristic person and its shareholder or partner who holds more than ten percent of the total outstanding shares or partnerships, as the case may be;
- (4) A juristic person and another juristic person in which the former holds shares or partnership more than ten percent of the total outstanding shares or partnerships, as the case may be.
- (5) Persons under (1), (2), (3) and (4) and his private fund.

Clause 15. In making the initial offering, the mutual fund management company shall offer and allot investment units to retail subscribers no less than two thirds of the total outstanding investment units.

The number of investment units allotted to retail subscribers under the first paragraph shall include the number of investment units taken by an underwriter under the underwriting agreement.

Clause 16. In offering and allotting investment units to special subscribers, owners, lessors, assignors of lease or grantors of right over the property to be invested by the mutual fund, or their person of the same group, the mutual fund management company shall act as follows:

- (1) Offer and allot to such persons no more than one third of the total outstanding investment units following details of names and characteristics of such persons as prescribed in the scheme and the summary part of the prospectus;
- (2) In case where such persons make subscription of investment units following the procedure and method for retail subscribers, the mutual fund

management company will offer and allot investment units from the quota of retail subscribers to such persons only if they are granted waiver under Clause 13(2).

In the case where the property to be acquired by a mutual fund is usufruct or right of superficies, the provision concerning allotment of investment units under the first paragraph shall also apply to owners of the land or property relating to such right.

Clause 17. The offering of investment units for the purpose of increasing the registered capital, the mutual fund management company shall satisfy the following rules:

(1) Offer investment units to retail investors or specific investors who are not unitholders not exceeding fifty percent of the investment units offered;

(2) Offer the remaining investment units from (1) to the existing unitholders in proportion to their respective holding (right issue). In case where an existing unitholder does not exercise his/ her subscription right under the rights issue, the company shall proceed with the unsubscribed quota in accordance with the resolution of the unitholders passed under Clause 54.

Chapter 3 Proof of Title

Clause 18. In providing the proof of title in investment units, the mutual fund management company shall:

(1) proceed to ensure that the proof of title contains necessary and sufficient information so as the unitholders are able to proof their rights over the investment units and keep it as a reference when contacting with the company and other persons;

(2) include in the proof of title, basic information of persons relating to the management of a mutual fund to ensure that unitholders are able to contact such persons;

(3) clearly specify restrictions of right of unitholders, if there is any.

Chapter 4 Termination of Approval for Establishment and Management of Mutual Funds

Clause 19. Following the end of the period for the initial offering, upon occurrence of one of the following events, the approval for establishment and management of the mutual fund shall be terminated;

(1) Failure to sell up to two thirds of the total outstanding investment units to retail subscribers;

(2) Failure to sell investment units to a total of two hundred and fifty subscribers;

(3) The total value of investment units sold is less than five hundred million Baht;

(4) Allotment of investment units to any particular person or group of persons exceeds one third of the total outstanding investment units, except for the persons under waiver pursuant to Clause 13(2); or

(5) The total value of investment units sold is insufficient to acquire the property or leasehold of a property as specified under the scheme.

The mutual fund management company shall inform the Office of the event under the first paragraph within fifteen days from the end of the initial offering and shall refund subscription amount and any interests arising from proceeds obtained in proportion to the subscription amount to subscribers within fourteen days from the end of the initial offering. Where the mutual fund management company fails to refund the subscription and interests within the specified time due to its own fault, it shall pay out the interest to the subscribers at the rate of not less than seven and a half percent per annum from the due date until the date on which it pays the subscription amount in full.

The par value of investment unit shall be used for the purpose of calculating the total amount of investment units sold in the first paragraph.

Clause 20. The Office may revoke an approval for establishment and management of the mutual fund, should any of the following events arise:

(1) An amendment is made to the scheme which is inconsistent with the rules prescribed in this Notification and without permission of the Office;

(2) An offering, sale and allotment of investment units is made in violation of or non-compliance with Clause 13, Clause 15, Clause 16 and Clause 17.

Clause 21. Where there is a circumstance which shall be deemed that the mutual fund management company or a unitholder, in collusion or in agreement with third parties, acts to conceal the truth so as to aid any person or group of persons to hold more than one third of the total outstanding investment units of the mutual fund, the Office may revoke an approval for establishment and management of that mutual fund.

Clause 22. Where there is a ground to believe that a mutual fund may be established so as any particular person or group can specifically exploit a benefit

from it or use it as a tool to manage his/ her/ their own asset or business, the Office shall take action as follows:

(1) Instruct the mutual fund management company or relevant persons to provide explanation, reason, fact and evidence within the period specified by the Office;

(2) Order the mutual fund management company to rectify or take any action within a specified period so as to ensure that the mutual fund is established virtually for as a retail fund, if no explanation under (1) has been made or the explanation made fails to convince that the mutual fund is established virtually as a retail fund;

(3) Revoke an approval for establishment and management of such mutual fund, if the mutual fund management company fails to take action as directed by the Office under (2) or fails to ensure that the mutual fund is established virtually as a retail fund after taking the action as per the Office's instruction..

