

6 October 2023



RE: Invitation to the Unitholders' Annual General Meeting for year 2023 of Sala @ Sathorn Property Fund via electronic media (E-AGM)

ATTN: The Unitholders of Sala @ Sathorn Property Fund ("SSPF")

- Enclosures:
1. Copy of financial statements of the Fund ended as of 30 June 2023 and the Annual Report for year 2023 (QR CODE)
  2. Documents and evidence required to be presented by attendants before attending the Meeting and the Instruction for appointing a proxy
  3. Methods for logging into E-AGM System and uploading of documents into the system
  4. Proxy Form

As Krungsri Asset Management Company Limited ("Management Company"), as the Management Company of Sala @ Sathorn Property Fund, with abbreviation "SSPF" ("Fund") has already notified the Unitholders through the Stock Exchange of Thailand (SET) on 19 September 2023, regarding the convening of the Annual General Meeting of Unitholders for year 2023 of the Fund, to be held on Tuesday, 24 October 2023, at 10.00 a.m. in form of Electronic Meeting in accordance with the Emergency Decree of the Meeting via the Electronic Media B.E. 2563 (2020) (and its Amendments), including other relevant laws and regulations.

The Management Company therefore would like to invite the Unitholders to attend the Meeting on such date and time for considering the matters according to the agendas of the Meeting as follows:

**Agenda 1: To acknowledge the report of the Fund's operation and course of action for future management of the Fund (For Acknowledgement)**

**1.1 The Market Conditions of Office Space Rental Businesses**

The supply in the second quarter of 2023 totals 9.39 million square meters, an increase of 15,000 square meters from the previous quarter as a result of the recently completed buildings, namely, Sukhumvit Hills and P23. In this quarter, the operating results of Grade A+ office building market show a positive and increased net occupancy rate due to the move in and actual use of the spaces.

The total area of office space is 7.9 million square meters with the occupancy rate of 84.3%, an increase of 0.2% from the first quarter of 2023. There is approximately 963,597 square meters of office space under construction and scheduled to be completed by 2026.

The supply of office spaces in Bangkok in the second quarter of 2023 is equivalent to 9.39 million square meters or an increase of 0.2% compared to the first quarter. This increase results from the launch of two new office buildings, with the total area of approximately 15,000 square meters.

In addition, there are 22 buildings still under construction, equivalent to a total rental space of approximately 963,597 square meters, expected to be completed during 2023-2026.

The overall occupancy rate in the second quarter of 2023 stands at 84.3% or increased by 0.2% from the previous quarter. In the Central Business District (CBD), there is an increase in Grade A+ project space of 10,640 square meters, while a decrease in area of Grade A project space of 5,952 square meters. The area of Grade A project space outside the CBD increases by 3,232 square meters. There is a slight increase in the area of Grade B project space in the CBD, and an increase in Grade B project space in the non-CBD of 5,287 square meters.

The average rental rates for office buildings in the second quarter of 2023 remain stable compared to the previous quarter. The rental rate for Grade A+ office space in the CBD equals 1,125 Baht per square meter per month, 975 Baht per square meter per month for Grade A in the CBD, and 721 Baht per square meter per month for Grade B in the CBD.

For office spaces outside the CBD, the average rental rate for Grade A stands at 750 Baht per square meter per month, and for Grade B, it stands at 552 Baht per square meter per month.

#### Summary of market overview and the future predictability

It is predictable that new office spaces of approximately 960,000 square meters, comprising 60% in the CBD areas and 40% in the non-CBD areas, will be launched in the third and fourth quarters during 2023-2026.

Most of the new office buildings set to launch are mixed-used developments in Bangkok's downtown areas. Grade A+ and Grade A office building spaces have gained interest in the aspects of upgraded development standards and expectations from potential tenants.

Moreover, business operators' operating strategies have changed to the currently popular hybrid working and teleworking models to allow workspace flexibility, with most of those being companies having foreign shareholders. As a result of the COVID-19 pandemic, where a work from home policy has been implemented, companies adjusted by using less office space for work. For this reason, it is believed that pressure will be put on all office spaces concerning their rentals, and it will be difficult to increase rentals to be applied to existing tenants, especially with respect to office buildings of over 10 years old. This is to attract new tenants and retain the existing tenants.

