

Or. 10-01/2020

14 October 2020



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RE: Report of Sala@Sathorn Property Fund (SSPF) to Unitholders in lieu of convening the 2020 Annual General Meeting of Unitholders

To: Unitholders of Sala@Sathorn Property Fund (SSPF)

- Enclosures:
1. Minutes of the 2019 Annual General Meeting of Unitholders
 2. Fund's financial statement for the fiscal year ending on 30 June 2020
 3. Inquiry and/or comment form

Owing to the spread of the Coronavirus Disease 2019 ("COVID-19"), which affects the convening of the 2020 Annual General Meeting of Unitholders and in order to mitigate the effects and risks potentially arising from holding the meeting which includes a gathering of many people, The SEC by the Capital Market Supervisory Board has issued the Notification of Capital Market Supervisory Board No. TorNor. 23/2563 Re: Actions for Convening Annual General Meeting for Year 2020 of Unitholders of Property Fund and Infrastructure Fund due to Situation of Outbreak of Coronavirus Disease 2019 (COVID-19), dated 20 March 2020, stipulating that the annual general meeting of the unitholders of any property fund to be held in 2020 which is solely for the unitholders' acknowledgement without seeking for the unitholders' resolution, the management company may proceed with other approaches in lieu of convening of the annual general meeting in order to acknowledge them on such matters.

As the agenda for the Annual General Meeting of Unitholders of Sala@Sathorn Property Fund (SSPF) ("Fund") to be held in 2020 contains matters for the Unitholders' acknowledgement without any request for resolution from such Unitholders, and for the sanitation safety of the Unitholders and relevant persons of the 2020 Annual General Meeting of Unitholders of the Fund, Krungsri Asset Management Company Limited ("KSAM"), as the management company of the Fund, deems it appropriate to proceed with other approaches as specified in the said notification by means of delivering to the Unitholders the report and relevant documents on related matters for acknowledgement in lieu of convening the 2020 Annual General Meeting of Unitholders of the Fund. The details are as published by KSAM on the Stock Exchange of Thailand's information system on 21 September 2020.

In this regard, KSAM would like to submit the 2020 Fund report and relevant documents to the Unitholders for acknowledgement, as detailed below.

Agenda 1 : To acknowledge the minutes of the 2019 Annual General Meeting of Unitholders

KSAM prepared the true and correct minutes of the 2019 Annual General Meeting of Unitholders, held on 22 October 2019, and delivered a copy thereof to the Stock Exchange of Thailand, as well as publishing the same on its website (www.krungsriasset.com) within the timeline prescribed by relevant laws and notifications for the purpose of disclosure to the Unitholders and general investors. The details are shown in Enclosure 1.

KSAM's opinion

KSAM deems it appropriate to propose to the Unitholders the minutes of the 2019 Annual General Meeting of Unitholders, with the details presented above that are true and correct in accordance with the resolutions of the 2019 Annual General Meeting of Unitholders.

Resolution

This agenda item is for acknowledgement and no vote casting is required.

Agenda 2 : To acknowledge the Fund's significant management and future direction in management

KSAM would like to inform the Unitholders of important and relevant details involving significant management and future direction in management of the Fund. The details are as follows.

2.1 Management of the Fund in significant matters in 2019

The Fund has invested in freehold right on property including land and @Sathorn office building located on South Sathorn Road, at the entrance of Sathorn Soi 11 (Soi Saint Louis), Yannawa, Bangrak, Bangkok. Completely constructed in 2009, @Sathorn is a high-rise building consisting of 25 floors and utility space of approximately 17,520 square meters. The space has been divided for letting out to many tenants. The Fund currently lets out the space to a total of six tenants as follows.

Floor	Tenant	Space size (sq.m.)	Rental term (year)
1	Government Savings Bank	122.80	3
1	Café' de Golfio	80.00	3
3	- Available -	304.72	-
5	TRIKAYOG	304.72	1
11	Government Savings Bank	982.60	3
12	Government Savings Bank	982.60	3

13	Government Savings Bank	982.60	3
14	- Available -	982.60	-
15	PPS Ever Rich Co., Ltd.	982.60	3
16	- Available -	982.60	-
17	- Available -	982.60	-
18	Government Savings Bank	982.60	3
19	CJ WORX Co., Ltd.	982.60	3
20	Prudential Life Assurance (Thailand) PCL	912.60	8 years, 4 months
21	Prudential Life Assurance (Thailand) PCL	912.60	9
22	Prudential Life Assurance (Thailand) PCL	912.60	9
23	Prudential Life Assurance (Thailand) PCL	912.60	9
24	Prudential Life Assurance (Thailand) PCL	912.60	9
25	Prudential Life Assurance (Thailand) PCL	912.60	9
26	Prudential Life Assurance (Thailand) PCL	912.60	9
27	Prudential Life Assurance (Thailand) PCL	912.60	9

The total area of 13,704 square meters (occupancy area of 14,264 square meters), or 78.2 percent of the total space for rent, is currently let out to the tenants under the space lease and service agreements at the average rental rate of Baht 558 per square meter per month.

Effects from the Coronavirus disease (COVID-19) outbreak

Due to the Coronavirus disease (COVID-19) outbreak, the Bangkok Governor issued the Announcement of the Bangkok Metropolitan Administration (BMA) Subject: Order of Temporary Closure of Premises, dated 17 March 2020, to have the premises in the Bangkok area temporarily closed from 18 to 31 March 2020, with several subsequent announcements on extension of the temporary closure of premises. This has substantially affected the business sector, even though measure relaxation was later announced to allow opening of the premises for operation.

The tenants of @Sathorn building have been affected by the said situation and had requested remedy from @Sathorn building. The four tenants that have been remedied are as follows.

1. Trika Yog Co., Ltd., the tenant renting the 5th floor which operates a yoga and fitness class business and was subject to the closure order from 18 March to 17 May 2020, has been remedied by means of suspension of rent and fee collection based on the period for which the business was actually closed.

2. PPS Ever Rich Co., Ltd., the tenant renting the 15th-16th floors which operates an e-commerce business offering seminars and trainings to persuade interested persons to join its business, has

been remedied where rent and fees for the 15th floor were reduced by 50 percent from the rent and fees under the agreement for a period of three months (from April 2020 to June 2020) and the space lease and service agreement for the 16th floor was canceled.

3. Khun Akaranan Sornchamni, the tenant renting the G floor who operates the Café' de Golfio coffee shop business, has been remedied where rent and fees were reduced by 50 percent from the rent and fees under the agreement for a period of three months (from March 2020 to May 2020).

4. CJ WORX Co., Ltd., the tenant renting the 19th floor which operates an advertising media business, has been remedied by means of extension of the term for payment of rent and fees for the months of May 2020 to July 2020 where the tenant was required to make rent and fee payment by 30 July 2020.

The above remedies including rent and fees that should have been received from the rental space on the 16th floor under which the tenant canceled the agreement and returned the rental space resulted in the Fund's loss of earnings () in the total amount of Baht 2,734,490.10. All remedy measures were carried out based on the tenants who were directly and indirectly affected in order to mitigate their burdens and enable them to continue renting the space for business operations.

2.2 Future direction in the Fund's management

In 2020, the Fund considered dividing up the space for rent from originally letting out the entire floor to smaller divided space. Moreover, the Fund contacted local agents of several other companies to provide information on the building's available space, which resulted in an increase in the number of interested persons visiting and checking out the said space. The Fund also improved and beautified many physical aspects of the building both interior and exterior to satisfy the interested persons.