Clause 23. Pursuant to the revocation made under Clause 20, Clause 21 or Clause 22, if the investment units have already been offered but the mutual fund has not been registered, the mutual fund management company shall refund the subscription and any interests to subscribers. The provisions under the second paragraph of Clause 19 shall apply *mutatis mutandis*. However, if such mutual fund has already been registered, the mutual fund management company shall immediately proceed to dissolve the mutual fund.

Chapter 5

Management of Mutual Funds

Part 1

General Provisions

Clause 24. The mutual fund management company shall send a copy of the following documents to the fund supervisor;

(1) The agreement to appoint a property valuer to be sent within five business days from the date the contract is made or from the date the fund supervisor is appointed, in the case where the property valuer has been appointed before the fund supervisor, as the case may be;

(2) The agreement to appoint a property manager (if any), and the agreement to appoint an advisor (if any), to be sent within five business days from the date the contract is made.

Clause 25. The mutual fund management company shall facilitate the following persons:

(1) The property valuer(s) or its designated person in inspection of the property acquired by the mutual fund for the purpose of making an valuation of the property;

(2) The fund supervisor or its designated person in inspection of the property acquired by the mutual fund for the purpose as specified in the agreement to appoint fund supervisor.

Clause 26. In managing the mutual fund, the mutual fund management company shall appoint the person approved by the Office to perform the following duties:

(1) property fund managers to make decisions to invest in or dispose of real estate or leasehold;

(2) a fund managers to make decisions to invest in or dispose of assets under Clause 52 for the purpose of managing liquidity of the mutual fund.

The mutual fund management company shall arrange to post openly names of its property fund manager at its office.

Clause 27. Where the mutual fund management company wishes to appoint an investment committee comprising of unitholders or their representatives and a property fund manager to make decisions to invest in or dispose of real estate or leasehold of real estate, it shall include such provision in the scheme by clearly stating how the unitholders or their representatives can participate in making investment decisions.

Clause 28. The mutual fund management company shall apply for the investment units of the mutual fund to be listed in the Stock Exchange within thirty days from the registration date of the mutual fund.

Clause 29. After the investment units of a mutual fund become listed securities in the Stock Exchange, the mutual fund management company shall inform the Stock Exchange on the followings:

(1) Scheme's amendment;

(2) Valuation and valuation review made under Clause 62 and Clause 64 containing details as set out under Clause 66.

Clause 30. The mutual fund management company shall convene a unitholders' meeting upon a request made by unitholders representing no less than ten percent of the total outstanding investment units.

Clause 31. In managing the mutual fund, the mutual fund management company shall comply with the Notification of the Office of the Securities and

Exchange Commission Re: Rules, Conditions and Procedures for Management of Funds *mutatis mutandis* in relation to the following matters:

- (1) Actions taken in case of incorrect value or price of investment units;
- (2) Mutual fund merger or amalgamation provided that it is a merger or amalgamation between mutual funds;
- (3) Actions taken in case of credit default by an issuer of a fixed-income instrument or default on payment by debtors under right of claim.

Clause 32. The mutual fund management company may collect fee, any other remuneration, or necessary and appropriate expenses from unit purchasers, unitholders or a mutual fund only when the rate and method of collection of such fee, any other remuneration, or expenses have been clearly provided in the scheme or the prospectus.

Part 2

Actions Required in case of Breach of One-third Holding Limit

Clause 33. The mutual fund management company shall make or cause to have an inspection to determine whether any person or a group of persons holds investment units more than one third of the total outstanding investment units. If a breach of the limit has been found by the mutual fund management company's own inspection or inspection it has caused or by a securities company as stipulated under Clause 34, it shall take the following actions:

- (1) Report the breach to the Office within five business days from the date on which it is aware or should have been aware of such circumstance, except for the case that such circumstance falls under the exception pursuant to Clause 13(2);
- (2) When obtaining the unitholders' resolution, disregard the votes cast by such person or group of persons through the investment units in excess of one-third of the total outstanding investment units;
- (3) Pay no dividend to such person or group of persons for the investment units held in excess of one-third of the total outstanding investment units, except under the exception pursuant to Clause 13(2);
- (4) Inform such person or group of person to discharge the investment units held in excess of one-third of the total outstanding investment units.

The mutual fund management company shall inspect or cause to have an inspection on the holding of investment units by the person who was the owner or assignor of leasehold, lessor or grantor of right in property and their associated

group of persons. Should it be found that such person holds investment units in excess of the specified limit, the company shall take actions in accordance with the first paragraph *mutatis mutandis*.

Clause 34. In the case where any person or group of person holds investment units through an omnibus account, the mutual fund management company shall require the securities company who is the owner of the account to proceed as follows:

(1) Inspect or cause to have an inspection to determine whether any person or group of persons holds units in excess of one third of the total outstanding investment units;

(2) Inform the mutual fund management company immediately if it is found that any person or group of persons holds units in excess of one third of the total outstanding investment units;

(3) Exclude the votes cast by such person or group of persons through the investment units held in excess of one-third of the total outstanding investment units;

(4) Pay no dividend to unitholders pursuant to Clause 33(3).