## 1.2 The Fund's operation and course of action for future management of the Fund

The main property invested by the Fund is the freehold in the land, together with the office building (@ Sathorn Building) located on South Sathorn Road, Soi Sathorn 11 (Soi St. Louis). It is the office building which was completely constructed in the year 2009. @ Sathorn Building is the 25-storey building whose total lease area is approximately 17,520 square meters. Its lease area has been allocated and leased by various lessees. Currently, the Fund has entered into a lease agreement with 5 lessees as follows:

<b>Floor</b>	<b>Lessees</b>	<b>Area (square meters)</b>	<b>Lease Tear (years)</b>
1	Government Savings Bank	122.80	3
1	Golf De Caflo Shop	80.00	3
3	–unoccupied–	304.72	-
5	–unoccupied–	304.72	-
11A	Government Savings Bank	443.67	3
11B	–unoccupied–	449.51	-
12	Government Savings Bank	982.60	1.8
13	Government Savings Bank	982.60	1.8
14A	Vasayo (Thailand) Company Limited	443.67	3
14B	–unoccupied–	449.51	-
15	Vasayo (Thailand) Company Limited	982.60	3
16A	Gypman Tech Company Limited	443.67	3
16B	–unoccupied–	449.51	-
17	–unoccupied–	982.60	-
18	Government Savings Bank	982.60	1.8
19	G Capital Public Company Limited	947.60	3
20	–unoccupied–	982.60	-
21	–unoccupied–	982.60	-
22	–unoccupied–	982.60	-
23	–unoccupied–	982.60	-
24	–unoccupied–	982.60	-
25	–unoccupied–	982.60	-
26	–unoccupied–	982.60	-
27	–unoccupied–	982.60	-

As of 15 September 2023, the total rented area equals 6,381.81 square meters or equivalent to 37.08% of the total space for rent, and the average rental rate stands at 674.93 Baht per square meter.

The @ Sathorn Building has adjusted its spaces for rent from the whole-floor sale to the smaller-area sale. Each floor's area has been divided into 2 zones for sale in response to the current need of the tenants as nowadays, several office buildings for rent utilize other pricing strategies and privileges to fight to get new clients and retain existing tenants with them. The @ Sathorn Building therefore uses pricing strategies to attract interested parties to rent the building's spaces, as well as offering different privileges to appeal to interested clients, e.g., additional parking entitlements and extended free parking period, etc..

### **The Management Company's Opinion**

The Management Company deemed that it is appropriate to report the Market Conditions of Office Space Rentals Business and the Fund's operation and course of action for future management of the Fund to the Meeting.

### **Resolution**

As this agenda was for acknowledgement; therefore, there will be no resolution.

### **Agenda 2: To acknowledge the financial status, operating result and financial statement for fiscal year ending on 30 June 2023 which has been audited and given opinion by the auditor (For Acknowledgement)**

The details of the Fund's financial status and operating result as specified in the financial statements for fiscal year ended on 30 June 2023 audited and given opinion by the auditor as appeared in the Enclosure 1 can be summarized as follows:

#### **Summary of Balance Sheet**

Total Assets	1,882,884,660.44 Baht
Total Liabilities	20,045,900.21 Baht
Net Assets	1,862,838,760.23 Baht
Net Value per Investment Unit	11.1547 Baht
Total number of investment units sold at the year end	167,000,000 Units

In the previous fiscal year, the Fund's Net Assets were in the amount of 1,862,838,760.23 Baht, slightly decreasing from that of the year 2022 which was equivalent to 1,864,085,537.93 Baht, representing approximately 0.07%. In the year 2023, Net Value per Investment Unit was in the amount of 11.1547 Baht.

