



KASIKORNTHAI

Annual Report

KPN Property Fund (KPNPF)

for the period of

January 1 ,2021 - December 31,2021

Annual Report
as of 31 December 2021

KPN Property Fund (KPNPF)

หลักทรัพย์จัดการกองทุนสิทธิไทย
开泰基金管理 KASIKORN ASSET MANAGEMENT



บริการทุกระดับประทับใจ

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Message from KASIKORN ASSET MANAGEMENT

To Unitholders

KASIKORN ASSET MANAGEMENT (the "Company") welcomes this opportunity to present you the 2021 Annual Report on the performance of the KPN Property Fund (KPNPF) for the period of January 1 to December 31, 2021. You are being provided an economic overview, the Fund's portfolio, operating results, asset holdings, and audited financial statements in 2021.

In the first quarter of 2021, the Thai economy contracted 2.6 percent, which improved over the 4.2-percent contraction in the last quarter of 2020. Main supports included resumed growth in exports and private investment, and public spending and investment. After the spread of COVID-19 had been contained, the government's relief measures were implemented to help various groups of affected persons under the programs of Rao Chana (We Win), Khon La Khrueng (Let's Go Halves) and Section 33 Rao Rak Kan (We Love Each Other), with total value of more than THB200 billion or over 1 percent of GDP that helped stimulate domestic demand. In addition, farm income continued to increase healthily from the previous mid-year and shored up provincial purchasing power. On the external front, global economic recovery that progressed from mid-2020 was beneficial for Thai exports that were on a path of continued growth from the end of 2020. Notable growth was experienced in key markets, the US and China for example, where the economy had recovered from the COVID-19 crisis at a satisfactory speed. Additional economic stimulus measures on a massive scale in the US after President Joe Biden took office in mid-January also produced positive impacts on the global economy and trade. For Thailand, although the trade balance remained on the surplus side due to weakness in domestic demand, the current account balance recorded a deficit of USD2.2 billion, which was the first shift to deficit in more than six years. The deficit was mainly due to the deficit of the service balance, as the continued border closures had affected tourism income, while freight charges had risen amid insufficient containers. As a result, the Thai Baht dropped 4 percent from the previous quarter to close at THB31.2/USD at the end of March.

In the second quarter of 2021, the Thai economy resumed growth for the first time in six quarters at 7.5 percent, thanks to the low base of the previous year. The Thai economic performance in this quarter improved over the 0.4 percent growth reported for the preceding quarter. Although the emergence of the third wave of COVID-19 around the beginning of the quarter prompted the government to impose semi-lockdown measures in many provinces during the first half of May (these measures were later eased somewhat in June) to contain the Delta variant that was more contagious than that seen in the previous waves, such measures not only hurt economic activity in the country, but also confidence in the household and business sectors towards their spending. Nevertheless, the government had relief and rehabilitation measures in place, namely the "We Win" and "Section 33 We Love Each Other" programs, to help those

affected and sustain the economic growth while also accelerating their vaccination procurement and distribution plans to combat the COVID-19 pandemic. The Thai economy was also driven by exports that grew 5 percent QoQ or 36 percent YoY, due to the low base of the previous quarter and year, plus steady economic improvements seen in Thailand's trade partners. However, the deficit in Thailand's current account balance widened from USD2.2 billion reported for the preceding quarter to USD3.6 billion in this quarter, causing the Baht to weaken to THB32.0/USD as of June or 2.5 percent from that recorded in March.