The provision under the second paragraph of Clause 33 shall apply *mutatis mutandis*.

Part 3

Investment and Economic Benefits Gained by Mutual Funds

Clause 35. Investment in real estate or leasehold shall be made in compliance with the following conditions:

(1) An analysis and feasibility study on the purchase or lease of the real estate has been conducted to support the investment decisions;

(2) The real estate to be acquired shall be located in Thailand and shall have good and appropriate access;

(3) The construction of the real estate must be completed and must be in the condition that appropriate for seeking to gain economic benefits. For real estate under construction, the construction must be completed by at least eighty percent of the total value of building structure, as certified by the property value. For avoidance of doubt, the total value of building structure shall exclude the value of the land and all the engineering systems in the building, such as electricity system, air-conditioning system, etc.;

(4) The investment must be a purchase or lease of a property or acquisition of right of superficies or usufruct and the person who owns or has possession right over the property has agreed to sell, let or grant the right over the property once the mutual fund is established;

(5) The property or leasehold shall not be subject to any property charge or dispute except where such real right or dispute is beneficial for the mutual fund and the approval of the Office is granted;

(6) The property must not be a vacant land except where it can be demonstrated that the land can generate income to the mutual fund and the approval of the Office is granted.

Clause 36. Permissible real estate which the mutual fund is allowed to purchase, lease or acquire the right over pursuant to Clause 35 are as follows:

(1) Office buildings;

(2) Shopping malls;

(3) Factory buildings for rent located in industrial estates, industrial zones or industrial parks;

(4) Warehouses;

(5) Residential buildings, for example, service apartments, condominiums, dormitories and houses, etc.;

(6) Hotel buildings;

(7) Conference or exhibition halls;

(8) Other real estate as the Securities and Exchange Commission may further prescribe and of which the Office will further inform the mutual fund management company.

Clause 37. At the end of an accounting period, at least seventy five percent of the net asset value of a mutual fund shall be invested in real estate or leasehold, except:

(1) at the last accounting period of the scheme; or

(2) with a waiver granted by the Office as necessary and appropriate.

Clause 38. In investing in a real estate or leasehold, the mutual fund management company shall proceed as follows:

(1) In relation to a specified fund, the real estate must be acquired at the price not higher than the price disclosed in the scheme which does not exceed twenty percent of the lowest value obtained from the latest valuation reports, otherwise the mutual fund management company is required to provide an

explanation together with the facts and rationale for making investment at such price in the scheme and the prospectus;

(2) In relation to a non-specified fund, the real estate must not be acquired at the price higher than five percent of the highest value obtained from the latest valuation reports, provided that the values obtained from the valuation report of the two property valuers differ no more than fifteen percent of the lower value;

Where the difference in (2) is more than fifteen percent of the lower value, the mutual fund management company must re-appraise. And where is any adjustment of appraised price in the valuation report by the same property valuer who made the original valuation, the property valuer must explain the fact and rationale for such adjustment in its valuation report.

Clause 39. The disposal of property or assignment of leasehold shall be publicly made by the mutual fund management company where interested parties are given equal opportunity to make a purchase or to have such assignment. If the property is sold or the leasehold is assigned at the price which is lower than the highest valued price by more than twenty percent, the mutual fund management company is required to provide the facts and rationale for selling or assignment at such price in the summary part of the prospectus as prescribed in Clause 46.

Clause 40. The valuation report made by the property valuer under Clause 38 and Clause 39 must be prepared within six months before obtaining the property or before disposal of the property or leasehold. Where there is a significant change in the value of the property during the said period, the mutual fund management company must arrange for a re-valuation of the property.

Clause 41. With respect to leasing, the mutual fund management company is prohibited from entering into a lease agreement under any term or condition which creates any obligation other than those commonly required to perform by a tenant upon a termination of a lease or execution of sublease unless a waiver from the Office is granted. The lease shall be made in compliance with the following conditions:

(1) The lease must be made with the party who is entitled to the leasehold. If the property is land, a title deed or utilisation certificate of such land shall already have been issued;

(2) With respect to a sublease of a property or lease of a building or tenement where the lessor is not the owner who holds the deed nor the utilisation certificate, the mutual fund management company must arrange for a financial institution under the law governing interest of financial institutions or an insurance company to insure against damage that may arise from termination of lease by such person. Where the arrangement is not made, the mutual fund management company must disclose to investors in the summary part of the prospectus the risks involved and possible damages to the mutual fund should the owner of the deed or

the person of possessory right under the utilisation certificate terminates the contract.

Clause 42. The mutual fund management company must hold the property or the leasehold acquired from the investment for at least one year unless a waiver is granted by the Office due to necessary and reasonable ground.

