

Summary of significant Questions and Answers from the 2025 Two-Way Communication with Unitholders of the Luxury Real Estate Investment Fund (LUXF)

As part of the annual two-way communication for the year 2025, Eastspring (Thailand) Company Limited (“Management Company”), in its capacity as the management company of the Luxury Real Estate Investment Fund (LUXF) (“the Fund”), provided an opportunity for unitholders to submit inquiries during the period from 26 September 2025 to 27 October 2025.

The Fund Manager has compiled the questions received from unitholders and hereby presents a summary of key topics in a Q&A format as follows:

Question 1

What is the business outlook for the second half of the year and the following year?

Answer

In the second half of 2025, the number of international tourists visiting Thailand is expected to slow down compared to the previous year, mainly due to a decline in Chinese tourist arrivals. However, an increase is anticipated from other markets such as India, Russia, and Malaysia. For hotels, the target customer base from Europe and the United States is expected to remain stable and largely unaffected.

In 2026, the Bank of Thailand forecasts a recovery in international tourist arrivals compared to 2025, supported by government initiatives and promotional efforts to boost tourism.

Question 2

What were the Occupancy Rate, ADR, and REVPAR for the previous year, and what are the projections for this year? Additionally, what is the expected room booking rate for Q4 this year?

Answer

In 2024, the hotel recorded an Occupancy Rate of 63.8%, ADR of THB 38,600, and REVPAR of THB 24,616. For 2025, the Occupancy Rate, ADR, and REVPAR are expected to be like those of 2024.

For Q4 2025, the hotel’s room booking rate is projected to be approximately 73%, which is comparable to the same period last year.

Question 3

How much variable rental income did the Fund receive last year?

Answer

The Fund recognized variable rental income of THB 121.1 million during the fiscal year from 1 July 2024 to 30 June 2025.

Question 4

What is the estimated CAPEX for this year?

Answer

The Fund undertook renovation projects at Six Senses Yao Noi Resort over the past year. According to the 2025 financial statements, the CAPEX amounted to approximately THB 13.5 million, covering villa renovations, water pipe replacements, and fire protection system upgrades.

This year, the Fund anticipates further villa renovations with an estimated CAPEX of approximately THB 30 million.

Question 5

Do you have an explanation as to why the current share price of THB 8.65 is still so far below the published NAV of THB 13.09?

Have you planned any measures to reduce this gap, such as communicating the values of key success factors in the hotel industry?

Answer

The current share price or market price refers to the price at which a security is traded on the stock exchange. It is influenced by factors such as supply and demand, trading liquidity and market conditions at that time.

On the other hand, NAV (Net Asset Value) is calculated using the formula: $NAV = (Total\ Assets - Liabilities) \div Number\ of\ Units$

In general, they are not equal, as the current share price depend on market sentiment, investor perception, and prevailing conditions. The market price may trade at a premium or discount to NAV depending on how investors value the fund relative to markets.

Question 6

Contract extension with Sustainable Luxury Hospitality (SLH): When the current valid lease contract was signed for which 3 years period? Is it 30 June 2024 for 2025, 2026 until 30 June 2027 (see Notes 13. Rental Income)?

Answer The current lease contract with Sustainable Luxury Hospitality (SLH) covers the 3-year period from 1 July 2024 to 30 June 2027.

Question 7

How likely do you think it is that SLH will not renew the contract after the current term and will terminate the contract

Answer Sustainable Luxury Hospitality is process of contract renewal negotiations.

Question 8

Lease Contract (2.4.4, page 9): Does the tenant (SLH) also have the right to refuse to renew the lease every 3 years as the lessor (LUXF) has?

Answer Yes, both the lessor (LUXF) and the lessee (SLH) have the right to refuse renewal at the end of each 3-year term.

Question 9

The variable lease fee is based on the Gross Operating Profit (GOP) of SLH (see page 10): What is the main P&L components of the GOP and its historical comparable numbers?

Who monitors this profit and loss statement to ensure that no third-party costs are charged to other Six Senses. The variable lease fee is calculated based on the Gross Operating Profit (GOP) of the hotel.

Answer The Gross Operating Profit (GOP) is calculated as the difference Total Revenue from rooms, food & beverage, and other services Minus Operating expenses (excluding interest, depreciation, and amortization)

Sustainable Luxury Hospitality is only responsible for the management of Six Senses Koh Yao Noi resort. The financial statements are subject to verification by independent auditor.

Question 10

What is the current Split Start fee as we are in year 13 according to Notes 13. Rental Income?

Answer Year 13 (2025) Split Start fee 121 million baht.

