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* Associated Firm
** In cooperation with
Trench, Rossi e Watanabe
Advogados

13 April 2022

[By e-mail]

Centaline Property Agency Limited
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Tsimshatsui, Kowloon,
Hong Kong

Re: Development of the bankruptcy case of Kanokkorn Pattana Co., Ltd. ("KNK")

Dear Sir,

Reference is made to the proceedings to claim against KNK, the developer of a condominium project in Bangkok, Thailand called "*The Posh 12*" (the "**Project**"), in its bankruptcy case Black Case No. Lor.3049/2563 and Red Case No. Lor.328/2564 at the Central Bankruptcy Court of Thailand. We write to update on the proceedings as follows.

As updated earlier, the official receiver rendered an order on 4 November 2021 refusing the request to comply with the SPA by dismissing all the petitions we submitted on behalf of all purchasers, who agreed to have Centaline engage us to proceed this matter (the "**Petition**"). As a result, all such purchasers were entitled to file a claim for debt repayment and subsequently on 23 December 2021, we submitted the applications for debt repayment for them.

On 22 March 2022, the official receiver scheduled the first creditors' meeting and examined the applications for debt repayment of all creditors. We have summarized the key issues of the meeting as below.

1. As KNK did not propose any debt composition, the creditors' meeting voted to have KNK be declared bankrupt. As for the next step, the official receiver will report to the court requesting that KNK be declared bankrupt, and the official receiver will further seek KNK's assets so that the assets can be liquidated and distributed to settle the debts of the creditors.
2. However, the official receiver advised that as of now, KNK's assets apart from the land and building of the Project that the official receiver can so far collect is only a fraction of the cash remaining in KNK's bank account (worth only THB 0.5). For the land and the building of the Project, it is under a mortgage with

Siam Commercial Bank (SCB) to secure a loan that SCB granted to KNK for construction of the Project. The official receiver will seize the land and the building to sell in a public auction and allocate the proceeds from the auction to repay debts to SCB as a secured creditor first. If there is any remaining amount after repaying the debts to SCB, it will be allocated to repay other creditors (including the purchasers) proportionately. As a result, at this stage, the official receiver will pursue to seize the land and the building of the Project to sell in the public auction and will let us know whether there are any remaining proceeds for repayment to other creditors by sharing those proceeds.

3. If there are no other assets of KNK, and no proceeds remain from the auction, the official receiver may opine to the court to temporarily close this case until they can find additional assets of KNK to distribute to the creditors.
4. In this case, KNK's creditors (totaling 491 creditors) have submitted applications for debt repayment to claim from KNK in the total amount of THB 2,144,549,296.17.
5. In the meeting, we have preliminarily reviewed the applications for debt repayment of other creditors. Most of them are purchasers of the units of the Project. There are creditors who claimed significant amounts of money, including Siam Commercial Bank (SCB) who submitted an application for debt repayment as a secured creditor. According to our analysis, it is agreed with Centaline that it may not be worthwhile for the purchasers to object such applications for debt repayment.

As the next step, we will follow up with the official receiver on the progress to sell the land and whether there will be remaining proceeds (after repaying SCB, which is a secured creditor, with the mortgage over the key assets of KNK) to share among the purchasers.

If there is any further material development, we will keep you posted.

Yours faithfully,

Baker & McKenzie Limited

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