Clause 43. In seeking to gain economic benefits from the invested property, the mutual fund management company is allowed to seek economic benefits only by direct letting of space or sub-letting to other business operators to gain economic benefits. If the invested property is a hotel building, such hotel must be let to hotel operators only.

If the seeking of economic benefits under the first paragraph is a letting of space together with a service providing, such as, a service apartment, the mutual fund management company must comply with the following conditions:

(1) Generate income for the mutual fund from letting the space and decoration fixture such as living room furniture, kitchen fixture and fittings, air conditioner, etc. no less than eighty percent of total income generated from the property during any accounting year;

(2) Report performance relating to economic benefit seeking under (1) of each building to the Office within sixty days from the end of accounting period;

(3) In acting in compliance with (1), should the mutual fund generate less than the required income, the mutual fund management company shall arrange for other business operators to use the acquired property in seeking to gain economic benefits; or arrange to sell the property or the leasehold; or to dissolve the mutual fund within sixty days from the end of accounting period and notify the Office within fifteen days upon completion of such arrangement.

In case of under-construction property, the mutual fund management company may arrange for the construction of the property to be completed before seeking to gain economic benefits pursuant to the first paragraph.

Clause 44. The mutual fund management company shall seek to gain economic benefits from the property acquired by a mutual fund to generate recurrent income of at least seventy five percent of total income of the mutual fund for each accounting year, except:

(1) during the first and the last accounting year of the scheme; or

(2) with a waiver from the Office.

Clause 45. Upon making investment in or selling of a property or leasehold, the mutual fund management company must immediately submit the following documents to the fund supervisor:

(1) Legal title of or possessory right in the property and the purchase contract, lease contract, or agreement on taking assignment or granting of leasehold, as the case may be;

(2) A written contract evidencing the sale of property or leasehold.

The mutual fund management company shall also give written notice that it has taken possession of the property to the fund supervisor within five business days from the possession date.

Clause 46. The mutual fund management company shall send a summary of information relating to the acquiring of or disposal of property or leasehold to unitholders and the Office within fifteen days from the date the property or leasehold is acquired or disposed of. The summary shall also be posted openly for investors at all offices of the mutual fund management company and the head office of the fund supervisor within fifteen days from the date the property or leasehold is acquired or disposed of. The summary shall at minimal contain:

(1) the description of the property which at least contains its name, location, existing use, size and encumbrances;

(2) the date and price at which the mutual fund acquires the property or leasehold as well as name of seller, lessor, assignor of leasehold or grantor of right over such property;

(3) the date and the price at which the property is sold or rent or at which the leasehold is sold or let by the mutual fund as well as name of buyer, lessee, assignee of leasehold;

(4) the date, valued price and valuation method obtained from the valuation reports prepared by two property valuers as well as name of the property valuers;

(5) with respect to specified funds, the facts and reasons for which the investment is made in the property or leasehold at the price higher than twenty percent of the lowest value obtained from the valuation reports, if any;

(6) the fact and reason for which the property or leasehold is disposed of at the price lower than twenty percent of the highest value obtained from the valuation reports, if any;

(7) insurance against damage as prescribed in Clause 41(2), if any;

(8) possible impacts on the performance of a mutual fund should the insurance not be provided under Clause 41(2).

Upon approval for investment units of a mutual fund to be listed on the Stock Exchange, the mutual fund management company shall send the summary of information under the first paragraph to the Stock Exchange, instead to

unitholders within the next business day from the date of purchase, lease, sale or assignment of leasehold or within a specified timeframe determined by the Stock Exchange.

Clause 47. The mutual fund management company shall complete the inspection of property within thirty days from the date on which the mutual fund takes possession of the property and shall arrange for succeeding inspections to be made once every year from the completion date of a previous inspection.

With respect to the inspection of property under the first paragraph, the mutual fund management company shall correctly and completely record the conditions of the property according to its actual conditions and shall complete the inspection within thirty days from the starting date of inspection. Such record shall be sent to the fund supervisor within five business days from the completion date of the record.

Any material deterioration of property found by the mutual fund management company or notified by the fund supervisor shall be repaired to put the property back into its benefit-gaining conditions without delay.

Clause 48. The mutual fund management company shall arrange to take out insurance as follows:

(1) the insurance which is sufficient and appropriate with the interest the mutual fund has in the property or leasehold so as to cover any loss from disaster. The mutual fund shall be the beneficiary of such insurance. In this regard, the approval of the fund supervisor shall be received;

(2) the third-party liability insurance to cover any damage that may arise due to deterioration of the building, tenement or construction. In case where the lessor or grantor of right in the property or the lessee of the property has already taken out such insurance, the mutual fund is required to take out insurance only to cover the liability that may arise from an exercise of right of recourse against the mutual fund.

The insurance taken under the first paragraph shall be maintained throughout the period of which the mutual fund owns or possesses such property whereby the mutual fund management company shall clearly disclose details concerning the insurance in the scheme.

Clause 49. The mutual fund management company shall efficiently manage the property acquired from investment by a mutual fund for the best interest of the mutual fund.