During the third quarter of 2021, the Thai economy contracted by 0.3 percent because the third wave of COVID-19 had a more severe impact on the economy than that seen during the previous rounds as evidenced primarily by capacity constraints within the public health system amid the rising number of infections, prompting the government to tighten its containment measures during July-August before easing them somewhat in September. Additionally, the number of maximum and strict controlled areas or dark-red zones was expanded from 10 provinces in July, to 29 provinces during August-September. As these 29 provinces accounted for 78 percent of Thailand's 2019 GDP, the government's decision to designate them as dark-red zones caused economic activity in the country to become stagnant as reflected in the Google Mobility Index for Thailand that hit a record low during this quarter (which was almost on par as that reported for April 2020), causing almost all private consumption indicators to decline. However, Thai exports continued to grow, albeit at a slower pace due to the economic slowdown in Thailand's trading partners and supply chain bottlenecks, caused by the emergence of the Delta variant in many countries. More stringent measures adopted by the industrial sectors in many countries also affected the production and exports of some products such as process foods and electronics. Nevertheless, the government's accelerated vaccination drive caused the number of new COVID-19 cases to gradually decline, prompting it to begin easing some restrictions in September, which in turn helped improve economic activity somewhat. Its relief measures also helped alleviate the impact of COVID-19 on the economy. As part of its efforts to further boost the economy, the government launched the Phuket Sandbox as a pilot program to open the country to international tourists, effective July 2021. The program helped attract 45,000 international visitors to the country during the third quarter of 2021, almost doubling the figure reported for the second quarter, albeit lower than the set target and pre-pandemic levels, because certain travel restrictions in Thailand remained in place while many countries classified Thailand as a high COVID-19 risk country. Meanwhile, Thailand's tourism income exhibited signs of a slow recovery from its trough. As a result, Thailand's current account balance continued to be in a deficit since the beginning of the year, causing the Baht to soften to THB33.7/USD as of the end of September, or 7.8 percent from that reported at the end of 2020. After retaining its strength for more than four years, the Baht became the worst performer among its regional peers in 2021. However, the softening Baht helped bolster Thailand's export competitiveness somewhat.

In the fourth quarter of 2021, economic indicators gradually rebounded from their troughs reported for the third quarter, supported by the gradual relaxation of COVID-19 restrictions since September. Economic



activity gradually recovered to pre-pandemic levels, while the government was expediting budgetary disbursements and implementing economic stimulus measures to revive domestic purchasing power. Exports continued to grow in line with the economic recovery of Thailand's trade partners and rising commodity prices. The disruption of supply chains began to ease, allowing the industrial sector to resume production and export. The number of international tourist arrivals in Thailand reported over a seven-fold increase to 342,000, thanks to the first phase of reopening to foreign tourists in early November, which was earlier than expected by the markets. The reopening effort was temporarily stalled amid a new wave of COVID-19 caused by the new Omicron variant. This virus strain was spreading rapidly in late November, prompting many countries to delay their reopening plans. Increased tourism income helped narrow Thailand's current account deficit to USD2 billion. As a result, the Baht strengthened slightly to close at THB33.3/USD as of the end of December. Meanwhile, inflation accelerated to 2.4 percent, against the 0.7 percent recorded during the third quarter, driven by rising global oil prices, the government's utility subsidies, and short-term increases in food costs as a result of flooding in many areas. However, the average inflation rate for 2021 came in at 1.2 percent, which was within the Monetary Policy Committee (MPC)'s target of 1-3 percent, thus accommodating the MPC to keep its policy rate at a historic low of 0.5 percent in order to sustain the Thai economic recovery, going forward

As of December 31, 2021, the operating performance of the KPN Property Fund (KPNPF) under KAsset management during January 1, 2021 – December 31, 2021 reported a net asset value (NAV) of THB 1,759.80 million, representing an NAV per unit of THB 9.7766. During the same period, the Fund's returns on investment totaled THB 113.89 million, with expenses of THB 54.99 million, thus yielding net earnings of THB 58.89 million. The Fund's unrealized loss on investment value measurement stood at THB 103.04 million. As a result, the Fund reported a decrease in net assets from this period of performance of THB 44.15 million.

We at KAsset would like to extend our appreciation to Fund unitholders for your trust in our fund management expertise. We are determined to provide the very best possible services and to maintain the highest standards of fund management in order to provide the fullest satisfaction to you, the unitholders.