With respect to asset management in the final year of the term under the lease agreement of major tenants (2021), KSAM will do research on the condition of real estate market and office buildings for rent to determine the direction in which the conditions of the space lease agreement to expire in August 2021 will be negotiated with the original tenants in advance. KSAM has also prepared marketing and publicity plans, as well as solutions in the case where major tenants do not renew the lease agreement in order to prevent and minimize potential impacts on the Fund and to be able to seek replacement tenants as soon as possible.

For the future direction in the Fund's management, KSAM will manage it to be in accordance with the direction prescribed in the Fund management project by focusing on creating maximum benefits for the Unitholders.

KSAM's opinion

KSAM deems it expedient to propose to the Unitholders, for acknowledgement, the Fund's significant management and future direction in management, with the details presented above which are in accordance with the requirements of the Fund management project.

Resolution

This agenda item is for acknowledgement and no vote casting is required.

Agenda 3 : To acknowledge the financial status, operating result and financial statement for the fiscal year ending on 30 June 2020 which has been audited and given opinion by the auditor

The Fund's financial status and operating result as shown in the financial statement for the fiscal year ending on 30 June 2020 that has been audited and given opinion by the Fund's auditor, are detailed in Enclosure 2 and can be summarized as follows.

Balance sheet summary

Total assets	Baht 1,960,001,523.01
Total liabilities	Baht 37,755,781.53
Net assets	Baht 1,922,245,741.48
Net value per investment unit	Baht 11.5104
Total number of investment units sold as at year-end	167,000,000 units

In the year 2020, the Fund's net assets equaled Baht 1,922,245,741.48, slightly increased from Baht 1,905,949,113.14 in 2019, or equivalent to 0.86 percent. In 2020, the net value per investment unit stood at Baht 11.5104.

Profit and loss statement summary

Total income	Baht 132,290,386.13
Total expenses	Baht 45,763,578.70
Net investment income (expense)	Baht 86,526,807.43
Total realized and unrealized gains (losses) on investment	Baht 7,040,721.30
Net increase in net operating assets	Baht 93,567,528.73

In the previous fiscal year, the Fund's net income stood at Baht 132,290,386.13 and gains from investment at Baht 86,526,807.43. The Fund received accounting profit from investment due to slight increase in the appraised asset value.

Cash flow statement summary

Net of cash acquired (disposed) from operating activities	Baht 121,426,441.27
Net of cash disposed in financing activities (dividend paid)	Baht (77,270,900.39)
Net increase (decrease) in cash and cash equivalents	Baht 44,155,540.88
Cash and cash equivalents as at the beginning of the year	Baht 38,451,295.53
Cash and cash equivalents as at year-end	Baht 82,606,836.41

In the previous fiscal year, the Fund paid out dividends in a total amount of Baht 77,270,900.39 and its cash and cash equivalents as at fiscal year-end stood at Baht 82,606,836.41. KSAM will further consider appropriately managing this portion of money.

Fees and expenses charged from the Fund (commencing from 1 July 2019 to 30 June 2020)

Fee	Amount (Baht)	Percentage per NAV (%)
Cost of rental and service	33,142,388.52	1.72%
Management fee	4,843,002.52	0.25%
Trustee fee	426,184.23	0.02%
Registrar fee	968,600.50	0.05%
Property management fee	5,413,102.68	0.28%
Professional fee	416,000.00	0.02%
Income tax	17,471.59	0.00%
Other operating expenses	536,828.66	0.03%
Total	45,763,578.70	2.38%

KSAM's opinion

KSAM is of the view that the report on financial status, operating result and financial statement for the fiscal year ending on 30 June 2020 that has been audited and given opinion by the auditor was prepared correctly and completely, and therefore, deems it expedient to propose to the Unitholders, for acknowledgement, the said report on financial status, operating result and financial statement for the fiscal year ending on 30 June 2020, with the details presented above.

Resolution

This agenda item is for acknowledgement and no vote casting is required.

Agenda 4 : To acknowledge the dividend payment for the year 2020

The Fund has a policy to pay dividends to the Unitholders in accordance with the requirements of the Fund management project prescribing that KSAM shall pay dividends to the Unitholders in the amount of no less than 90 percent of the net profit excluding unrealized gains on appraisal or appraisal review of real estate or real estate leasehold right for that certain fiscal year. With respect to the Fund's operating result during 1 July 2019 – 30 June 2020, the Fund's net profit stood at Baht 86,526,807.43. Therefore, KSAM considered it and announced dividend payment for the year 2020 to the Unitholders, with the dividend payment date fixed on 22 September 2020, at the pay rate of Baht 0.4715 per investment unit.

Dividend payment record

Fiscal year	Dividend pay rate (per investment unit)
Ending on 30 June 2012	Dividend payment suspended
Ending on 30 June 2013	0.108
Ending on 30 June 2014	0.140
Ending on 30 June 2015	0.260
Ending on 30 June 2016	0.370
Ending on 30 June 2017	0.450
Ending on 30 June 2018	0.456
Ending on 30 June 2019	0.463
Ending on 30 June 2020	0.4715

The dividend pay rate from the operating result ending on 30 June 2020 is equivalent to 91 percent of the net profit excluding unrealized gains on appraisal or appraisal review of real estate or real estate leasehold right for the fiscal year, which is higher than the rate specified in the Fund's dividend payment policy prescribing payment of dividend at the rate of no less than 90 percent of the net profit excluding unrealized gains on appraisal or appraisal review of real estate or real estate leasehold right for that certain fiscal year.

KSAM's opinion

KSAM deems it appropriate to propose the dividend payment for the year 2020, with the details presented above, to the Unitholders' Meeting for acknowledgement.

Resolution

This agenda item is for acknowledgement and no vote casting is required.

Agenda 5 : To acknowledge the appointment of the Fund's auditor and audit expense for the fiscal year ending on 30 June 2021

KSAM appointed auditors of PV Audit Company Limited as the Fund's auditors for the audit for the fiscal year ending on 30 June 2021. The details of the auditors and audit expenses are stated below.

Auditor	1. Mr. Prawit Viwanthananut 2. Mr. Thiridthong Thepmongkorn 3. Miss Chompoonuch Saetae 4. Miss Chutima Wongsaraphanchai 5. Miss Rathapat Limsakul	CPA Registration No. 4917 CPA Registration No. 3787 CPA Registration No. 8382 CPA Registration No. 9622 CPA Registration No. 10508
Relationship and interest with KSAM, Fund and related persons	No other relationship or interest than being the Fund's auditors	
Location	100/19, 14th Floor, Vongvanij Complex Building B, Rama IX Road, Huai Khwang, Bangkok 10310	
Remuneration	Baht 410,000	
Other expenses	Actual amount paid	

The auditors of PV Audit Company Limited have been appointed as the Fund's auditors since 2009 or for 12 years. In the previous year (for the fiscal year ending on 30 June 2020), there were audit expenses in the amount of Baht 410,000 (excluding other expenses) and no non-audit fees.

KSAM's opinion

KSAM is of the view that the auditors of PV Audit Company Limited properly performed their duties and possess knowledge and expertise in auditing and giving opinions on financial statements of property funds. They have no relationship and/or interest with KSAM, Fund, executives, major unitholders or persons related thereto, and so they are independent to perform duties. KSAM therefore deems it appropriate to appoint the above-listed auditors of PV Audit Company Limited as the Fund's auditors for the fiscal year ending on 30 June 2021, with audit expenses of Baht 410,000, excluding other expenses, and to propose to the Unitholders' Meeting, for acknowledgement, the appointment of the Fund's auditors and audit expenses for the fiscal year ending on 30 June 2021, with the details as proposed above.