The mutual fund management company may appoint a property manager to manage the property. Such property manager shall be a person capable of managing the property assigned to him and shall have personnel with at least three years of expertise and experience in property management.

After having appointed the property manager with the qualifications set out under the second paragraph, the mutual fund management company shall notify the Office of the appointment in writing as well as certify that such manager fully meets the specified qualifications within fifteen days from the appointment date.

If it is found that the property manager is not fully qualified, the mutual fund management company shall remove such property manager and inform the Office of such removal in writing within fifteen days from the removal date.

Clause 50. The mutual fund management company may appoint advisor who shall have at least five years of expertise and experience relating to property investment or development. Such advisor shall not be allowed by the mutual fund management company to take part in any decision on investment or sale or management of immovable property or leasehold.

Clause 51. The mutual fund management company shall prepare and send a report on any appointment, removal or termination of the following persons to the Office within fifteen days from the date on which such appointment, removal or termination is made:

- (1) Property manager;
- (2) Advisor.

Part 4

Liquidity Management of Mutual Funds

Clause 52. For the purpose of liquidity management of a mutual fund, the mutual fund management company may invest in or hold any one or more of the following assets:

- (1) Government bonds;
- (2) Treasury bills;
- (3) Bonds or debentures issued by securities finance corporation, state enterprises or juristic persons established under specific law;
- (4) Deposits in banks or secondary mortgage corporation;
- (5) Certificate of deposits issued by banks or finance companies. In respect of certificate of deposit whose return or repayment is linked to underlying goods or products, the Office's approval is required prior to investment;
- (6) Bills of exchange or promissory notes issued, endorsed, guaranteed by aval, transferred with right of recourse or guaranteed by banks, finance companies, credit foncier companies, securities finance corporation or the Financial Institution Development Fund. In respect of bills of exchange or promissory notes whose payment of return or refund of investment is linked to underlying goods or products, the Office's approval is required prior to investment;
- (7) Investment units or investment unit warrants of a mutual fund, fixed-income instruments or other mutual funds with a policy to invest in fixed-income instruments or deposits;
- (8) Investment units of a mutual fund;
- (9) Investment units of a foreign collective investment scheme which are:
 - (a) investment units of a foreign collective investment scheme supervised by a securities and exchange regulatory authority that is an ordinary member of the International Organization of Securities Commissions (IOSCO), or investment units of a foreign collective investment scheme traded on a securities exchange that is a member of the World Federations of Exchange (WFE);
 - (b) investment units of a foreign collective investment scheme investing in the same permissible assets; and
 - (c) investment units of a foreign collective investment scheme established as a retail fund.

(10) Derivatives for the purpose of hedging against investment risk. Where the underlying products are not securities, exchange rates, interest rates, financial indices, securities indices or credit ratings of fixed-income instruments, the investment in such derivatives require the Office's approval;

(11) Any other securities or assets which are not property or leasehold or other method of interest seeking as approved by the Office.

The total value of the investment in or holding of the properties under (4), (5), (6), (7), (8), (9), (10) and (11) which are issued, endorsed, guaranteed by aval, transferred with right of recourse or guaranteed or taken as deposit by a juristic person shall not exceed twenty percent of the total net asset value of the mutual fund except during the following periods:

(1) within a period of thirty-day from the registration date of the mutual fund;

(2) a period of sixty days prior to the date of payment of capital return as a result of decreasing of registered capital, or payment of dividend to unitholders

(3) a period of one year prior to the maturity date of the scheme or the dissolution date of the mutual fund.

The calculation of investment limit under the second paragraph shall not include bills of exchange or promissory notes which are issued, certified, unconditionally guaranteed by aval, endorsed for transfer with right of recourse, or unconditionally guaranteed of principal and interest amount in full by the Financial Institutions Development Fund.

Part 5

Increasing and Decreasing of Registered Capital

Clause 53. The mutual fund management company may increase the registered capital of a mutual fund in order to meet the following objectives:

(1) To make additional investment in property or leasehold;

(2) To renovate the property acquired by a mutual fund into a good condition to be suitable to gain economic benefits.

Clause 54. In increasing the registered capital of a mutual fund, the mutual fund management company shall:

(1) obtain a resolution of unitholders in approving the objective under Clause 53 which shall be passed by votes of more than one half of total number of investment units represented by all eligible unitholders.

The votes cast under (1) shall not include votes of unitholders who are owners, lessors, assignor of lease or grantors of right over the property acquired or to be acquired as well as the votes of their group of persons.

(2) upon obtaining approval from unitholders under (1), seek further resolution of unitholders ,with votes of more than one half of total outstanding investment units, on the following matters:

(a) number of investment units and amount of registered capital to be increased;

(b) method of determining the price of investment units to be offered;

(c) method of offering investment units;

(d) amendment of the scheme with respect to the total number of investment units and amount of registered capital of the mutual fund upon successful completion of the offering.

(3) provide the information under Clause 55 and Clause 56 to unitholders in a notice of meeting or a request for written resolution, as the case may be.