Kasikorn Asset Management Co.,Ltd.



Part 1 Important Information

Fund Fact Sheet

Fund's Name	KPN Property Fund
Abbreviation	KPNPF
Type of Fund	Closed-end property fund
Term of Fund	Not specified
Asset Management Company	Kasikorn Asset Management Company Limited
Fund Manager	Ms. Sunida Meechookul
Auditor	Ms. Amornjid Baolorpet
Trustee	TTBThanachart Public Company Limited

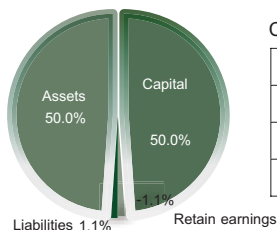
Fund's Assets Information

Main asset	KPN Tower
Benefit Provision	Provision of rental spaces in the Fund's project
Property Manager	KPN Land Co., Ltd. (former name – KPN Group Corporation Co., Ltd.)
Valuer	Knight Frank Chartered (Thailand) Co., Ltd.
Latest Appraisal Date	December 31, 2021
Latest Appraised Value	THB 1,667.00 million
Appraisal Method	Discounted Cash Flow under the Income Approach

Remark: Unitholders can study more details of the Appraisal Report at the Asset Management Company's website, <https://www.kasikornasset.com>

General information

Market capitalization on the last working day of the year	THB 1,143.00 million
Closing price on the last working day of the year	THB 6.35
Registered Capital as of the fund registration date	THB1,800.00 million
No. of Unit	180.00 million units
Net assets value (NAV)	THB 1,759.80 million
Net assets per unit as of 31 December 2021	THB 10.00
Par value as of the Initial Investment Date	THB 10.00
Inception date	22 April 2013



Capital Structure

Total assets	THB 1,800,132,780
Total liabilities	THB 40,334,863
Capital received from unitholders	THB 1,800,000,000
Retained earnings	THB (40,334,863)



Assets

Type of Assets	Ownership right in office buildings and land, including utilities, fixtures and equipments
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Revenue Structure

Benefit Provision	Provision of rental spaces in the KPN Tower
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Information on unitholders

No.	Name	No. of units	% of total
1	SOCIAL SECURITY OFFICE	37,948,100	21.1
2	MR. KRIT NARONGDECH	29,506,900	16.4
3	MR. NOP NARONGDECH	14,732,300	8.2
4	MUANG INSURANCE PUBLIC COMPANY LIMITED	12,417,200	6.9
5	MUANG THAI LIFE ASSURANCE PUBLIC COMPANY LIMITED	11,337,800	6.3

