

(UNOFFICIAL TRANSLATION)

Readers should be aware that only the original Thai text has legal force and that this English translation is strictly for reference. The SEC, Thailand can neither undertake any responsibility for its accuracy nor be held liable for any loss or damages arising from or related to its use.

**Notification of the Capital Market Supervisory Board
No. ThorNor. 21/2552**

**Re: Rules, Conditions and Procedures for Establishment and Management of
Property Funds for Solving Financial Institution Problems**

By virtue of Section 16/6 of the Securities and Exchange Act B.E. 2535 (1992), as amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008), and Section 117 of the Securities and Exchange Act B.E. 2535 (1992), which contain certain provisions in relation to restriction of rights and liberties of persons which Section 29, in conjunction with Section 33, Section 34, Section 41, Section 43, Section 44, and Section 64 of the Constitution of the Kingdom of Thailand so permits by virtue of law, the Securities and Exchange Commission, acting as the Capital Market Supervisory Board under Section 60 of the Securities and Exchange Act (No.4) B.E. 2551 (2008), hereby issues the following regulations:

Clause 1. In this Notification:

(1) “mutual fund” means any property fund established by a management company to sell investment units to institutional investors with a main objective of using the proceeds raised through selling of investment units to purchase or lease real estates or invest in loans arising from financial institutions’ business undertaking which is secured by real estate collateral and to seek economic benefits from such real estate or loan, provided that such investment is intended to solve problems in the financial institution system.

(2) “lease” means a mutual fund’s lease of real estate and shall include a mutual fund’s acquisition of right to possess, use and hold benefits from real estate through any mean, whether with any remuneration or not, upon approval of the SEC Office.

(3) “financial institution” means any financial institution under the law governing interests on lending of financial institutions established under specific law or incorporated under Thai law and shall include such financial institutions whose operations were closed or licenses were revoked and whose major creditor is the Financial Institutions Development Fund.

(4) “management company” means any securities company licensed to undertake securities business in the category of mutual fund management.

(5) “investment unit” means any instrument or evidence representing the right over a mutual fund’s assets which may be divided into multi-classes, each of which with equivalent rights or benefits.

(6) “institutional investor” mean any investor who has specific characteristics as follows:

- (a) commercial bank;
- (b) finance company;
- (c) securities company which purchases investment units for proprietary portfolio or for management of private funds or for management of investment schemes established under the law governing undertaking of finance, securities and credit foncier businesses;
- (d) credit foncier company;
- (e) insurance company;
- (f) juristic person established under specific law, which is not a person under (i);
- (g) Bank of Thailand;
- (h) international financial institution;
- (i) government agency and state enterprise under the law governing budgetary procedures;
- (j) Financial Institutions Development Fund;
- (k) Government Pension Fund;
- (l) provident fund;
- (m) mutual fund under the Securities and Exchange Act B.E. 2535 (1992);
- (n) juristic person which has securities investment in the amount of one hundred million Baht or more according to the audited financial statements for the most recent year;
- (o) juristic person in which persons under (a) to (n) hold shares in an aggregate number of more than seventy five percent of the total shares with voting rights;

(p) foreign investor who has the same characteristics as those under (a) to (o);

(q) investor who is not a person under (a) to (p) and purchases investment units in the amount of ten million Baht or more;

(7) “scheme” means a mutual fund scheme;

(8) “fund supervisor” means a supervisor of a mutual fund;

(9) “registrar” means a registrar of investment units of a mutual fund;

(10) “advisor” means any person who renders advice or recommendations to a management company in relation to the purchase or lease of real estates or the investment in loans arising from financial institutions’ business undertaking which is secured by real estate collateral or the seeking of economic benefits from such real estates or loans for the purpose of mutual fund management;

(11) “fund manager” means any person who performs the following duties:

(a) Making decisions to purchase, lease, or sell real estate, assign the leasehold right, or invest in or dispose of loan secured by real estate as collateral, excluding a unitholder or his designated person who makes decisions as specified in the scheme;

(b) Selecting or proposing to the excluded person under (a) to make decisions to purchase, lease or sell real estate, assign the leasehold right, or invest in or dispose of loan secured by real estate as collateral.

(12) “large-scale building” means a constructed building which is fifteen-meters high or more from the road level and has a combined area of all floors in the same building of more than one thousand square meters, or a building with a combined area of all floors or any single floor in the same building of more than two thousand square meters;

(13) “property valuer” means a juristic person whose objective is to conduct property valuation as its normal course of business and who is granted an approval from the SEC Office;

(14) “valuation report” means a report made by a property valuer indicating valuation details and signed by a principal valuer;

(15) “valuation” means the calculation of value of real estate or leasehold right invested by a mutual fund, on a full scale basis, for the purpose of public disclosure, in which examination of title documents, restrictions on property possession, legal terms and conditions, restrictions on property use, details on current property use, and any other relevant details, as well as physical inspection of property, shall be conducted;

(16) “association” means an association relating to securities business, which has been approved by and registered with the SEC Office, and whose main objective is to promote and develop securities business in the category of investment management;

(17) “auditor” means an auditor who is qualified under the notification of the Office of the Securities and Exchange Commission concerning rules on granting approval of auditors of securities companies and finance companies.