Clause 55. The mutual fund management company shall provide the following information in a notice of meeting or a request for written resolution under Clause 54(3):

(1) The objectives of increasing the registered capital;

(2) The number of investment units and amount of registered capital to be increased, method of determining the price of investment units to be offered, method of offering and offering period of investment units;

(3) Listing of the additional investment units on the Stock Exchange.

Clause 56. In requesting to increase registered capital for additional investment in property or leasehold, the mutual fund management company shall also provide the following information in a notice of meeting or a request for written resolution from unitholders under Clause 54(3):

(1) With respect to non-specified funds, the type and location of the property to be invested by a mutual fund;

(2) With respect to specified funds, details relating to the purchase, lease or acceptance of assignment of leasehold which include the followings:

(a) Name, location, description, existing use and lease term, if any;

(b) Purchased price or rent, value from the valuation report prepared by two property valuers, and the rationale for purchasing or renting at the price higher than twenty percent of the lowest value;

(c) List of name of owner, lessor, assignor or grantor of right over the property to be invested by the mutual fund, and if the assignor or grantor of right over the property is not the same person who is the owner, then description of the right that such person has over the property to be acquired;

(d) The fact concerning the purchase or lease or acceptance of assignment of leasehold which can be deemed as a transaction with connected person, as well as nature of relationship of such persons;

(e) Insurance against damage that may arise from a termination of contract by the owner under a land title deed or a person of possessory right under a utilisation certificate when entering into a lease contract with such person who has right over the building, tenement or construction thereon, if any;

(f) A summary of a lease contract made between the mutual fund and a lessor of the property, if any;

(g) A summary of a lease contract made between the mutual fund and the lessee, where the mutual fund let property to a single lessee to operate business from the property, if any;

(h) Details of benefit-gaining from the property to be acquired or leased which include overview of proposed business plan to gain economical benefit from the property to be invested, revenue structure to be obtained from the property and the property management policy.

Clause 57. Upon obtaining the approval of unitholders under Clause 54, the mutual fund management company shall:

(1) request permission from the Office by providing the information under Clause 55 and Clause 56 together with a draft prospectus for offering of additional investment units to the Office;

(2) deliver, distribute or make available the prospectus;

(3) register the increasing of registered capital of a mutual fund in accordance with the Notification of the Office of Securities and Exchange Commission Re: Rules and Procedures on Registration of Pool of Assets as Mutual Fund.

Clause 58. Upon expiration of the offering period to increase registered capital of the mutual fund in order to acquire additional property or leasehold, if the value of investment units sold is insufficient to acquire such property or

leasehold, the mutual fund management company shall proceed in accordance with the second paragraph of Clause 19 *mutatis mutandis*.

Clause 59. The mutual fund management company may reduce the registered capital of a mutual fund if there is a high liquidity of the mutual fund due to sale of property or leasehold or decreasing in value of property obtained from valuation.

In the case of mutual funds investing in leasehold, should there be a surplus of liquidity due to decrease in the value of leasehold, the mutual fund management company shall proceed to reduce the registered capital of the mutual fund.

Clause 60. In decreasing registered capital of a mutual fund, the mutual fund management company shall decrease a par value of investment units and shall:-

(1) if the scheme does not provide for the method of registered capital reduction, convene a meeting of unitholders or make a request to unitholders to obtain a written resolution approving the decreasing of registered capital which shall be passed by votes of more than one half of total outstanding investment units, except for the case of registered capital decrease under the second paragraph of Clause 59;

(2) return capital to unitholders whose name appears in a registry book as of the registry book closing date;

(3) apply to register the decreased registered capital with the Office within five business days from the date on which the return of capital to unitholders is made in the form specified by the Office.

Clause 61. With respect to the registered capital increase by a mutual fund management company for the purpose of making further investment in immovable property or leasehold but it fails to do so, the mutual fund management company shall decrease the registered capital of the mutual fund by reducing the number of investment units which have been offered for sale for the purpose of registered capital increase based on the offered price and the amount of subscription payments, and shall return the subscription payments and any interest thereof to subscribers. In this regard, the provision under the second paragraph of Clause 19 shall apply *mutatis mutandis* and the registered capital decrease shall be registered in accordance with the format specified by the Office.

If the mutual fund management company has yet to register the registered capital increase of the mutual fund, then it shall return the subscription payments and any interest thereof to subscribers where the provision under the second paragraph of Clause 19 shall apply *mutatis mutandis*.

Clause 62. The mutual fund management company shall arrange for two property valuers to carry out the valuation in the following cases:

- (1) Prior to investment in immovable property or leasehold;
- (2) Prior to sale of immovable property or leasehold.

Clause 63. The mutual fund management company shall arrange for one property valuer to carry out the valuation in the following cases:

- (1) Biannually from the date on which the valuation has been made for investment in immovable property or leasehold;
- (2) Within thirty days from the date on which the mutual fund management company is notified by the fund supervisor who determines that an event or change which could significantly affect the value of the immovable property of a mutual fund has occurred.