Question 11

Investment in the property (2.4.5, page 11 and page 71): How much of the reported repairing expenses of THB 13.5 million are used for (a) general repairs and maintenance and how much for (b) improvement or the major renovation?

Answer

The repairing expenses totaling THB 13.5 million comprise of Villa renovations and Pipe & Fire Hydrant

Question 12

Rental Fees (2.5.3, page 14): What is the current fixed rental fee? According to the Notes 13. Rental Income it is THB 94.11 million until June 2025, THB 96.93 million until June 2026 and THB 99.84 million until June 2027. Is this correct?

Answer

Yes. This is correct. The details of the fixed lease fees are as follows.

FY 2024–2025: THB 94.11 million

FY 2025–2026: THB 96.93 million

FY 2026–2027: THB 99.84 million

Question 13

What is the current average room rate compared to the last years (valuation is based on THB 39'000 per night, see page 26)?

What is the current occupancy rate compared to the last years (valuation is based on 64%, see page 26)?

Answer The details of OR, ADR, and PEVPAR over the past three years are as follows.

	2022	2023	2024
ADR	29,920 baht	36,900 baht	38,602 baht
OR	48.5%	60.9%	63.8%
RevPAR	14,497 baht	22,465 baht	24,616 baht

Question 14

Fund asset composition and fixed-income holdings. According to the Financial Statement of LUXF for the period ending 30 June 2025 (published on the SET on 26 September 2025, page 7), the fund reported total assets of approximately THB 261 million, with 10.2 % of the net assets held as short-term investments in government bonds and high-grade corporate debentures. These generated interest income of roughly THB 3.51 million per year, equivalent to an annual return of approximately 1.35 % p.a. We would like to understand the rationale of the fund management for maintaining such a high proportion of liquid investments in bonds instead of distributing these retained earnings to unitholders. Please explain. Since LUXF is a single property fund whose objective is to own and lease the Six Senses Yao Noi Resort, we are of the opinion that excess cash and bond holdings should be distributed to unitholders, who can then reinvest according to their individual risk profiles. Do you agree? If not, please explain the investment policy and the purpose of maintaining this unusual cash reserve.

Answer

During 1st July 2024 to 30th June 2025, the fund has announced dividend payments two times as follows: For operating results between 1st July 2024 – 31st December 2024, pay at the rate of 0.21 baht per unit and 1st January 2025 – 30th June 2025, pay at the rate of 0.64 baht per unit, calculated as dividends paid for Operating results total 0.85 baht per unit, total 167,025,000 baht or equivalent to 94.13 percent of net profit.

Over the past five years, the fund has consistently distributed more than 96% of its net profit as dividends.

Table of the dividend's payment in the previous years

Year	2025	2024	2023	2022	2021
	Jul 2024 – Jun 2025	Jul 2023 – Jun 2024	Jul 2022 – Jun 2023	Jul 2021 – Jun 2022	Jul 2020 – Jun 2021
Dividend per unit (Baht)	0.850	0.750	0.530	0.240	0.085
Percentage compared with the IPO price	8.50%	7.50%	5.30%	2.40%	0.85%
Payout Ratio out of Adjusted Net Profit (%)	94.13%	96.45%	98.66%	99.68%	98.69%

Short-term investments in government bonds THB 261 million to prepare for dividend payments and maintain liquidity, the fund has made the following provisions:

1. Dividend payment for the second half of the year: THB126 million
2. Fund operating expenses
3. Reserve for renovation and maintenance of the resort
4. Liquidity reserve for the fund

Question 15.1

Structure of the fund and conversion to REIT. LUXF was established in 2008 as a Thai Property Fund Type 1 (TPF 1). Many comparable funds on the SET—such as CTARAF, TLHPF, QHOP, and ERWPF—have since converted to Real Estate Investment Trusts (REITs) under the 2013–2017 transitional scheme granted by the Revenue Department and the Securities and Exchange Commission (SEC). That window offered tax neutrality on the transfer of property and units during conversion. Why did LUXF not make use of that opportunity to convert to a REIT during the 2013– 2017 tax-favored period?

Answer

At the time, LUXF was made not to proceed with the conversion due to the following reasons:

1. There were no high-quality assets that are attractive for investment. As a result, the fund had no plans to acquire additional properties or undertake any large-scale new investments, which was consistent with the fund's investment policy.
2. Cost considerations: The conversion process involved legal, regulatory, and administrative expenses that would have impacted the fund's short- to medium-term returns.

Question 15.2

Would conversion to a REIT structure not enhance long-term shareholder value through:

- wider recognition by institutional and foreign investors,
- flexibility to acquire additional properties or undertake renovation financing, and
- improved liquidity on the SET through REIT governance and disclosure standards?