Clause 2. The management company shall comply with the rules, conditions and procedures prescribed under this Notification in managing the mutual fund having been approved to be established and managed pursuant to the notification of the Securities and Exchange Commission No. KorNor. 15/2541 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems dated 24 May 1998 and having had its pool of assets registered as mutual fund with the SEC Office before the effective date of this Notification.

Clause 3. The management company shall ensure that the mutual fund maintains the following qualifications throughout the maturity of the scheme:

(1) Unitholders of the mutual fund shall comprise at least ten institutional investors except for the mutual funds being granted an exemption from the SEC Office before the effective date of this Notification, in which case the management company is allowed to maintain the component of unitholders in accordance with such exemption;

(2) The mutual fund units shall be non-redeemable;

(3) Other qualifications as prescribed by the SEC Office.

Clause 4. The management company shall arrange the following documents to be kept:

(1) The commitment between the unitholders and the management company which shall contain at least the material contents pursuant to Section 119 and as prescribed under Clause 11;

(2) The fund supervisor appointment agreement and joint management agreement (if any);

(3) The scheme’s details to be kept at all places of business of the management company for inspection by institutional investors and a copy of which shall be made available upon request until the registration for dissolution of the mutual fund has been made.

Clause 5. The management company shall arrange to have a fund supervisor who is qualified under the notification of the Office of the Securities and Exchange Commission concerning qualifications of a mutual fund supervisor. A change of a

fund supervisor on whatever grounds shall be made by the management company only upon obtaining a prior approval from the SEC Office.

In cases where the fund supervisor lacks any qualifications, the management company shall have the fund supervisor rectify its qualifications within fifteen days from the date on which the issue has been found by the management company or by inspection of the SEC Office, and the management company shall report the SEC Office within three business days from the date on which the issue has been rectified.

If the fund supervisor fails to rectify within the period specified under the second paragraph, the management company shall apply for an approval with the SEC Office to change the fund supervisor within fifteen days from the end of the rectification period. Upon being granted an approval, the management company shall appoint a new fund supervisor immediately unless the SEC Office instructs otherwise.

Clause 6. If any unitholder holds investment units in excess of one third of the total outstanding investment units of the mutual fund, the management company shall not invest in or acquire the following real estate, leasehold right or loan as assets of the mutual fund in excess of one third of the net asset value of the mutual fund:

- (1) real estate which is owned by such unitholder;
- (2) real estate which is collateral of the loan of which the unitholder is a creditor;
- (3) real estate in which such unitholder is a creditor of the loan being granted for construction of such real estate;
- (4) loan of which such unitholders is a creditor;
- (5) leasehold right of a real estate owned by such unitholder;
- (6) leasehold right in which such unitholder is the lessor;
- (7) leasehold right of which such unitholder is the owner;
- (8) leasehold right of the real estate under (2) and (3).

Provided that investment units held in aggregate by all real estate owners, lessors, leasehold right owners and creditors of loan thereunder shall not exceed fifty percent of the total outstanding investment units of such mutual fund.

Where it appears later that the unitholder of a mutual fund who is a real estate owner, lessor, leasehold right owner or creditor of loan under the first paragraph holds investment units exceeding one third of the total outstanding investment units of the mutual fund, the management company shall reduce investment portion or possession in the real

estate, leasehold right or loan under the first paragraph to not exceed one third of the net asset value of the mutual fund within sixty days from the date of excessive investment or acquisition, or arrange for the unitholder to reduce his investment unit holding to not exceed one third of the total outstanding investment units of the mutual fund within sixty days from the date of excessive holding.

In cases where the management company is unable to comply with the second paragraph within the specified period of time, it shall dissolve such mutual fund.

The calculation of the number of investment units or value of assets invested in or acquired under the first and second paragraph shall include the investment units and the assets of the related persons as prescribed by the SEC Office and in cases where the investment units are classified by the category of assets being invested in or acquired, the proportion of investment units or the value of assets being invested in or acquired under the first and second paragraph shall be considered separately by the class of investment units and assets.

Clause 7. The management company shall set the maturity date of the scheme to be no later than 31 August 2015 unless a waiver is granted by the SEC Office in the following cases:

(1) Where the mutual fund invests in land which shall be developed by lessees or sub-lessees under a master plan project, with a minimum investment of one billion Baht, the maturity date of the scheme may be extended as follows:

(a) To no later than 31 August 2035 provided that the management company shall arrange for the lessees or sub-lessees to invest in the project in the amount of no less than one billion Baht within 31 December 2019;

(b) To no later than 28 February 2066 provided that the management company shall arrange for the lessees or sub-lessees to invest in the project in the amount of no less than five hundred million Baht within 31 December 2014 and make additional investment which, in combination with the foregoing investment, shall amount to no less than one billion Baht within 31 December 2019.