Resolution

This agenda item is for acknowledgement and no vote casting is required.

To provide the Unitholders receiving the report and related supporting documents an opportunity to inquire additional information and/or comment on the said matters, KSAM has prepared a channel for submitting the Unitholders' inquiries and/or comments. The Unitholders are requested to kindly fill out their information and questions and/or comments in the form, as well as attaching supporting document, as detailed in Enclosure 3, and send the form, together with the supporting documents, to KSAM's email address kungsriasset.property@krungsri.com by 13 November 2020.

For any inquiries submitted by the Unitholders, KSAM will prepare a summary of important issues incorporating questions and answers, and publish it on the Stock Exchange of Thailand's information system and/or KSAM's website (www.krungsriasset.com) by 27 November 2020, for acknowledgement by all Unitholders.

Please be informed accordingly.

Yours sincerely,

Krungsri Asset Management Company Limited



(Mrs. Supaporn Leenabanchong)

Acting Managing Director

And Chief Investment Officer

For any questions or more information, please contact Client Service, Tel. 0-2657-5757.

**Minutes of 2019 Annual General Meeting of Unitholders of
Sala @ Sathorn Property Fund (SSPF)
on Tuesday 22 October 2019 at 10.00 a.m.
at Renaissance Bangkok Ratchaprasong Hotel, Studio R2 room, 4th Floor
at No. 518/8, Ploenchit road, Lumpini, Pratumwan, Bangkok 10330**

Attendees:

Management Company

Mr. Jakkrapat Gumpanon

Chairman of the Meeting / Head of the Property
Fund Management Department, Alternative
Investment Division, Investment Group

Expert

Mr. Thiti Kumnerddee

Legal Advisor from Kompass Law Ltd.

Trustee

1 representative from Siam Commercial Bank Public Company Limited

Property Manager

1 representative from Plus Property Company Limited

Auditors

2 representatives from PV Audit Company Limited

The Meeting commenced at approximately 10.10 a.m.

Mr. Thiti Kumnerddee, Legal Advisor, assigned by the Chairman, informed the Meeting that, at this Meeting, there were 33 Unitholders, holding the aggregate number of 869,488 investment units, who attended the Meeting in person, and there were 34 Unitholders, holding the aggregate number of 126,195,277 investment units, who attended the Meeting by proxy. In total, there were 67 Unitholders who attended the Meeting in person and by proxy holding the aggregate number of 127,064,765 investment units, equivalent to 76.0867 percent of the total investment units sold, thus, the quorum was formed in accordance with the Notification of the SEC Office No. TorNor. 36/2562, RE: The Management of Property Fund and Section 129/2 of Securities and Exchange Act B.E. 2535. Hence, he declared the Meeting open.

Then, he thanked all Unitholders for attending the Meeting and thanked the representative of Siam Commercial Bank Public Company Limited, the Trustee of the Fund, who attend to witness the Meeting and introduced Mr. Jakkrapat Gumpanon, the Head of the Property Fund Management Department, Alternative Investment Division, Investment Group, a representative of Krungsri Asset Management Company Limited, the Management Company of the Fund, Mr. Prawit Viwanthananut and Miss Chompoonuch Saetae, representatives from PV Audit Company Limited, the Auditor of the Fund, and Miss Yoopayao Wongprated, a representative from Plus Property Company Limited, the Property

Manager of the Fund, all of whom attend the Meeting to provide information and explanation to the queries of unitholders. Additionally, in order to ensure that the Meeting were held transparently and in accordance with the law, the Management Company has requested a representative from Kompas Law Ltd., the legal adviser of the Fund, to act as an inspector of the Meeting. He informed the Meeting that, in this Meeting the information will be presented to the unitholders according to the agendas as specified in the invitation letter of this Meeting. The Management Company would present the details in each agenda. If any unitholder has an inquiry or suggestion other than the matter which was being considered, the unitholder was requested to inquire or to give opinion in other matters at the end of the Meeting. Then, the Chairman of the Meeting was invited to conduct the Meeting according to the agendas as follows:

Agenda 1 Chairman’s matters for acknowledgement (For Acknowledgement)

The Chairman informed the Meeting that, as the Capital Market Supervisory Board has issued the Notification of the Capital Market Supervisory Board No. TorNor. 36/2562 RE: the Management of Property Fund, dated 25 April 2019, where Clause 70 of such Notification prescribes that the Management Company must convene a unitholders’ meeting as annual meeting within 4 months after the end of each fiscal year of the Fund to report to the unitholders’ meeting to acknowledge at least the following matters:

- (1) Important matters in relation to management of the Fund and future management plan of the Fund;
- (2) Fund’s financial status and operating result of the Fund in the previous fiscal year where at least the audited financial statements and the auditor’s opinion must be presented;
- (3) Appointment of the Fund’s auditor and remuneration of auditor.

The convening of annual general meeting of unitholders according to the first paragraph must start for the fiscal year ending on or after 31 December 2018 but not later than 30 December 2019 and the Management Company must convene a unitholders’ meeting within 4 months after the end of each fiscal year.

As the fiscal year of the Fund ends on 30 June of every year, the Management Company has convened the 2019 Annual General Meeting of Unitholders as the first annual general meeting of unitholders of the Fund according to the rules prescribed by such notification.

No unitholder gave opinion or had any inquiry, accordingly, the Meeting acknowledged as informed by the Chairman.

Agenda 2 To acknowledge the report of the Fund’s operation and course of action for future management of the Fund (For Acknowledgement)

The Chairman reported the Fund’s operation and course of action for future management of the Fund to the Meeting as follows:

2.1 Market conditions of office buildings for rent

Although many parties' concerns that there is a possibility of oversupply in the office building market in Bangkok in the future, the business operators have continuously launched new office building projects in the past 2nd quarter. Moreover, some of the Grade A office building projects that were recently launched in the central business district (CBD) in the past quarter offer rental prices as high as 1,500-1,600 Baht per square meter. It is anticipated that the average rent in Bangkok will continue to increase in the second half of 2019 and in the future. The details are as follows:

Supply The business operators continue to launch new office building projects which results in a total of 8.72 million square meters of office space in Bangkok as of Q2/2019 and additional 159,065 square meters of office space which are being constructed will be completed in the latter half of 2019.

Demand As of Q2/2019, the office space being rent is approximately 8.332 million square meters while the occupancy rates of Grade A office spaces in CBD stood at 94.7 percent and Grade B office spaces was at 96.3 percent. The occupancy rates of Grade A and B office space outside the CBD was at 96.2 and 95.1 percent, respectively. The occupancy rate of office space outside of CBD was higher as the factor which the lessee considered when leasing an office changed from the location in CBD to other infrastructure such as electric train. Some offices which located in Bangna close to the train station have occupancy rate as high as 90 percent which shows that the occupancy rate of office building in surrounding areas has an increasing trend as the electric train commencing their service.

Rental Rate The rental rates of the Bangkok's office building have continuously increased at the rate of 3-5 percent and will still continue to increase because there are less available spaces. The average rent of Grade A office buildings in the CBD is approximately 1,087 Baht per square meter per month. The rent of Grade B office buildings in the CBD is approximately 950 Baht per square meter per month. The average rent of Grade A office buildings outside the CBD is approximately 936 Baht per square meter per month. The rent of Grade B office buildings outside the CBD is approximately 570 Baht per square meter per month.