### Summary of Profit and Loss Statement

Total Revenue	58,628,239.09 Baht
Total Expenses	37,157,016.97 Baht
Net Investment Revenue (expense)	21,471,222.12 Baht
Total Net Realized and Unrealized Gain (Loss) from Investment	3,000,000.00 Baht
Net Increase in Net Operating Assets	24,471,222.12 Baht

In the previous fiscal year, the Fund's Total Revenue was in the amount of 58,628,239.09 Baht, decreasing from that of the year 2022 which was equivalent to 60,127,953.58 Baht, a decrease of 2.49%. The main cause of such decrease was due to the decrease of revenue from the public utilities expense from the decrease of overtime working of the tenants' businesses, while the Fund's Total Expenses were in the amount of 37,157,016.97 Baht, increasing from that of the year 2022, which was equivalent to 31,868,694.91 Baht, of 16.59%), due to maintenance of systems in the building and increase of electricity rate by the government. Profits from investment was in the amount of 21,471,222.12 Baht, and there was a slight increase of the accounting profits from investment which was equivalent to 3,000,000 Baht due to the appraisal of assets.

### Summary of Cashflow

Net cash received(paid) from the operating activities	31,338,082.88 Baht
Net cash paid in the operating activities (paid dividend)	(25,717,999.82) Baht
Net increased(decreased) cash or cash equivalent	5,620,083.06 Baht
Cash or cash equivalents on the first day of year	67,930,805.87 Baht
Cash or cash equivalents at the year end	73,550,888.93 Baht

In the previous fiscal year, the Fund has already paid the dividend in the amount of 25,717,999.82 Baht. The Fund has cash and cash equivalents at the year-end in the amount of 73,550,888.93 Baht where the Asset Management Company will consider to further manage such amount appropriately.

**The expenses collected from the Fund (as from 1 July 2022 to 30 June 2023)**

Fee	Amount (Baht)	Equivalent to percentage (%) to NAV
Management Fee	4,768,538.40	0.25%
Registrar Fee	949,286.28	0.05%
Trustee Fee	417,685.95	0.02%
Real Estate Executive Fee	4,777,797.34	0.26%
Professional Fee	414,800.00	0.02%
Insurance premiums	501,344.22	0.03%
Cost of Rental and Service Fees	25,524,765.41	1.37%
Expenses on other operations	300,784.82	0.02%
Total	37,632,895.42	2.02%

**The Asset Management Company's Opinion**

The Asset Management Company considers that the Fund's financial status, operating result and financial statements for fiscal year ended on 30 June 2023, which have been audited and given opinion by the auditor, have been completely and correctly prepared, therefore, it is appropriate to report the financial status, the performance and financial statements for fiscal year ended on 30 June 2023 of the Fund according to the above-mentioned details to be acknowledged by the Unitholders.

**Resolution**

As this agenda was for acknowledgement, therefore, there was no resolution.

**Agenda 3: To acknowledge the dividend payment for the year 2023 (For acknowledgement)**

The Fund has its policy to pay dividends to the Unitholders according to the terms of the Fund's management project. The terms stipulated that the Asset Management Company must pay the dividend to the Unitholders at the rate of not less than 90% of the net profit excluding the Unrealized Gain from the appraisal or the review of appraisal of real estate or the right of real estate lease of such fiscal period. In this connection, regarding the Fund's operating result during 1 July 2022 to 30 June 2023, the Fund's net profit was in the amount of 24,471,222.12 Baht, accordingly, the Asset Management Company considered to pay the dividend of the year 2023 to the Unitholders. The due date of dividend payment is 22 September 2023 at the rate of 0.1169 Baht per investment unit.

### **Record of Dividend Payment**

<b>Fiscal year</b>	<b>Dividend Payment Rate (per Investment Unit)</b>
Ended on 30 June 2012	No Dividend Payment
Ended on 30 June 2013	0.1080
Ended on 30 June 2014	0.1400
Ended on 30 June 2015	0.2600
Ended on 30 June 2016	0.3700
Ended on 30 June 2017	0.4500
Ended on 30 June 2018	0.4563
Ended on 30 June 2019	0.4627
Ended on 30 June 2020	0.4715
Ended on 30 June 2021	0.3854
Ended on 30 June 2022	0.1540
Ended on 30 June 2023	0.1169

In this regard, the Dividend Payment Rate due to the operating result ended on 30 June 2023 was at the percentage of 91% of the net profit excluding the Unrealized Gain from the appraisal or the review of appraisal of real estate or the right of real estate lease of the fiscal period whose amount is higher than the rate as stipulated in the Fund's policy of dividend payment. Such Policy stipulated that the Asset Management Company must pay the dividend at the rate of not less than 90% of the net profit excluding the Unrealized Gain from the appraisal or the review of appraisal of real estate or the right of real estate lease of such fiscal period.