The calculation of the investment limit and the investment cost under the first paragraph shall exclude the value of the land.

(2) Where the mutual fund invests in land used by lessees or sub-lessees to grow economic crops, the maturity of the scheme may be extended to no later than 31 August 2035.

In cases where any mutual fund whose approval has been granted by the SEC Office for lessees or sub-lessees to develop the real estate on all lands acquired by the mutual fund in the manner of adding supply to the real estate market pursuant to Clause 23, the

management company shall set the maturity of the scheme to be no later than 31 August 2015.

Clause 8. The management company may request for a waiver on the scheme maturity under Clause 7 by submitting an application for approval and amendment to the scheme with the SEC Office together with supporting documents as follows:

(1) In respect of the mutual fund under Clause 7(1), the development plan which demonstrates that it is a master plan project where:

(a) the total area of the project on the same location is one hundred rai or more for construction of several buildings or large-scale structures; and

(b) the nature of which falls under any of the followings:

1. being a project to develop an area in shortage of infrastructure and its infrastructure development will create added value to the land and adjacent areas and will generate prosperity in terms of significant economic growth to the community, as well as create jobs, generate income to the community and expand tax base for the state and local agencies in the future.

2. being a development project for a logistic center which demonstrates its benefits to the overall competitiveness of the country.

3. being a project which demonstrates that it will benefit the overall competitiveness of the country as prescribed by the Capital Market Supervisory Board.

(2) In respect of the mutual fund under Clause 7(2), details of the land leased or sub-leased together with other information to demonstrate that the said land is used for growing economic crops.

(3) The agreement which binds all unitholders to accept the transfer of the remaining assets following the dissolution of the mutual fund.

The application for a scheme maturity waiver under the first paragraph shall be made by the management company within the following periods of time:

(1) Within 31 December 2014 for an application for the maturity date of the scheme under Clause 7(1) (a);

(2) Within 31 December 2012 for an application for the maturity date of the scheme under Clause 7(1) (b).

Clause 9. In case of the mutual fund to which a waiver has been granted under Clause 7(1), if subsequently the management company is unable to arrange for the

lessees or sub-lessees to satisfy the conditions set out under Clause 7(1) (a) or (b), as the case may be, the management company shall proceed as follows:

(1) In respect of the mutual fund to which a waiver has been granted under Clause 7(1) (a) or (b), if the management company fails to arrange for the lessees or sub-lessees to make investment under the master plan project amounting to no less than one billion Baht within 31 December 2019, the mutual fund shall deem to be dissolved on the first business day following the date of 31 December 2019;

(2) In respect of the mutual fund to which a waiver has been granted under Clause 7(1) (b), if the management company fails to arrange for the lessees or sub-lessees to make investment under the master plan project amounting to no less than five hundred million Baht within 31 December 2014, but the lessees or sub-lessees make additional investment which, in combination of the foregoing investment, is amounted to no less than one billion Baht within 31 December 2019, the mutual fund shall deem to be dissolved on the first business day following the date of 31 August 2035.

Clause 10. Where the mutual fund has been granted a waiver on the scheme maturity under Clause 7(1), the management company shall prepare and submit the following report and supporting documents to the SEC Office:

(1) A report on the investment spending of the lessees or sub-lessees under the master plan project shall be made to the SEC Office within seven days from the date of 31 December 2019, except where the investment spending of the lessees or sub-lessees amounts to one billion Baht before 31 December 2019, the report shall be made to the SEC Office within seven days from the date on which the investment spending reaches a total of one billion Baht.

(2) Where it is reported under (1) that the lessees or sub-lessees of the land of the mutual fund has spent a total of one billion Baht in investment within 31 December 2019, supporting documents certified by an auditor demonstrating such investment spending of the lessees or sub-lessees shall be submitted within one hundred and twenty days from the date on which the investment spending of lessees or sub-lessees under the master plan project reaches a total of one billion Baht.

(3) Where the mutual fund has been granted the scheme maturity waiver under Clause 7(1) (b), the management company shall also prepare and submit the following report and supporting documents to the SEC Office:

(a) A report on the investment spending of the lessees or sub-lessees under the master plan project shall be made to the SEC Office within seven days from the date of 31 December 2014, except where the investment spending of the lessees or sub-lessees amounts to five hundred million Baht before 31 December 2014, the report shall be made to the SEC Office within seven days from the date on which the investment spending reaches a total of five hundred million Baht;

(b) Where it is reported under (a) that the lessees or sub-lessees of the land of the mutual fund has spent a total of five hundred million Baht in investment within 31 December 2014, supporting documents certified by an auditor demonstrating such investment spending by the lessees or sub-lessees shall be submitted within one hundred and twenty days from the date on which the investment spending of lessees or sub-lessees under the master plan project reaches a total of five hundred million Baht.