2.2 Fund operations and guidelines for future operations

At present, the Fund has lease out the space in @Sathorn Building to 7 lessees. The building has a total lease space of 15,551 square meters. The available space is 1,965 square meters and the average rent is approximately 565 Baht per square meter per month. The number 1 major tenant is Prudential Life Assurance (Thailand) Public Company Limited who lease a total of 7,861 square meters (8 floors), equivalent to 44.88 percent of total space, and the number 2 major tenant is Government Savings Bank who lease a total of 4,053 square meters (5 floors), equivalent to 23.14 percent of total space.

For asset management in the last year of the lease term of major tenants, the Management Company will conduct research on conditions of the real estate market of office buildings for rent to determine guidelines for and negotiate and bargain on the conditions for the renewal of the lease agreements which will expire in August 2021 with the existing tenant in advance. At present, the major tenant has already submitted an offer for lease renewal to the Fund. However, as the Fund cannot accept such offer, the negotiation was postponed. It was expected that the negotiation on lease renewal will resume in 2020.

Then, the Chairman informed the Meeting that, agenda 2 is for acknowledgement, accordingly, there is no passing of resolution.

Agenda 3 To acknowledge the financial status, operating result and financial statement for fiscal year ending on 30 June 2019 which has been audited and given opinion by the auditor (For Acknowledgement)

The Chairman reported the financial status, the operating result and the financial statements for fiscal year ending on 30 June 2019 which has been audited and given opinion by the auditor which can be summarized as follows:

3.1 The financial status and the performance of the Fund

According to the balance sheets for fiscal year ending on 30 June 2019, the Fund's total assets were 1,948,168,275.39 Baht, the total liabilities were 42,219,162.25 Baht and the net assets were 1,905,949,113.14 Baht or equivalent to the asset value per unit of 11.4128 Baht. Currently, the Fund has the total investment units sold at the year-end in number of 167,000,000 units. According to the profit and loss statements for fiscal year ending on 30 June 2019, the Fund's total income was 142,481,036.12 Baht, total expenses were 57,574,345.90 Baht, net investment income was 84,906,690.22 Baht and net gain from investment was 10,002,574.05 and the net assets from operating result increased in the amount of 94,909,264.27 Baht. For the statement of cashflow for fiscal year ending on 30 June 2019, the net cash from operating activities was 79,773,550.84 Baht, net cash used in financing activities (Dividend paid) was 76,202,100.81 Baht, net increase in cash and cash equivalents were 3,571,450.03 Baht. In addition, at the beginning of fiscal year, Fund's cash and cash equivalents were 34,879,845.50 Baht, and at the end of fiscal year, Fund's cash and cash equivalents were 38,451,295.53 Baht. The details are specified in the financial statements for fiscal year ending on 30 June 2019 which was sent to the unitholders together with the meeting invitation letter.

3.2 Important Financial Information

3.2.1 Information of Securities Price as of 30 June 2019

Closing Price	9.75	Baht / Investment Unit
Market Capitalization	1,628,250,000	Baht
Trading Value	59,575.70	Baht / Day
Investment Unit Value	11.4128	Baht / Investment Unit
Net Asset Value (NAV)	1,905,949,113.14	Baht

3.2.2 Record of Dividend Payment

The Fund has declared dividend payment 7 times with the latest dividend payment for fiscal year ending on 30 June 2019 in September 2019 at the rate of 0.463 Baht per investment unit, equivalent to 91 percent of the adjusted profit of the Fund which is in compliance with the Notification of Capital Market Supervisory Board No. 36/2562 Re: the Management of Property Fund, dated 25 April 2019, which prescribed that the Management Company shall pay dividend to the unitholders not less than 90 percent of the Fund's adjusted profit.

3.2.3 Fund's Direct Expenses

Expense	Amount (Baht)
Cost of Rental and Service	45,169,871.21
Management Fee	4,797,487.19
Trustee Fee	422,178.89
Registrar Fee	959,497.40
Property Management Fee	5,418,041.45
Professional Fee (Auditor's Fee)	415,600.00
Other Expense	391,669.76
Total	57,574,375.90

Then, the Chairman informed the Meeting that, agenda 3 is for acknowledgement, accordingly, there is no passing of resolution.

Agenda 4 To acknowledge the appointment of the Fund's auditor and auditing expense for fiscal year ending on 30 June 2020 (For Acknowledgement)

The Chairman informed the Meeting that the Management Company appointed auditors of PV Audit Company Limited as the auditors of the Fund for fiscal year ending on 30 June 2020 where the details of the auditors and remuneration are as follows:

Auditor	1. Mr. Prawit Viwanthananut CPA Registration No. 4917
	2. Mr. Thirdthong Thepmongkorn CPA Registration No. 3787
	3. Miss Chompoonuch Saetae CPA Registration No. 8382
	4. Mr. Udom Thanuratpong CPA Registration No. 8501
	5. Miss Chutima Wongsaraphanchai CPA Registration No. 9622
Location	100/19, 14 th Floor Vongvanij B Building, Rama 9 Road, Huai Khwang, Bangkok 10310
Remuneration	410,000 Baht
Other expenses	Actual amount paid

As the Notification of Capital Market Supervisory Board No. TorJor. 20/2561 re: the Rules, Conditions and Method of Disclosure of Information of Property Fund and Trust invested in Real Estate or Infrastructure, dated 19 February 2018, was announced and such notification requires that the Fund prepare and disclosure financial statement reviewed by the auditor every quarter in addition to the annual financial statement, thus, the remuneration of the auditor for fiscal year ending on 30 June 2020 was increased from 300,000 Baht which is the remuneration for the fiscal year ending on 30 June 2018 to be 410,000 Baht. However, such remuneration is relatively low in comparison to the remuneration of auditor of other property funds.

Then, the Chairman informed the Meeting that, agenda 4 is for acknowledgement, accordingly, there is no passing of resolution.

Agenda 5: To consider other business

The Chairman gave an opportunity to the Meeting to inquire regarding the Fund's operation and other matters which were not specified in the agendas.

The Chairman answered the questions from Miss Duangkhae Laohakultham, unitholder, that, at present, the Fund has already entered into a lease agreement for the first floor of the building with the Government Savings Bank, but the leased facility is being decorated. The Fund began realizing the service charge revenue and will start realizing the rental income in November 2019. With respect to utilization of the remaining spaces, in the past the Fund had a policy to rent out the whole floor to one tenant. However, at present, the Fund has a plan to allocate the spaces to two tenants to facilitate the tenant seeking process.

The Chairman answered the questions from Mr. Teerapol Weerapanchai, unitholder, that the new Grade A office buildings in the central business district (CBD) with high rent as indicated in the meeting invitation are Park Ventures Ecoplex and Gaysorn Tower. Such high rent ranging from approximately 1,200-1,800 Baht per square meter are due to the fact that they are big, newly constructed office buildings located in downtown with more up-to-date internal systems, as compared to other Grade A office buildings while

other Grade A office buildings located outside the CBD has an actual rental rate of approximately 950 baht per square meter.