Clause 64. The mutual fund management company shall arrange for one property valuer to review the valuation annually from the latest valuation date.

Clause 65. In appointing an property valuer to appraise or review the valuation, the mutual fund management company shall not appoint the same property valuer to appraise the same immovable property or leasehold for more than two consecutive times.

Clause 66. The mutual fund management company shall disclose information relating to the valuation together with the disclosure of information made under Clause 68 which at least contains the following information:

- (1) Name of the property valuer;
- (2) Name, type and location of the appraised immovable property;
- (3) Price obtained from the valuation report or valuation review;
- (4) Valuation method or valuation review method;
- (5) Valuation or valuation review date, and where the income approach is employed in the valuation or valuation review, the time period of the valuation or valuation review;
- (6) Investors' right to obtain information relating to the valuation report or valuation review report from the mutual fund management company.

Clause 67. The mutual fund management company shall deliver a copy of the valuation report or valuation review report together with a copy of related

documents to the fund supervisor immediately and to the Office within fifteen days from the date it receives the valuation report.

Part 7

Valuation of the Mutual Fund's Assets and Investment Units

Clause 68. The mutual fund management company shall make a valuation and disclose the mutual fund's asset, net asset value and value of investment units as at the end of June and December each year within forty five days from the last day of June and December, as the case may be. The result of the valuation must be certified by the fund supervisor in accordance with the rules prescribed herein.

The mutual fund management company shall publish the information under the first paragraph in at least one daily newspaper and shall openly post the information at all offices of the mutual fund management company and the head office of the fund supervisor. The information disclosed shall also include the name, type and location of properties that the mutual fund has acquired through investment.

Clause 69. In case where there is any event or change after the date the valuation was made under the first paragraph of Clause 68 which significantly affects the value of the property or leasehold, the mutual fund management company shall include such event or change with the disclosure made under the second paragraph of Clause 68. If such event or change takes place after the company makes a disclosure following the second paragraph of Clause 68, the mutual fund management company shall disclose such event or change immediately.

Clause 70. The mutual fund management company shall make a valuation of the net asset value of a mutual fund as follows:

(1) With respect to property or leasehold, the value of such property or leasehold from the latest valuation report or the latest valuation review, as the case may be, shall be used in the valuation, except for the first valuation of the net asset value of the mutual fund when the price at which the property or leasehold is purchased, as the case may be, shall be used;

(2) With respect to other assets under Clause 52, the valuation shall be determined in accordance with the rules and methods set out by the Association with the Office's approval.

Part 8

Reporting Requirements

Clause 71. Where the mutual fund invests in property under construction pursuant to Clause 35(3), the mutual fund management company shall prepare a report on the progress of the construction every six months from the date the property is acquired up until the construction is finished. The report shall be sent to the Office within fifteen days from the expiration of such six-month period. The progress shall also be disclosed at the web site of the mutual fund management company.

Clause 72. The mutual fund management company shall prepare the financial statements of the mutual fund in accordance with the accounting standard for investment business.

Clause 73. The mutual fund management company shall prepare the annual report of the mutual fund at the end of each accounting year and deliver to all unitholders whose name is in the registry book and to the Office within four months from the end of the accounting period.

Clause 74. The report under Clause 73 shall at least contain:

(1) summary of all assets the mutual fund invested in or held listed by category. Some assets which fall in the same category but by substance are considered as different financial tools or are exposed to different risks due to different underlying products or variables shall be presented under separate category, for instance, real estate, leasehold, government bond, debenture, bill, bill of exchange which the return or repayment is linked with underlying goods or products, deposit, certificate of deposit, certificate of deposit which return or repayment is linked with underlying goods or products, etc. In addition, net asset value, market value or fair value of the assets and their ratio to net asset value as well as value of investment units as at the end of accounting period shall also be included;

(2) details of all real estate acquired by the mutual fund listed by each property which include, at least, its name, location, feature, existing use, size, lease term, value obtained from the latest valuation report or valuation review, income generated during the accounting year, encumbrances, etc.;

(3) details concerning the acquiring of property or leasehold of each property which at least include:

(a) date of acquiring, purchase price, reasons for investment in the property or leasehold, identity of the seller, lessor, assignor of lease or grantor of right over the property, as the case may be;

(b) details relating to valuation of the property or leasehold before the investment by both property valuers including valuation date, appraised prices, valuation method, name of property valuers, etc.;

- (c) expenses relating to investment in the property or leasehold.
- (4) details on sale of property or leasehold of each property during the accounting year which at least include:
 - (a) date of disposal, sale price, reasons for sale of the property or leasehold and identity of the buyer;
 - (b) details relating to valuation of the property or leasehold before the sale by both property valuers including valuation date, valuated prices, valuation method, name of property valuers, etc.;
 - (c) gain or loss from the sale of property or leasehold and relevant expenses;
 - (d) acquisition price of the property or leasehold sold.
- (5) report of the mutual fund management company on overview of how the properties were used to gain economical benefits and the future forecast of the business;
- (6) balance sheet and profit and loss account which has been audited and given opinions by the auditor;
- (7) expenses collected by the mutual fund management company from buyers or unitholders or the mutual fund following the details as prescribed by the Office;
- (8) opinion of the fund supervisor relating to the performance of the mutual fund for the past year;
- (9) information on transactions with related persons (if any);
- (10) name and address of all advisors and property managers of the mutual fund, if any.