Clause 11. The commitment between the unitholders and the management company shall contain at least the material contents pursuant to Section 119 and the restriction on transfer of investment units under which the management company or the registrar shall reject the registration of investment unit transfer in the following cases:

(1) Where the investment unit transfer will result in the number of unitholders of the mutual fund being less than the prescribed number or less than the amount granted under a waiver pursuant to Clause 3(1);

(2) Where the investment unit transfer is made to other persons who are not institutional investors.

Clause 12. In cases where the management company specifies in the scheme that investment unit certificates will be issued to unitholders, such certificates shall contain at least the following particulars:

(1) words indicating that it is an investment unit, the name, type and maturity of the scheme (if any);

(2) par value and amount of the investment units and scheme capital;

(3) name of unitholder;

(4) investment unit numbers and amount of units held;

(5) date of issuance of investment unit;

(6) statement on transfer restriction of investment unit as specified under Clause 11;

(7) name and address of the management company;

(8) name and address of the fund supervisor;

(9) signatures of persons who have the power to sign to bind the management company and the company seal or signature of the registrar, as the case may be.

Clause 13. The management company shall not collect or accept from the unit subscribers, the unitholders or the mutual fund any fee or compensation other than the fee or compensation at the rates and methods specified in the scheme.

In cases where the management company appoints an advisor, it may collect expenses arising out of the appointment of the advisor from the mutual fund.

Clause 14. The management company shall notify the registrar of the investment unit transfer restrictions prescribed in the commitment between the unitholders and the management company pursuant to Clause 11.

In cases where the registrar accepts for registration the transfer of investment units in violation of the restrictions of investment unit transfer prescribed in the commitment between the unitholders and the management company pursuant to Clause 11, the management company shall have the registrar revoke such registration of investment unit transfer without delay.

Clause 15. In managing the investment in or holding of real estate or loan having real estate as collateral, the management company shall appoint a fund manager to be in charge of managing such investment. In this regard, the management company shall provide the operating and oversight systems to ensure that the fund manager complies with the relevant laws and notifications concerning mutual fund management.

The fund manager appointed under the first paragraph shall be approved under, and shall comply with, the notification of the Office of the Securities and Exchange Commission concerning the rules, conditions and procedures for granting an approval of a property fund manager *mutatis mutandis*.

In applying for approval of the fund manager, the management company shall expressly state the scope of authorities and duties of the fund manager.

Clause 16. In managing the investment in or holding of securities or other properties which are not real estates and loans having real estate as collateral as liquid assets of the mutual fund, the management company shall appoint a liquid asset manager to be in charge of managing such investment.

The liquid asset manager appointed under the first paragraph shall be approved under, and shall comply with, the notification of the Office of the Securities and Exchange Commission concerning the rules, conditions and procedures for appointment and performance of duties of a fund manager *mutatis mutandis*.

Clause 17. The purchase or lease of real estate or the investment in loan having real estate as collateral shall be for a purpose of solving problems in the financial institution system or real estate business and shall meet the following rules:

(1) The real estate purchased or leased or placed as collateral for the loan shall be located in Thailand;

(2) In respect of the purchase or lease of a completely constructed building, dwelling or structure, its construction shall start before 20 October 1997;

(3) The completely constructed building, dwelling or structure or land lot purchased or leased or the leasehold right invested shall have one of the following characteristics, as the case may be:

(a) The building, dwelling or structure cannot be open for operation due to the fact that the person who has the right in or owns the building, dwelling or structure is under clear financial distress;

(b) It has been mortgaged or placed as collateral to secure payment of debts in favor of the financial institution or agency established for managing non-performance assets of financial institutions under the law or the government's policy such as the Asset Management Corporation or asset management companies, where such debts are classified as non-performing loans as of 31 December 2004.

(c) It is a completely constructed building, dwelling or structure or the land lot purchased or leased or the leasehold right by which the financial institution or agency established for managing non-performance assets of financial institutions under the law or the government's policy such as the Asset Management Corporation or asset management companies has acquired from payment of debts or execution of judgment in respect of debt cases where such debts are classified as non-performing loans as of 31 December 2004.

(d) It is purchased from a public auction conducted under a court's order or official receiver's order in respect of the case from which a financial institution or an agency established for managing non-performance assets of financial institutions under the law or the government's policy such as the Asset Management Corporation or asset management companies seeks the court's order for an execution of judgment or foreclosure of mortgage or bankruptcy of a debtor where such building, dwelling, structure, land lot or leasehold right is placed as collateral to secure payment of the debts which are classified as non-performing loans as of 31 December 2004.

(e) It is the land lot acquired or possessed for a purpose of generating income to the real estate which is a completely constructed building, dwelling or structure of the mutual fund and which has been approved by the SEC Office.

The purchase or lease of the land under (b), (c) or (d) shall be made within 27 May 2000.

(4) The management company shall acquire or possess the real estate, leasehold right or loan having real estate as collateral in aggregate of not less than seventy five percent of the net asset value of the mutual fund at the last date of annual accounting period except for the following cases:

(a) In the last accounting period before the maturity of the scheme;

(b) In the accounting period in which the said leasehold right or loan having real estate as collateral has been disposed or assigned.