The Chairman answered the questions from Mr. Mongkol Jinta-arak, unitholder, that the Fund's @Sathorn Building is an office building outside the CBD, currently classified as Grade B+ office building. The Management Company has been trying to improve the building's grade periodically, particularly after the construction of BTS Sueksa Witthaya Station locating near the building has been initiated which resulting in several interested parties making offers to purchase the building from the Fund. Presently, the building's offering rental rate starts at approximately 700 baht per square meter. The reason that the Fund has not been able to materially increase the rental rate is partly because the rental rate for major tenant is approximately 500 baht per square meter which is relatively low because the major tenant has made office space lease agreement with the Fund since 2009, and at the time, it was necessary for the Fund to seek major tenant to attract other tenants, which gave them high bargaining power and able to lease the space at a relatively low rental rate. Nonetheless, the Fund has a plan to negotiate a rent increase before the current lease agreements expire in 2021. Previously, the major tenant negotiated renewal of the lease agreement with the Fund by offering a renewal for a term of six years with an increase in rent by 10 percent from the current rate. However, the Management Company opined that the offered rental rate was not appropriate, and therefore, has not agreed to renew the lease agreement. The Management Company will conduct research on market conditions of office building for rent and negotiate with the major tenant again in 2020. The Management Company believes that it can reach an agreement with the major tenant on renewal of the lease. With regard to rent payable by the Government Savings Bank, the Fund's major unitholder, the Management Company leased out the space to the bank at the same rental rate offered to other general tenants, without any privileges given to the bank as unitholder. The Government Savings Bank is required to comply with relevant rules of the Bank of Thailand, and the Management Company is also required to comply with relevant rules of the Office of the Securities and Exchange Commission. Therefore, it is assured that the rental rate is determined appropriately and fairly, and does not cause benefit transfer.

The Chairman answered the questions from Mr. Teerapol Weerapanchai, unitholder, that in the past, many parties contacted to purchase the Fund's @Sathorn Building, but the offered purchase price were equivalent to the current property value where the new BTS station has not been constructed near the building. In addition, many of those who contacted to purchase the property were real estate agents who wanted to purchase the property before selling it out, not investors who wish to actually purchase the property, and they could not place deposit or bear the costs of unitholders' meeting arrangements to approve the sale of property.

The Chairman answered the questions from a proxy that the office space lease agreements between the Fund and major tenant was made since 2009, with a lease term of nine years and a provision prescribing rent increase upon the lapse of 6-year rental period. The current average rent is approximately 551 baht per square meter. With regard to the restriction of the Fund's investment unit holding, as the Government Savings Bank is a special unitholder which is able to hold more investment units than general unitholders and had held the investment units before the regulations on unit holding restriction applicable to

the Government Savings Bank became effective, the Government Savings Bank is able to hold more than 50 percent of the total investment units sold. The properties purchase offer that the Fund received from All Corporation Co., Ltd. in the past was approximately 1.7 billion baht, which is a relatively low price.

The Chairman answered the questions from Miss Duangkhae Laohakultham, unitholder, that at present, a property fund cannot increase its registered capital for investment in a new real property. If the property fund wishes to invest in a new property, it is required to convert the Fund into a real estate investment trust (REIT). The Management Company is currently studying whether the rules applicable to REIT are clear and appropriate. Moreover, the Fund must consider the suitability of the new property in which the Fund will make additional investment before making a decision to proceed.

There was no additional inquiry of any Unitholder, and no other business to be considered, therefore, the Chairman declared the Meeting closed at approximately 10.50 a.m.



(Mr. Jakkrapat Gumpanon)
Chairman of the Meeting

SALA @ SATHORN PROPERTY FUND
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Sala @ Sathorn Property Fund

Opinion

I have audited the financial statements of Sala @ Sathorn Property Fund ("the Fund"), which comprise the balance sheet and the details of investments as at 30 June 2020, and the statement of income, statement of changes in net assets, statement of cash flows and significant financial information for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Sala @ Sathorn Property Fund as at 30 June 2020, and its financial performance, changes in its net assets, cash flows and significant financial information for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Fund in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of Investments in Property

As discussed in Notes 3 and 5 to the financial statements, accounting policies and the investments in property, with carrying amount as at 30 June 2020 of Baht 1,814 million, are stated at their fair values based on independent valuations. The valuation process is considered a key audit matter because it involves significant judgment in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Any changes in the key assumptions applied could result in a material impact to the financial statements.

I evaluated the qualifications and competence of the independent valuer and held discussions with the valuer to understand the scope of work of the valuer, its valuation methods and assumptions used. In addition, I have compared the information of actual operating performance with the information used in cash flow projections. I have also reviewed the reasonableness of key assumptions used in estimating the expected cash flows in the future as well as in evaluating the fair value of investments, and have tested the computation of their fair value.

Emphasis of Matter

I draw attention to Note 2 to the financial statements, the Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Fund operates. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises information including in annual report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after that date.

My opinion on the financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to management to make correction the misstatement.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Chompoonuch Saetae

Certified Public Accountant

Registration Number 8382

PV Audit Co., Ltd.

Bangkok, 3 August 2020

SALA @ SATHORN PROPERTY FUND

BALANCE SHEET

AS AT 30 JUNE 2020

	Note	Baht	
		2020	2019
ASSETS			
Investments in property at fair value (at cost: Baht 1,677.92 million in 2020 and 2019)	3, 5	1,814,000,000.00	1,807,000,000.00
Investments in securities at fair value (at cost : Baht 39.95 million in 2020 and Baht 74.72 million in 2019)	3, 10	39,985,408.00	74,715,875.25
Deposits at bank	6	82,606,836.41	38,451,295.53
Restricted bank deposit	12, 15	2,400,000.00	2,400,000.00
Account receivable from interest		23,161.11	23,901.88
Rental and services income receivable	9	20,091,553.33	24,586,975.01
Other assets		894,564.16	990,227.72
Total Assets		1,960,001,523.01	1,948,168,275.39
LIABILITIES			
Accrued expenses	9	5,661,691.25	7,913,774.04
Rental and service deposits	9	30,513,052.17	30,298,744.45
Revenue received in advance	9	782,930.43	2,976,751.40
Accrued income tax		170.06	-
Other liabilities		797,937.62	1,029,892.36
Total Liabilities		37,755,781.53	42,219,162.25
NET ASSETS		1,922,245,741.48	1,905,949,113.14
NET ASSETS :			
Capital received from unitholders		1,670,000,000.00	1,670,000,000.00
Retained earnings	4	252,245,741.48	235,949,113.14
Net Assets		1,922,245,741.48	1,905,949,113.14
Net assets per unit		11.5104	11.4128
Total outstanding investment units at the end of the year (units)		167,000,000	167,000,000

SALA @ SATHORN PROPERTY FUND

THE DETAILS OF INVESTMENTS

AS AT 30 JUNE 2020

Details of investments are classified by type of investments.

	Cost (Baht)	Fair value (Baht)	Percentage of investments
Investments in property (Note 5)			
Land and building including equipment			
@ SATHORN BUILDING	1,677,916,274.72	1,814,000,000.00	100.00
Total investments in property	1,677,916,274.72	1,814,000,000.00	100.00

Type of investments/Issuers	Number of investments	Due date	Principal (Baht)	Fair value (Baht)	Percentage of investments
Investments in security					
Bond					
Bank of Thailand	CB20806A	6/8/2020	40,000,000.00	39,985,408.00	100.00
Total investments in security (at cost Baht 39,949,565.20)			40,000,000.00	39,985,408.00	100.00

SALA @ SATHORN PROPERTY FUND

THE DETAILS OF INVESTMENTS

AS AT 30 JUNE 2019

Details of investments are classified by type of investments.