Answer

The fund management acknowledges the potential advantages and disadvantages of the REIT structure. However, after careful consideration, it was concluded that:

1. There were no high-quality assets that are attractive for investment. As a result, the fund had no plans to acquire additional properties or undertake any large-scale new investments, which was consistent with the fund's investment policy.
2. Strong performance under current structure: The fund's sole asset a freehold luxury resort continues to generate stable and satisfactory returns.
3. Risk-return balance: The risks, costs, and operational complexities associated with conversion may not align with the best interests of unitholders at this time.

Question 16

Several other TPF 1 funds have converted after 2017 with the Revenue Department issuing individual rulings waiving transfer taxes (examples: QHHR → QHHRREIT, DREIT (Dusit Thani), GROREIT (Royal Orchid Sheraton)). Would it not be advisable for LUXF to pursue a similar path?

Answer

LUXF has not pursued this path due to the following considerations:

- There were no high-quality assets that are attractive for investment. As a result, the fund had no plans to acquire additional properties or undertake any large-scale new investments, which was consistent with the fund's investment policy.
- The fund's core asset is a freehold property that continues to generate stable returns for unitholders.
- The conversion process involves significant costs and administrative complexity, which may impact short-term returns to unitholders.

Nevertheless, the fund remains open to reassessing this option should future investment opportunities or regulatory developments make it more favorable.

Question 17

Can the fund management outline a roadmap or feasibility plan for conversion of LUXF into a REIT in due course, including indicative milestones (valuation, unitholder vote, SEC and RD filings, expected timeline)?

Answer

At present, the fund does not have a defined roadmap or feasibility plan for conversion into a REIT. This is primarily due to:

- There are currently no high-quality assets that are attractive for investment. As a result, the fund has no plans to acquire additional properties or undertake any large-scale new investments, which is consistent with the fund's investment policy.
- The current property (free hold) continues to deliver satisfactory returns under the existing structure.
- The conversion process entails multiple steps, including asset valuation, unitholder approval, and regulatory filings with the SEC and the Revenue Department no longer grants tax privileges, all of which involve time and cost considerations.

Should there be significant changes in the investment landscape or regulatory framework, the fund will carefully evaluate the feasibility of such a transition.

Nevertheless, the fund remains open to reassessing this option should future investment opportunities or regulatory developments make it more favorable.

Question 18

Delisting LUXF - Has there been in the last 24 months an interest expressed by a third party to take over and delist LUXF?

If so, why was this not present to the unitholder for consideration?

If not, would this not be interest of the unitholder as also other property funds (e.g. ERWPF) have delisted since the about 35% gap between NAV (THB 13 as per August 2025) and the traded share price (volume-weighted average of THB 8.5)?

Answer

The fund has reviewed the proposal and determined that it is not aligned with the fund's investment policy. The prospective buyer is a private equity fund, and the proposed purchase price was significantly below the current valuation. Moreover, the offer included conditions requiring the fund to assume various liabilities, such as tax obligations arising from the transaction and potential breaches of the existing lease agreement.

Over the past three years, LUXF's share price has outperformed both the SET index and the PF&REIT sector.

A Prudential plc company

Price

Price Performance

Intraday

1M

3M

6M

YTD

1Y

3Y

5Y

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Source: SET

Question 19

Operating transparency of the underlying hotel asset

The Financial Statements for FY 2025 present only consolidated investment income and fair-value adjustments, without disclosing the operational performance of the underlying Six Senses Yao Noi Resort. The financial statements report on general market trends but fails to provide a clear and concise picture of the asset's performance, which can differ significantly from the general market trends. No benchmark comparisons are given. There is no breakdown of room and food-and-beverage income, ancillary department income, and their corresponding operating expense as well as other key performance indicators such as but not limited to ADR, occupancy, GOP, or EBITDA—metrics typically used to assess hospitality assets. An example for a REIT which shows these KPIs in their Financial statements is DREIT (ticker at SET).

Can management provide the standard hotel key performance indicators (e.g. ADR, Occupancy, GOP, and total revenue split) for the past FS or in future reporting? If not, why not? Please explain why and what needs to be done in order to communicate this in the future?

Answer

The lease-based structure of the fund, under which the hotel is leased to a third-party operator Sustainable Luxury Hospitality (Thailand) Co., Ltd. (SLH) on subject to the terms of the lease agreement and confidentiality obligations.

As the fund receives fixed rental income and variable rent from the lessee, the operational performance of the hotel is not directly consolidated into the fund's financial statements.