(5) The purchase or lease of unfinished building, dwelling or structure must be made within 27 May 2000 if the purchase and lease has been specified in the scheme and where it is the purchase or lease of a large-scale building in whole or of a whole project of building, dwelling or structure which is not a large-scale building provided that the construction of such building, dwelling or structure had started before 20 October 1997 and prior to such purchase or lease, its construction has been completed in the following percentages:

(a) In respect of the purchase or lease of a large-scale building, the value of the construction which has been completed shall be at least sixty percent of the building structure value as certified by a property valuer, excluding the value of land and all supporting engineering systems, such as electrical system and air-conditioning system;

(b) In respect of the purchase or lease of a whole project of building, dwelling or structure, the combined value of investments in infrastructure and construction which have been completed shall be at least thirty five percent of the purchase price or lease of the project as certified by a property valuer.

The value calculated under (b) shall exclude the value of a part of the project whose ownership has been transferred to customers of the project.

(6) The real estate shall be held by the mutual fund for at least one year from the acquisition date of the property except in the following cases:

(a) The real estate is acquired by the mutual fund for payment of debt under any debt securities or loan transferred from financial institutions, the Financial Sector Restructuring Authority or agencies established for managing non-performance loans of financial institutions under the law or the government's policy;

(b) The real estate constitutes a collateral under any debt securities or loan invested or held by the management company as an asset of the mutual fund and is acquired by foreclosure of mortgage or public auction under Clause 19;

(c) The real estate is a land acquired or held under Clause (3) (b), (c) or (d).

(7) The management company shall not invest to acquire additional real estate, leasehold right or loan having real estate as collateral upon the lapse of five years from the registration date of an asset pool as the mutual fund.

Clause 18. The investment in loan arising out of the undertaking of financial institution business having real estate as collateral shall be an acceptance of assignment from the financial institution that lends to debtors, or from the agency established for managing non-performing loans of financial institutions under the law or the government's policy, such as the Asset Management Corporation and asset management companies.

The loan under the first paragraph shall be the loan in respect of the debts which are classified as non-performing loans as of 31 December 2004.

Clause 19. The management company may acquire the asset under the category in which the mutual fund cannot invest or possess by way of repayment of debts, foreclosure of mortgaged property or purchase from public auction of property placed as collateral under debt securities or loan in which the management company has invested in or held as an asset of the mutual fund.

The management company shall dispose of the asset acquired under the first paragraph as soon as the first opportunity arises, by taking into account the best interest of unitholders, but in any case no later than five years from the acquisition date of such asset.

Clause 20. Upon occurrence of the following events, the SEC Office may instruct the management company to dissolve the mutual fund:

(1) Where it appears that any person holds ownership in investment units, real estates, leasehold rights or loans with an intention of gaining interests, rights or benefits arising out of the investment units, real estates, leasehold rights or loans for any unitholder in circumventing the provisions under Clause 6; or

(2) Where there is any circumvention of the provisions under Clause 17.

Clause 21. The management company shall not:

(1) allocate the land unless it holds or has held a license to allocate the said land at the time it purchases or acquires the land;

(2) develop real estate on such land in the manner of adding supply in real estate market except where such development is made to improve or to safeguard the land or for a purpose of disposing such land, for example, construction of fence or improvement of entrance, etc.

Clause 22. The management company shall generate benefit from the real estate or leasehold right acquired by the mutual fund only in the following manners:

(1) Leasing or sub-leasing rentable area directly to tenants or to business operators to generate benefit from the real estate, and in case of leasing or sub-leasing of land, the management company may allow the lessees or sub-lessees to develop real estate thereon in the manner of adding supply to the real estate market under the following cases:

(a) being the mutual fund which invests in the land on which the lessees or sub-lessees implement a master plan project under Clause 7(1);

(b) being the mutual fund which invests in the land on which the lessee or sub-lessee grow economic crops under Clause 7(2); or

(c) being the mutual fund to which an approval is granted by the SEC Office under the rules set out in Clause 23.

(2) Generating benefit by any other means similar to (1) under the rules, conditions and procedures as prescribed by the SEC Office.

Where the benefit under (1) of the first paragraph is generated by leasing or sub-leasing, as the case may be, the management company shall charge reasonable rent, taking into account conditions of the property leased out by the mutual fund.

Clause 23. Where the management company wishes to allow lessees or sub-lessees to develop real estate on land in the manner of adding supply to the real estate market in cases not stipulated under Clause 7(1) and (2), it shall apply for approval and amendment to the scheme with the SEC Office and submit the agreement which binds all unitholders to accept the transfer of the real estate from mutual fund to themselves in case the management company is unable to dispose the real estate which has been approved by the SEC Office for development by 31 August 2015.

Clause 24. The management company shall submit to unitholders and the SEC Office the summary report containing material information in relation to the acquisition or disposal of the asset of the mutual fund under Clause 17, Clause 18 and Clause 19 within fifteen days from the acquisition or disposal date of such asset. The summary report shall at least contain the information as follows:

(1) The price at which the mutual fund acquired or disposed the asset;

(2) The price obtained from the latest valuation report, if any.