	Cost (Baht)	Fair value (Baht)	Percentage of investments
Investments in property (Note 5)			
Land and building including equipment			
@ SATHORN BUILDING	1,677,916,274.72	1,807,000,000.00	100.00
Total investments in property	1,677,916,274.72	1,807,000,000.00	100.00

Type of investments/Issuers	Number of investments	Due date	Principal (Baht)	Fair value (Baht)	Percentage of investments
Investments in security					
Bond					
Bank of Thailand	CB19919A	19/9/2019	75,000,000.00	74,715,875.25	100.00
Total investments in security (at cost Baht 74,719,953.75)			75,000,000.00	74,715,875.25	100.00

SALA @ SATHORN PROPERTY FUND
STATEMENT OF INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Baht	
		2020	2019
INVESTMENT INCOME	3		
Rental and services income	9	130,713,664.86	141,072,560.28
Interest income		777,099.18	952,638.55
Other income	9	799,622.09	455,837.29
Total income		<u>132,290,386.13</u>	<u>142,481,036.12</u>
EXPENSES	3		
Cost of rental and services		33,142,388.52	45,169,871.21
Management fee	8, 9	4,843,002.52	4,797,487.19
Trustee fee	8	426,184.23	422,178.89
Registrar fee	8, 9	968,600.50	959,497.40
Property management fee	7, 9	5,413,102.68	5,418,041.45
Professional fee		416,000.00	415,600.00
Income tax		17,471.59	-
Other operating expenses		536,828.66	391,669.76
Total expenses		<u>45,763,578.70</u>	<u>57,574,345.90</u>
Net income from investments		<u>86,526,807.43</u>	<u>84,906,690.22</u>
Net gain on investments	3		
Net realized gain on investments		800.00	5,080.35
Net unrealized gain on investments	5	7,039,921.30	9,997,493.70
Total net realized and unrealized gain on investments		<u>7,040,721.30</u>	<u>10,002,574.05</u>
Increase in net assets resulting from operations		<u>93,567,528.73</u>	<u>94,909,264.27</u>

SALA @ SATHORN PROPERTY FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2020

	Baht	
	2020	2019
Increase in net assets from operations during the year		
Net income from investments	86,526,807.43	84,906,690.22
Net realized gain on investments	800.00	5,080.35
Net unrealized gain on investments	7,039,921.30	9,997,493.70
Net increase in net assets resulting from operations	93,567,528.73	94,909,264.27
Distribution to unitholders (Notes 3 and 11)	(77,270,900.39)	(76,202,100.81)
Increase in net assets during the year	16,296,628.34	18,707,163.46
Net assets at the beginning of the year	1,905,949,113.14	1,887,241,949.68
Net assets at the end of the year	1,922,245,741.48	1,905,949,113.14

Changes of investment units

(at Baht 10 each)

Investment units at the beginning of the year

Investment units at the end of the year

	Units	
Investment units at the beginning of the year	167,000,000	167,000,000
Investment units at the end of the year	167,000,000	167,000,000

SALA @ SATHORN PROPERTY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Baht	
	2020	2019
Cash flows from operating activities		
Increase in net assets from operations	93,567,528.73	94,909,264.27
Adjustments to reconcile the increase in net assets from operations to net cash provided by (used in) operating activities		
Purchases of investments	(59,638,538.20)	(208,916,093.40)
Sales of investments	94,997,052.40	204,976,051.35
Amortization of discount on debt instruments	(587,325.65)	(782,961.85)
(Increase) decrease in accounts receivable from interest	740.77	(178.89)
Decrease in rental and services income receivable	4,495,421.68	775,217.87
Decrease in other assets	95,663.56	236,089.03
Increase (decrease) in accrued expenses	(2,252,082.79)	291,410.13
Increase in rental and service deposits	214,307.72	450,946.39
Decrease in revenue received in advance	(2,193,820.97)	(2,198,070.89)
Increase in accrued income tax	170.06	-
Increase (decrease) in other liabilities	(231,954.74)	34,450.88
Net realized gain on investments	(800.00)	(5,080.35)
Net unrealized gain on investments	(7,039,921.30)	(9,997,493.70)
Net cash provided by operating activities	<u>121,426,441.27</u>	<u>79,773,550.84</u>
Cash flows from financing activities		
Distribution to unitholders	(77,270,900.39)	(76,202,100.81)
Net cash used in financing activities	<u>(77,270,900.39)</u>	<u>(76,202,100.81)</u>
Net increase in deposits at bank	44,155,540.88	3,571,450.03
Deposits at bank at the beginning of the year	38,451,295.53	34,879,845.50
Deposits at bank at the end of the year	<u><u>82,606,836.41</u></u>	<u><u>38,451,295.53</u></u>

SALA @ SATHORN PROPERTY FUND
SIGNIFICANT FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2020

	Baht					
	2020	2019	2018	2017	2016	2015
Information on results from operations (per unit)						
Net asset value at the beginning of the year	11.4128	11.3008	11.1895	10.8082	10.4364	9.1805
Income from investing activities						
Net income from investments	0.5181	0.5084	0.5014	0.4938	0.3991	0.2851
Net unrealized gain on investments	0.0422	0.0599	0.0599	0.2575	0.2327	1.1108
Total income from investing activities	0.5603	0.5683	0.5613	0.7513	0.6318	1.3959
Less : Distribution to unitholders	(0.4627)	(0.4563)	(0.4500)	(0.3700)	(0.2600)	(0.1400)
Net asset value at the end of the year	11.5104	11.4128	11.3008	11.1895	10.8082	10.4364
Ratio of net profit to average net asset value						
during the year (%)	4.96	5.07	5.06	6.95	6.41	14.99
Significant financial ratios and additional information						
Net asset value at the end of the year (Thousand Baht)	1,922,245.74	1,905,949.11	1,887,241.95	1,868,653.14	1,804,970.02	1,742,884.64
Ratio of total expenses to average net asset value						
during the year (%)	2.43	3.08	3.01	2.85	2.78	2.44
Ratio of total investment income to average						
net asset value during the year (%)	7.01	7.61	7.53	7.42	6.84	5.50
Ratio of weighted average investment turnover to average						
net asset value during the year (%) *	8.20	22.11	20.82	7.73	45.32	14.78

Supplementary information

* This is not included cash at banks and investment in promissory notes and trading investments should be the independent trading transactions which are not included repurchase agreements or resale agreements.

SALA @ SATHORN PROPERTY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. NATURE OF SALA @ SATHORN PROPERTY FUND

Sala @ Sathorn Property Fund (“the Fund”) is a closed-end property fund with no maturity date. The registered value of investment units is in the amount of Baht 1,670 million (divided into 167 million investment units at Baht 10 each). The Fund was approved by the Office of the Securities and Exchange Commission (“SEC”) on 15 July 2009. Krungsri Asset Management Company Limited (“the Management Company”) serves as the Fund’s Manager and Investment Unit Registrar and The Siam Commercial Bank Public Company Limited serves as the Fund’s Trustee.

The Fund has the objective to invest in immovable property or the leasehold immovable property and make benefit from such property.

The Fund has a policy to pay dividends to the unitholders at least once a year, which the Management Company will consider paying the dividend at the rate of not less than 90 percent of the net income for the year. If the Fund has retained earnings, the Management Company may consider paying the dividend to the unitholders from such retained earnings.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and accounting guidance promulgated by the Federation of Accounting Professions in accordance with generally accepted accounting principles in Thailand. In addition, the financial statements have been prepared in accordance with Thai Accounting Standard No. 106 “Accounting for Investment Companies”.