Part 9
Dividend Payment

Clause 75. The mutual fund management company shall pay out dividend to unitholders at least ninety percent of the annual net profit. If the mutual fund has retained earnings, the mutual fund management company may pay out dividend from such retained earnings.

The payment of dividend under the first paragraph shall be made within ninety days from the end of the accounting period.

Part 10
Dissolution of Mutual Fund

Clause 76. The mutual fund management company shall dissolve a mutual fund should the following events occur:

(1) The number of unitholders reduces to less than thirty five where the mutual fund shall be dissolved on the next business day following the day the event was known;

(2) The amount of registered capital decreases to be less than five hundred million Baht based on the par value of investment units where the mutual fund shall be dissolved on the next business day except for a mutual fund which exclusively invests in leasehold;

(3) The mutual fund management company is unable to invest in the property or leasehold specified in the scheme except in the case where the mutual fund management company increases the registered capital to make additional investment in the property or leasehold but fails to do so and it has proceeded in accordance with Clause 61;

(4) Any other events set out in the scheme.

Clause 77. Where the scheme has specified the maturity of the scheme, within one year prior to the maturity date of a mutual fund, the mutual fund management company upon proceeding to dissolve the mutual fund shall publicly sell the properties of the mutual fund in the way that would provide equal opportunity to all parties interested in buying the properties.

Where the mutual fund management company fails to sell the properties as set out in the first paragraph within six months prior to the maturity date or where it determines that the prices of sale of the properties obtained under the first paragraph are inappropriate, the mutual fund management company shall obtain approval from the fund supervisor to make the sale under a different procedure.

Chapter 7
Transitory Provisions

Clause 78. In respect of the mutual fund having registered its pool of assets as the mutual fund with the Office before the effective date of this Notification and the details of the scheme are inconsistent with the requirements hereunder, the mutual fund management company shall apply for an approval

from the Office on the amended scheme in order to comply with the requirements hereunder within one year from the effective date hereof, otherwise the Office may instruct the mutual fund to be dissolved.

Clause 79. Where the mutual fund management company has received an approval to establish and manage a mutual fund but has not made the offer of investment units to the public before the effective date of this Notification or the company has made the offer of investment units to the public but has not registered the assets with the Office before the effective date of this Notification, if details of the scheme are inconsistent with the requirements hereunder, it shall:

(1) where the offer of investment units to the public has not been made, apply for an approval from the Office on the amended scheme in order to comply with the requirements hereunder before the initial public offering of the investment units;

(2) where the offer of investment units to the public has been made but the mutual fund has not been registered with the Office, apply for an approval from the Office on the amended scheme in order to comply with the requirements hereunder after the mutual fund has registered its pool of assets as the mutual fund with the Office which shall be within one year from the effective date of this Notification.

Clause 80. The provisions under Part 2 of Chapter 5 shall not apply to the case where unitholders, being an individual or group of persons, have already held more than one third of total outstanding number of investment units of a mutual fund before the effective date of this Notification except when they make additional investment.

Clause 81. The mutual fund management company shall notify the Office of any holding of investment units in excess of one third of total outstanding number of investment units of a mutual fund by any person or group of persons before the effective date of this Notification. The company shall notify the Office within thirty days from the effective date of this Notification except for the case that the latest closing date of registry book of the mutual fund has occurred more than three months from the effective date of this Notification the report shall be made within thirty days from the next closing date of registry book.

Clause 82. For the mutual fund with any person or group of persons holding investment units in excess of one third of total outstanding number of investment units before the effective date of this Notification, the mutual fund management company shall notify unitholders of any consequence that may have on such unitholders should the event under Clause 80 occurs.

Clause 83. The mutual fund management company shall proceed to amend the scheme in respect of the vote counting and payment of dividend under Clause 80 and include such amendment in the scheme within thirty days from the effective date of this Notification.

Clause 84. For the purpose of consideration of the provisions under this Chapter, the provisions under Clause 14 shall apply *mutatis mutandis*.

Notified on this 28th day of June 2007.

(Mr. Thirachai Phuvanatanarubala)

Secretary-General
The Office of the Securities and Exchange Commission

Note:

The reason for issuing this Notification is that in light of the fact that property funds aim to mobilize funds from the public for the purpose of investing in and gaining economic benefit from property or leasehold so as to generate recurrent income which forms the return to holders of investment units of a property fund, therefore in order to create confidence amongst investors that mutual fund management companies will manage their investments in a fair and transparent manner for the best interest of investors, the Office deems it is expedient to improve the rules relating to the establishment and management of property funds so as to be more appropriate.