Clause 25. The management company may invest in or possess any one or more of the following assets for a purpose of liquidity management of the mutual fund:

(1) bonds;

(2) treasury bills;

- (3) bank deposits or certificates of deposit;
- (4) bills of exchange or promissory notes;
- (5) debentures;
- (6) investment units or warrants to purchase investment units of fixed income funds;
- (7) debt instruments with repurchase agreement;
- (8) other securities or assets prescribed by the SEC Office.

The management company shall not invest in or possess the said assets under the first paragraph in excess of the proportions prescribed by the SEC Office.

Clause 26. The management company shall appoint a property valuer to conduct valuation biennially from the date of purchase or lease of real estate.

The property valuer under the first paragraph shall be approved by the SEC Office under the notification of the Office of the Securities and Exchange Commission concerning the granting of approval of property valuer and principal valuer for public purposes.

Clause 27. The management company shall calculate the asset value, the net asset value and investment unit value of the mutual fund as at the last business day of June and December and shall proceed as follows:

- (1) Notify the fund supervisor of the values so calculated within the next business day from the calculation date to have the fund supervisor certify that the calculation is made in accordance with the rules prescribed under this Notification;
- (2) Notify the values certified by the fund supervisor under (1) to unitholders and the SEC Office within five business days from the calculation date.

Where the management company cannot complete such value calculation on the last business day of June and December on necessary and reasonable grounds such as in case of investment in the loan arising out of the undertaking of financial institution business having real estate as collateral which involves a large number of agreements and requires a reasonable period of time to value the loan, the SEC Office may consider granting a waiver to comply with the provisions under (1) and (2) of the first paragraph.

Clause 28. In case of occurrence of any event or any change after the calculation date under Clause 27 that significantly affects the assets of the mutual fund, the management company shall notify the unitholders of such event or change.

Clause 29. The calculation of the asset value, the net asset value and the value of investment unit of the mutual fund under Clause 27 shall be made in accordance with the rules and procedures determined by the Association with an approval of the SEC Office.

During the time when the rules and procedures for value calculation under the first paragraph have not been determined by the Association, the management company shall determine such asset value at a fair value which is approved by the fund supervisor or resolved by a majority of votes of unitholders holding in aggregate more than one half of the total outstanding investment units of such mutual fund.

Clause 30. The management company shall prepare an annual report of the mutual fund for the year ended December and submit the said report to all unitholders whose names appeared in the register of unitholders and to the SEC Office within three months from the last date of December. The report shall incorporate at least the following particulars:

(1) A list of assets by category being the real estate, leasehold right, loan having real estate as collateral, debt securities and deposit, together with the asset value, the net asset value and the value of investment units as at the last business day of the year;

(2) A summary of information relating to real estates of the mutual fund and loans having real estate as collateral;

(3) Gain or loss from disposal or assignment of leasehold right or disposal of loans having real estate as collateral;

(4) The latest audited and opined financial statements;

(5) Comparative balance sheets and statements of profit and loss between the current year and the pervious year;

(6) The opinion of the fund supervisor in relation to the operations of the mutual fund during the past one-year period.

Clause 31. Dividend paid by the management company out of the net profit derived from the sale or disposal of real estate or loan having real estate as collateral shall not be more than two thirds of the net profit after expenses.

Clause 32.¹ The management company may reduce the capital of the mutual fund by way of reducing the number of investment units and the return of capital shall be paid in cash or in kind pursuant to the rules prescribed under Clause 32/1 and Clause 32/2, as the case may be.

¹ Repealed for purpose of amendment by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

Clause 32/1.² With respect to the capital reduction by payment in cash in whole, the management company shall arrange to reduce the number of investment units and return the capital amount to each unitholder proportionately to his respective unit holdings as listed in the register of unitholders as at the date on which the register is closed for transfer of investment units (closure date). The unit value for the capital reduction shall be calculated from the net asset value of the mutual fund as at the closure date.

³The management company shall apply for registration of the capital reduction of the mutual fund with the SEC Office in the form provided for on the website of the SEC Office within five business days from the date of completing the arrangements under the first paragraph. Such application shall be signed by authorized directors of the company, or in case of authorization, the signatories shall hold the position of departmental director or equivalent position called otherwise being in charge of the unit related to establishment of the said mutual fund.

⁴Where the scheme requires that a resolution of unitholders approving the reduction of capital must be obtained, the management company shall proceed as follows:

(1)⁵ Send a notice of a meeting of unitholders or make a written request to unitholders to obtain a resolution and the notice or the written request of which shall contain at least the following particulars:

(a)⁶ The amount of capital and the number of investment units to be reduced for each unitholder;

(b)⁷ A proposed capital reduction plan and an opinion of the management company regarding the rationale and the necessity for the capital reduction as well as the impacts on unitholders and the net asset value of the mutual fund following the capital reduction;

² Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

³ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁴ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁵ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁶ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁷ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

(c)⁸ The closure date of the register of unitholders for transfer of investment units for a purpose of reduction of the number of investment units.