The financial statements of the Fund have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The judgments and estimates are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The judgments and estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Fund operates.

However, the Fund's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

Adoption of new and revised TFRS

New and revised TFRS that became effective in the current year

During the year, the Fund has adopted revised TFRS (revised 2018) and new TFRS which are effective for the financial statements for the period beginning on or after 1 January 2019. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The new TFRS are as follows:

<u>TFRS/TFRIC</u>	<u>Topic</u>
TFRS 1	First-time Adoption of Thai Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers
TFRIC 22	Foreign Currency Transactions and Advance Consideration

The adoption of these TFRS does not have any significant effects on the Fund's financial statements.

New and revised TFRS not yet effective

The TFAC issued the revised TFRS (revised 2019) and new TFRS which are effective for the financial statements for the period beginning on or after 1 January 2020. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Fund has assessed the effects of these revised TFRS (revised 2019) that they will not have any significant impact on the financial statements for the year in which they are initially applied.

The new TFRS are as follows:

A set of 5 TFRSs related to financial instruments, consists of TAS, TFRS and interpretations. Key principles of these standards are summarized belows:

<u>TAS/TFRS/TFRIC</u>	<u>Topic</u>
TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

<u>TAS/TFRS/IFRIC</u>	<u>Topic</u>
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRS related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of financial instruments, the characteristics of the contractual cash flows and the Entity's business model), calculation of impairment of financial instruments using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRS related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Fund is assessing the effects of these TFRS on the financial statements for the year in which they are initially applied.

IFRS 16 Leases supersedes IAS 17 Leases together with related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under IAS 17.

The management of the Fund has assessed the effects of this IFRS that it will not have any significant impact on the financial statements for the year in which it is initially applied.

The Issuance of the Accounting Guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust

On 6 February 2020, the SEC approved the Accounting Guidance for Property Fund, Real Estate Investment Trust, Infrastructure Fund and Infrastructure Trust issued by the Association of Investment Management Companies, which is effective for the financial statements for the period beginning on or after 1 January 2020.

The management of the Fund is assessing the effects of this accounting guidance on the financial statements for the year in which it is initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Distributions of Income

Decreases in retained earnings are recognized on the notifying date of dividend payment.

Investment Measurement

Investments are recognized as assets with the cost of investment at the date on which the Fund has the right on investments. The costs of investments are comprised with the purchase price and all direct expenses which the Fund paid to get those investments.

- Investments in property are stated at fair value based on valuation of an independent appraiser for every 2 years and will conduct a review of appraisal every year after the date of the latest appraisal.
- Debt instruments are presented at fair value, using the price or the yield rate from the Thai Bond Market Association on the date of investment measurement.
- The Fund uses the amortized cost method to determine the fair value of debt instruments due within 90 days since the date of investment without any term for renewal when the fair value of the debt instruments is not significantly different from the amortized cost.

Net unrealized gains or losses arising from revaluation of investments to be fair value are reflected in statement of income on the measurement date.

The weighted average method is used to determine the cost of each security at the time of sales.

Revenues and Expenses Recognition

Interest income is recognized as interest accrues, based on the effective rate method.

Rental income under operating leases is recognized in the statement of income on a straight-line basis over the term of the lease. Lease incentives paid are recognized in the statement of income as an integral part of the total rental income. Contingent rentals are charged to the statement of income in the accounting period in which they are incurred.

The premium (discount) on debt instruments is amortized by the effective rate method. The amortized amount is presented as an adjustment of the interest income.

Other income and expenses are recognized on an accrual basis.

Gain or loss on trading of securities is recorded as revenues or expenses on trade date.

Income Tax

According to the Revenue Code Amendment No. 52, B.E. 2562, which was published in the Royal Gazette on 22 May 2019 and has been effective since 20 August 2019, mutual funds are subject to corporate income tax on their assessable income under Section 40 (4) (a) of the Revenue Code that is derived from investments. The tax rate is 15% on the gross income before deduction of any expenses.

The assessable income under Section 40 (4) (a) of the Revenue Code that is derived from investments of mutual funds include interest on bonds, interest on deposits, interest on debentures, and the difference between the redemption value and the selling price of a bill or a debt instrument issued by a company or juristic partnership or any other juristic person and initially sold at a price below its redemption value.

4. RETAINED EARNINGS AT THE BEGINNING OF THE YEAR

	Baht	
	2020	2019
Accumulated net income from investments		
(accumulated since 15 July 2009)	106,867,854.67	98,163,265.26
Accumulated net realized gain (loss) on investments		
(accumulated since 15 July 2009)	1,611.69	(3,468.66)
Accumulated net unrealized gain on investments		
(accumulated since 15 July 2009)	129,079,646.78	119,082,153.08
Retained earnings at the beginning of the year	<u>235,949,113.14</u>	<u>217,241,949.68</u>

5. INVESTMENTS IN PROPERTY

During the year 2020, the Fund provided an independent appraisal company Nexus Property Consultants Co., Ltd., to appraise the value of investments in property. According to the appraisal report dated 5 June 2020, stated that the method used for appraise the property was Income Approach. The fair value of the property was summarized as follows:

<u>Assets</u>	<u>Appraisal Date</u>	<u>Fair Value (Baht)</u>
Land and building – @ Sathorn Building	1 May 2020	1,814,000,000.00

During the year 2019, the Fund provided an independent appraisal company Nexus Property Consultants Co., Ltd., to appraise the value of investments in property. According to the appraisal report dated 7 June 2019, stated that the method used for appraise the property was Income Approach. The fair value of the property was summarized as follows:

<u>Assets</u>	<u>Appraisal Date</u>	<u>Fair Value (Baht)</u>
Land and building – @ Sathorn Building	1 May 2019	1,807,000,000.00

The Fund recorded unrealized gain on investments in the statement of income for the years ended 30 June 2020 and 2019 in the amount of Baht 7.00 million and Baht 10.00 million, respectively.

6. DEPOSITS AT BANK

<u>Bank</u>	Baht		Interest Rate (%)	
	2020	2019	2020	2019
The Siam Commercial Bank Plc.	<u>82,606,836.41</u>	<u>38,451,295.53</u>	0.10	0.375

7. PROPERTY MANAGEMENT AGREEMENT

The Fund appointed Plus Property Company Limited to manage the property under the Property Management Agreement for a period of one year and paid property management fee in the year 2020 and 2019 in the amount of Baht 439,814.10 per month. In case the Fund purposes to renew the agreement, the Fund will inform by written in advance at least 30 days before ending of the agreement.

8. MANAGEMENT, TRUSTEE AND REGISTRAR FEES

- Management fee is charged at the rate of not exceeding 1.00 percent per annum of the Fund's net asset value with the minimum charge at Baht 300,000 per month.
- Trustee fee is charged at the rate of not exceeding 0.023 percent per annum of the Fund's net asset value and traveling expenses for site inspection at the rate of not exceeding Baht 3,000 per time and other expenses not exceeding Baht 30,000 per time.
- Registrar fee is charged at the rate of not exceeding 0.05 percent per annum of the Fund's net asset value with the minimum charge at Baht 20,000 per month.