### **The Asset Management Company's Opinion**

The Asset Management Company considers that it is appropriate to propose the Unitholders' Meeting to acknowledge the dividend payment of the year 2023 according to the above-mentioned details.

### **Resolution**

As this agenda was for acknowledgement, therefore, there was no resolution.

### **Agenda 4: To acknowledge the appointment of the Fund's auditor and auditing expense for fiscal year ending on 30 June 2024 (For Acknowledgement)**

The Asset Management Company appointed auditors of PV AUDIT Company Limited as the auditors of the Fund for fiscal year ended on 30 June 2024 with the details of auditors and the audit expenses are as follows:

Auditors	1. Mr.Pravit Wiwantananoot 2. Mr.Terdthong Thepmangkorn 3. Miss Chutima Wongsarapanchai 4. Miss Ratapatara Limsakul	CPA Registration No. 4917 CPA Registration No. 3787 CPA Registration No. 9622 CPA Registration No. 10508
Relationship and the interest with the Asset Management Company, the Fund and the related persons	The Auditors have no other relationship and the interest other than the status as the Fund's Auditors.	
Location	No.100/29, 14 <sup>th</sup> Floor, Vongvanich Building B, Rama 9, Huaykwang Sub-district, Huaykwang District, Bangkok 10310	
Remuneration	410,000 Baht	
Other expenses	Actual amount paid	

PV AUDIT Company Limited's auditors were appointed as the Fund's Auditors since the year 2009, total service period was 14 years. In the previous year (for fiscal year ended on 30 June 2023), there was the audit fee in the amount of 410,000 Baht (excluding other expenses) and there was no other Non-Audit Fee.

**The Asset Management Company's Opinion**

The Asset Management Company considers that PV AUDIT Company Limited's auditors have performed their duties appropriately, they have knowledge, expertise of auditing and giving opinion on the Fund's financial statements. They have no relationship and/or the interest with the Asset Management Company, the Fund, executives, major unitholders or the related person of such persons. They performed their duties independently, therefore, it is appropriate to appoint the Fund's Auditors according to the above-mentioned name list of PV AUDIT Company Limited as the Fund's Auditors for fiscal year ended on 30 June 2024. The audit fee was in the amount of 410,000 Baht, excluding other expenses, and to propose the Unitholders' Meeting to acknowledge the appointment of the Fund's Auditors and the audit fee for fiscal year ended on 30 June 2024 according to the above-mentioned details.

**Resolution**

As this agenda was for acknowledgement, therefore, there was no resolution.

**Agenda 5: To consider other business (If any)**

The Asset Management Company would like to invite the Unitholders to attend Meeting on the date, time, and place specified in this Invitation. It is advisable that the Unitholders study the Manual of uploading of documents into the E-Meeting system as per the details appeared in the **Enclosure No. 3**. If you cannot attend the Meeting in person and would like to appoint a proxy to attend the Meeting and vote on your behalf in this Meeting, please fill in details and sign the Proxy Form



appeared in the **Enclosure No. 4**. You may appoint the Fund Manager as your proxy, according to the details appearing in the Proxy Form by the delivery of the Proxy Form, with 20-Baht duty stamp affixed thereon, as appeared in the **Enclosure No. 4**. For the convenience and speedy registration, the Asset Management Company would like to ask for your cooperation to deliver the document of your intention to attend the E-Meeting as per the details appeared in the **Enclosure No. 2** together with supporting documents to the Asset Management Company within Friday, 20<sup>th</sup> October 2023 as per the details appeared in the **Enclosure No. 2**.

Yours sincerely,

Krungsri Asset Management Company Limited

(Mrs. Supaporn Leenabanchong)  
Managing Director

Remark: Unitholders can download this document in English version via the website of the Management company at