(2)⁹ Obtain a resolution approving the reduction of capital by a majority of votes of unitholders holding in aggregate more than one half of the total outstanding investment units of the mutual fund.

Clause 32/2.¹⁰ With respect to the capital reduction by payment in kind, whether in part or in whole, the management company shall, upon obtaining an approval by a unanimous resolution of all unitholders, reduce the number of investment units of unitholders and transfer any asset or deliver money, if any, to unitholders as resolved.

¹¹The management company shall apply for registration of capital reduction of the mutual fund with the SEC Office in the form provided for on the website of the SEC Office within five business days from the date of completing the arrangements under the first paragraph. Such application shall be signed by authorized directors of the company, or in case of authorization, the signatories shall hold the position of departmental director or equivalent position called otherwise being in charge of the unit related to establishment of the said mutual fund.

¹²In requesting a resolution of unitholders under the first paragraph, the management company shall send a notice of a meeting of unitholders or make a written request to unitholders to obtain a resolution, the notice or the written request of which shall contain at least the following particulars:

(1)¹³ The amount of capital and the number of investment units to be reduced for each unitholder;

(2)¹⁴ A proposed capital reduction plan and an opinion of the management company regarding the rationale and the necessities for the capital reduction as well as the

⁸ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

⁹ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁰ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹¹ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹² Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹³ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

impacts on unitholders and the net asset value of the mutual fund following the capital reduction;

(3)¹⁵ Assets to be returned, name of unitholder to be transferred of each asset and prices of such asset including a price of acquisition thereof, price according to a valuation report prepared not more than six months from the capital reduction date and the price used in transferring such asset to unitholder;

(4)¹⁶ The amount of money to be returned and the name of unitholders to receive the money, if any;

(5)¹⁷ The closure date of the register of unitholders for transfer of investment units for a purpose of reduction of number of investment units.

Clause 33.¹⁸ The management company may increase the capital of the mutual fund if such increase is for the following purposes:

(1)¹⁹ To improve the real estate of the mutual fund or the real estate whose leasehold right is held by the mutual fund to be in good condition and suitable for generating benefit;

(2)²⁰ To obtain proceeds as expense of the mutual fund in proceeding with legal disputes.

Clause 34. In respect of the capital increase of the mutual fund under Clause 33, if the scheme does not provide for the method and the purpose of the capital increase, the management company shall proceed as follows:

¹⁴ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁵ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁶ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁷ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

¹⁸ Repealed for purpose of amendment by the Notification of the Capital Market Supervisory Board No. TorNor. 31/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 3) dated 10 August 2010.

¹⁹ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 31/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 3) dated 10 August 2010.

²⁰ Added by the Notification of the Capital Market Supervisory Board No. TorNor. 31/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 3) dated 10 August 2010.

(1) Convene a meeting of unitholders or make a written request to unitholders to obtain a resolution approving the increase of capital which shall be passed by a majority of votes of unitholders holding in aggregate more than one half of the total outstanding investment units of the mutual fund. In requesting the resolution from unitholders, the management company shall state the purpose for such capital increase, the amount of capital and the number of investment units to be increased, the method of determining the price of investment units to be offered and the method of allocation of investment units;

(2) Apply for an approval from the SEC Office, the request of which shall include at least the same particulars as contained in the request for the resolution from unitholders under (1);

(3) Submit a prospectus to the SEC Office within seven business days from the commencement date of the offering of investment units to institutional investors for capital increase;

(4) Register the capital increase of the mutual fund by submitting an application to the SEC Office within fifteen business day from the closing date of the offering of investment units under Form 117-Phor2 attached herewith.

Clause 35. When the SEC Office has examined and determined that the application for registration of capital increase under Clause 34(4) duly contained the required information in full and the management company has paid the registration fee at the rate set by the SEC Office, the SEC Office shall register such capital increase and issue an evidence of capital increase registration to the management company.

In cases where the evidence of registration under the first paragraph is lost or destroyed, the management company shall submit an application to obtain a substitute from the SEC Office and pay the fee as determined by the SEC Office.

Any person may request to inspect or obtain a certified copy of documents relating to the registration of the mutual fund upon payment of the fee as determined by the SEC Office.

Clause 36. The provisions under Clause 33 shall apply *mutatis mutandis* in cases where the management company plans to offer for sale additional investment units of the mutual fund in the amount not exceeding the scheme capital approved by the SEC Office as specified in the scheme or where there is a resolution passed by a majority of votes of unitholders holding in aggregate more than one half of the total outstanding investment units of the mutual fund.

When the management company has proceeded with the offering for sale of the investment units under the first paragraph, it shall report the result of such sale to the SEC

Office within three business days from the last business day of the month on which the offering of the investment units has been made.