9. RELATED PARTY TRANSACTIONS

During the year, the Fund had significant business transactions with the Management Company and other enterprises, which have the same shareholders and/or directors as the Management Company and the Fund. Such transactions for the years ended 30 June 2020 and 2019 were summarized as follows:

<u>Related Company</u>	<u>Baht</u>		<u>Pricing Policy</u>
	<u>2020</u>	<u>2019</u>	
Krungsri Asset Management Company Limited			
Management fee	4,843,002.52	4,797,487.19	As specified in the agreement (see Note 8)
Registrar fee	968,600.50	959,497.40	As specified in the agreement (see Note 8)
Plus Property Company Limited			
Property management fee	5,413,102.68	5,418,041.45	As specified in the agreement (see Note 7)
Government Savings Bank			
Rental and services income	37,612,141.83	39,316,486.98	As specified in the agreement
Other income	80,869.60	82,242.00	Market price

As at 30 June 2020 and 2019, the Fund had the significant outstanding balances with the related companies as follows:

	Baht	
	2020	2019
Krungsri Asset Management Company Limited		
Accrued management fee	419,405.06	419,161.51
Accrued registrar fee	83,881.01	83,832.31
Plus Property Company Limited		
Accrued property management fee	470,601.09	470,601.09
Government Savings Bank		
Rental and services income receivable	1,134,083.91	1,521,514.53
Rental and service deposits	8,140,742.64	7,267,094.64
Revenue received in advance	-	2,326,741.80

Nature of relationship

<u>Name</u>	<u>Country</u>	<u>Type of relation</u>
Krungsri Asset Management Company Limited	Thailand	Management Company
Government Savings Bank	Thailand	Major unitholder
Plus Property Company Limited	Thailand	Property Management

10. INVESTMENT TRADING INFORMATION

The Fund had investment trading transactions for the year ended 30 June 2020 excluding investments in promissory notes, amounted of Baht 154.64 million (Year 2019: Baht 413.89 million) which is 8.20 percent (Year 2019: 22.11 percent) of the average net asset value during the year.

11. DISTRIBUTION TO UNITHOLDERS

<u>Book Closing Date</u>	<u>Period</u>	<u>Per unit (Baht)</u>	<u>Total (Baht)</u>
6 September 2019	1 July 2018 – 30 June 2019	0.4627	77,270,900.39
11 September 2018	1 July 2017 – 30 June 2018	0.4563	76,202,100.81

12. RESTRICTED BANK DEPOSIT

As at 30 June 2020 and 2019, deposit at financial institution in the amount of Baht 2.40 million is used as collateral for bank to issue letter of guarantee for electricity (see Note 15).

13. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Fund does not speculate in or engage in the trading of any derivative financial instruments.

Fair Value

As the majority of financial assets and financial liabilities are short-term, the Fund believes that their carrying value does not materially differ from their fair value.

Interest Rate Risk

Interest rate risk represents the probability that debt instrument may increase or decrease in value due to the general fluctuation in interest rates in the market. Debt instrument will decrease in value when the market interest rate increases and will increase in value when the market interest rate decreases. The longer the life of debt instrument is, the more sensitive their prices to the interest rate fluctuation.

Credit Risk

The Fund is exposed to the risk of nonperformance of the financial instruments obligations by counterparties since the Fund has accounts receivable. However, such financial assets are due in the short-term, so the Fund does not anticipate material losses from its debt collection.

Foreign Currency Risk

The Fund has no financial assets and liabilities in foreign currency, so there is no foreign currency risk.

Market Risk

Performance of the Fund that invests in office building project may be affected by business competitiveness. Declining of demand for rental space will increase more available rental space of the building owner which will increase competitive of business in term of searching for new tenant or maintaining the existing tenant to stay with the building. However increasing of demand in rental space it might attract new investor or developer to construct new office building to the market which will cause more supply of the market and also lead to more business competition as well.

14. LEASE COMMITMENTS

Operating Lease Revenues

As at 30 June 2020, future minimum rental revenues under non-cancellable operating leases are as follows:

	Baht
Not later than one year	88,510,737.14
Later than one year and not later than five years	65,444,736.34
Later than five years	1,500,000.00
Total	<u>155,455,473.48</u>

15. COMMITMENTS

As at 30 June 2020, the Fund has commitments in respect of payments according to the agreements as follows:

- Letter of the guarantee issued by a bank in the amount of Baht 2.40 million (see Note 12).
- Commitment for property management agreement in the amount of Baht 439,814.10 per month (see Note 7).
- Commitment of expenses for building maintenance and facilities agreements in the amount of Baht 164,577.35 per month.
- Commitment of expenses for a security agreement in the amount of Baht 299,000.00 per month.
- Commitment of expenses for a copying machine rental agreement in the amount of Baht 3,300.00 per month.
- Commitment of expenses for a cleaning agreement in the amount of Baht 157,033.80 per month.

16. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized persons of the Fund on 3 August 2020.

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I/We hereby confirm that the statement in this Form as well as the identification document(s) and supporting documents(s) to the inquiries and/or comments (if any), which sent to the KSAM together with this Form, are correct in all aspects. In witness whereof, I/we have affixed my/our signature(s).

signed..... Unitholder
(.....)

Remarks:

1. Unitholder who wishes to propose an inquiry and/or comment must be the Unitholder whose name appeared on the Unitholders registration book on the book closing date, 7 October 2020, to gather the list of Unitholders for entitlement of the receipt of the report in lieu of the convening of the 2020 Annual General Meeting of Unitholders.
2. In the event where the Unitholder who wishes to propose an inquiry and/or comment, KSAM would like to request the Unitholder to attach the following identification document(s) together with this Form.
 - 2.1 As an individual
 - 2.1.1 Thai national
 - Copy of the Unitholder's valid national or governmental ID card or ID cards issued by the government affixed with signature to certify the true copy by the Unitholder.
 - 2.1.2 Foreign national
 - Copy of passport affixed with signature to certify the true copy by the Unitholder.
 - 2.2 As a juristic entity
 - 2.2.1 Juristic entity registered in Thailand
 - Copy of the juristic entity certificate issued within 3 months by the Department of Business Development, Ministry of Commerce, and affixed with signatures of the authorized representative(s) to certify the true copy together with the seal of a juristic entity be affixed (if any).
 - Copy of valid national or governmental ID card or ID cards issued by the government or passport (if the authorized representative(s) of a juristic person is a foreigner) of the authorized representative(s), affixed with signatures to certify the true copy by the authorized representative(s).

2.2.2 Juristic entity registered in foreign country

- Copy of the juristic entity certificate specifying the authority of its representative(s), issued by a governmental unit of the country where a juristic entity is located, issued within 3 months and affixed with signatures of the authorized representative(s) to certify the true copy.

(If any original document is non-English language, an English translation must be prepared and submitted together with such document. The authorized representative(s) who act on behalf of the juristic entity must sign and certify the correctness of the translation.)

- Copy of valid national or governmental ID card or ID cards issued by the government or passport (if the authorized representative(s) of a juristic person is a foreigner) of the authorized representative(s), affixed with signatures to certify the true copy by the authorized representative(s).

3. KSAM reserves its right to not consider the inquiry and/or comment proposed in the Form which was not duly and completely filled in the details of the Unitholder or not attached with the identification document(s) as listed above.
4. For the advantage of the collection of inquiries and comments and the preparation of the summary of important issues incorporating questions and answers as well as the disclosure of such summary to the Unitholders' acknowledgement within duly time, KSAM reserves its right to not consider the inquiry and/or comment proposed in the Form, which is sent to KSAM via its email at kungsriasset.property@krungsri.com after 13 November 2020.