LUXF has provided the following:

	2022	2023	2024
ADR	29,920 baht	36,900 baht	38,602 baht
OR	48.50%	60.9%	63.8%
RevPAR	14,497 baht	22,465 baht	24,616 baht

Question 20

Would it not serve the principles of market transparency and fair valuation to include such operating KPIs in the annual financial statements and Management Discussion & Analysis (MD&A) of LUXF, as is standard for hospitality REITs globally?

Answer

The fund has complied with all applicable regulations set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The fund's financial statements have been audited by an independent auditor, who issued an unqualified opinion. In addition, the trustee has reviewed and confirmed that the fund's operations are fully in compliance with all relevant requirements.

Question 21

Has the trustee or auditor reviewed whether the lessee provides sufficient financial reporting under the lease agreement to allow proper monitoring of asset performance? If so, can these summaries be shared with unitholders?

Answer

The fund has complied with all applicable regulations set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The financial statements have been

duly audited by an independent auditor, who has issued an unqualified opinion. The trustee has also reviewed the fund's compliance with contractual obligations and conducted inspections of the fund's assets.

The fund has received confirmation documents from the trustee, affirming that operations have been conducted in compliance with the applicable requirements.

Question 22

Hotel Asset Management

Does the current fund management have experience and a track record in managing hotel assets, particularly luxury resorts such as those operated by Six Senses? If yes, please provide details.

Answer

The current fund management team has experience in managing real estate investment funds. LUXF operates under a leasehold structure, whereby the management of the Six Senses Yao Noi Resort is the responsibility of the lessee, a professional hotel operator. Nevertheless, the fund management maintains oversight of the asset's performance through regular reporting reviews, on-site inspections, and ongoing communication with the lessee. The fund also oversees asset improvement initiatives to ensure that the property is efficiently managed and continues to generate sustainable value for unitholders.

Question 23

Would it not be in the shareholder interest to hire a consultant or similar and introduce an investment committee as an experienced luxury hotel asset manager with Phuket market and operational and operator knowledge a like Horwarth, C9 Hotelworks and HVS Asset management & Advisory?

Answer

The fund does not consider it necessary to appoint an external hotel asset management consultant currently. The current lease agreement with Sustainable Luxury Hospitality (Thailand) Limited, operating under the Six Senses brand (IHG Group), has consistently delivered stable performance and continued growth. Engaging a consultant would incur additional costs and may not align with the lease structure or add material value under current circumstances.

Currently, Sustainable Luxury Hospitality (Thailand), operating under the Six Senses brand (part of the IHG group), has demonstrated stable performance and continued growth.

Question 24

Is there a mid and long-term strategic plan to capture the potential of the resort? Please share your vision.

Answer

The fund management is committed to maximizing long-term value for unitholders through proactive asset stewardship. While the current lease structure provides stable income, the management continuously monitors market trends, operational performance, and potential value-enhancing opportunities. This includes:

- Evaluating the lessee's performance.
- Exploring opportunities for asset enhancement or repositioning in collaboration with the operator.
- Assessing the feasibility of capital improvements or renovations to maintain the resort's competitive positioning. In recent years, the hotel has received various awards at both national and international levels

The overarching vision is to preserve and enhance the value of the Six Senses Yao Noi Resort as a premier luxury destination, while ensuring sustainable and attractive returns for unitholders.

Question 25

Branded Residences

Major luxury resorts often build and sell private branded residences, and the Phuket area is continuing a strong demand for Branded Residences with THB 80 billion or USD 2.3 billion (see C9 Branded Residences Market Review March 2024). Six Senses has also promoted private branded residences at many of their properties (for example: Six Senses Con Dao, Fuiji, Kaplankaya or Zil Pasyon), and this is also common among other luxury brands in Phuket, like Amanpuri or Trisara. Have the fund management concrete plans or explored to enhance the property with residences? If not, why not?

Answer

The fund does not have any plans to develop branded residences on the Six Senses Yao Noi property. The main reasons are as follows:

1. **Land utilization and regulatory constraints:** The resort has already been developed to near full capacity under the current land area. Furthermore, the development of

additional residential units may be subject to zoning restrictions, environmental regulations, and local authority approvals.

2. **Lease structure:** The property is currently under a long-term lease agreement with Sustainable Luxury Hospitality (Thailand) Co., Ltd. Any new development or change in land use would require careful consideration of legal, regulatory, and commercial implications.
3. **Core strategy of the fund:** The fund remains focused on preserving and enhancing the value of its existing core asset, which has consistently generated stable returns and supported regular dividend distributions to unitholders.