Clause 37. The amendment of the mutual funds under this Notification to be the property funds pursuant to the notification of the Office of the Securities and Exchange Commission concerning the rules, conditions and procedures for establishment and management of property funds shall be made upon approval of the SEC Office in accordance with the rules, conditions and procedures prescribed by the SEC Office.

Clause 38. Institutional investors or investors with specific characteristics pursuant to Clause 7(3) of the Notification of the Securities and Exchange Commission No. KorJor. 13/2539 Re: Filing and Exemption from Filing of the Registration Statement for Securities Offering dated 12 September 1996 who have already been unitholders of a mutual fund prior to 16 February 2002 may continue to hold investment units of such mutual fund.

Clause 39. The management company which has applied for and has been granted a waiver by the Securities and Exchange Commission to extend the scheme maturity prior to the effective date of this Notification shall set the maturity of the scheme as granted under the waiver and in accordance with the conditions set forth under such waiver granted by the Securities and Exchange Commission.

Clause 40. In cases where the mutual fund has invested in or possessed any real estate, leasehold right or loan having real estate as collateral prior to 16 March 2005, and such investment does not comply with the provisions under Clause 6, the management company may maintain its investment or possession in such real estate, leasehold right or loan having real estate as collateral, provided that the management company must not allow any unitholder who owns the real estate or the leasehold right or is a creditor of the loan to hold additional investment units, should such holding of investment units or investment in such property exceeds the limits set forth under Clause 6.

Clause 41. Subject to Clause 40, if the mutual fund has duly invested in or possessed any real estate, leasehold right or loan having real estate as collateral prior to the effective date of this Notification, the management company may continue to invest or possess such real estate, leasehold right or loan having real estate as collateral.

Clause 42.²¹ In cases where the management company has acquired any asset under the category in which the mutual fund cannot invest or possess by way of repayment of debt, foreclosure of mortgaged property or purchase from public auction prior to 1 March 2006, the management company shall dispose of the said asset so acquired as soon as the first opportunity arises, by taking into account the best interest of unitholders, but in any case no later than 31 December 2010.

²¹ Repealed for purpose of amendment by the Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010.

Clause 43. All notifications of the Office of the Securities and Exchange Commission, orders and circulars issued under or providing guidelines for compliance with the Notification of the Securities and Exchange Commission No. KorNor. 15/2541 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems dated 24 May 1998 which have been in effect prior to the effective date of this Notification, shall remain in full force and effect to the extent that they are not inconsistent with nor contrary to the provisions of this Notification, until any new notifications, orders and circulars issued under or providing guidelines for compliance with this Notification come into effect.

Clause 44. Any reference made under any other notifications to the Notification of the Securities and Exchange Commission No. KorNor. 15/2541 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems dated 24 May 1998 shall mean the reference to this Notification.

Clause 45. This Notification shall come into force as from 16 June 2009.

Notified this 4th day of June 2009.

(Vijit Supinit)

Chairman

Securities and Exchange Commission

Remark: 1. The Notification of the Capital Market Supervisory Board No. TorNor. 21/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems dated 4 June 2009 shall come into force as from 16 June 2009.

The rationale for issuing this Notification is that (1) in order to alleviate impacts from the current recession, it deems appropriate to amend the rules concerning granting of waiver on the scheme maturity of the property funds for solving financial institution problems which invest in the land having master plans and significant investment funds under a specified timeframe to promote more domestic investments to help boosting economic growth; and (2) the Securities and Exchange Act (No. 4) B.E. 2551 (2008) stipulates that the prescription of the rules concerning the establishment and management of mutual funds shall be the power of the Capital Market Supervisory Board; therefore, it deems appropriate to issue this Notification to replace the Notification of the Securities and Exchange Commission No. KorNor. 15/2541 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems dated 24 May 1998.

2. The Notification of the Capital Market Supervisory Board No. TorNor. 9/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 2) dated 15 March 2010 shall come into force as from 15 March 2010.

The rationale for issuing this Notification is to review the rules related to the capital reduction of mutual fund to allow unitholders to be able to receive the returned capital through payment in cash or in kind, and to extend the period for mutual funds to dispose of any asset acquired prior to 1 March 2006 by way of repayment of debt, foreclosure of mortgaged property or purchase from public auction.

There are transitory provisions under this Notification as follows:

Clause 4. Form 117-Lor2 attached to the Notification of the Capital Market Supervisory Board No. TorNor. 21/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems dated 4 June 2009 shall be cancelled.

Clause 5. With respect to any mutual fund being in a process of capital reduction prior to the effective date of this Notification, the management company shall continue to comply with the rules prescribed by Clause 32 of the Notification of the Capital Market Supervisory Board No. TorNor. 21/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems dated 4 June 2009 prior to the amendments made by this Notification until the completion of the said capital reduction.

3. The Notification of the Capital Market Supervisory Board No. TorNor. 31/2553 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems (No. 3) dated 10 August 2010 shall come into force as from 1 September 2010.

The rationale for issuing this Notification is to allow mutual funds to increase their capital to obtain proceeds to be used as expenses for the mutual fund in proceeding with legal disputes.