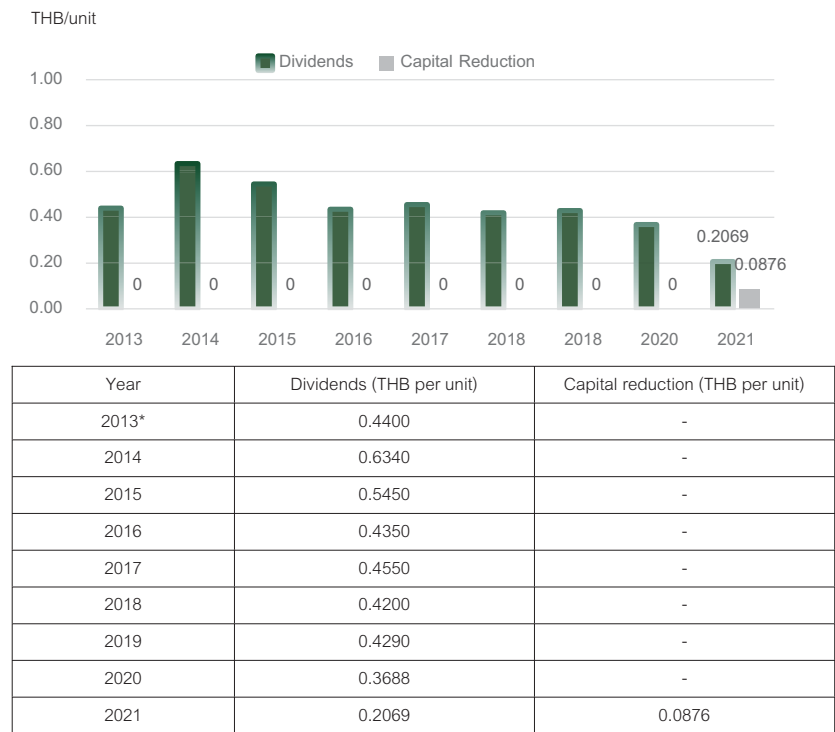
Remark: Data as of December 30 2021

Information on unitholders by nationality

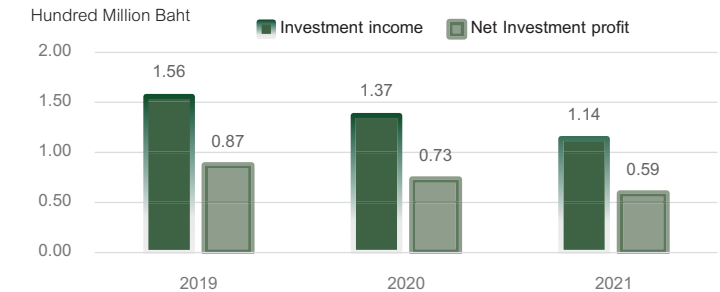
Thai	95.5%
Foreigner	0.5%

Remark: Data as of December 30, 2021

History of return payment



Summary of financial information





	For the year ending December 31, 2021 (THB)	For the year ending December 31, 2020 (THB)	For the year ending December 31, 2019 (THB)
Investment income	113,885,767	137,145,477	156,408,548
Total expenses	54,991,624	64,112,169	69,697,792
Net investment income	58,894,143	73,033,308	86,710,756
Unrealised gain (loss) from investment valuation	(103,040,774)	(40,993,262)	(967,867)
Increase (decrease) in net assets from operations	(144,146,631)	32,040,046	85,742,889
Dividends paid	(51,642,000)	(71,154,000)	(77,850,000)
Cash flows from operating activities	64,744,384	63,829,034	87,118,375
Cash flows from financing activities	(51,642,000)	(71,154,000)	(77,850,000)
Net assets value (NAV)	1,759,797,917	1,855,586,548	1,894,700,502
Return ¹ (THB per share)	0.2869	0.3953	0.4325
Dividend Yield (%) (Market price at the end of year)	4.5	5.2	5.1

Remark 1. Return comprising dividend payment

Analysis and Explanation by the Asset Management Company

As per the management of the Fund during 1 January 2021 to 31 December 2021, the Fund has realized a total revenue of THB 113.89 million, a decrease of approximately 17.0% from the previous year. Due primarily to the fact that several tenants of the Fund had reduced rental space, while some had not renewed their rental contracts amid the COVID-19 pandemic. Additionally, the Fund had assisted pandemic-affected tenants to maintain their existing tenancies. In term of the expenses of the Fund, the Fund has recorded a total expense of THB 54.99 million in 2021, which includes; operating expenses of THB 37.13 million, Most items involved public utilities and system improvements to maintain the building standards, management fee THB 5.70 million property management fee THB 9.32 million, trustee fee THB 0.57 million, registrar fee THB 0.66 million and others expense THB 1.61 million. As a result, for the period of 1 January 2021 to 31 December 2021, the Fund has realized a net revenue of THB 54.99 million. Considering a net unrealized loss from investment of THB 103.04 million as end of 2021, the Fund has an decrease in net assets from the full year operation of THB 44.15 million, and net asset value of THB 1,759.80 million or THB 9.7766 per unit as of 31 December 2021.

Type of Audited Financial Report

- Unqualified Opinion

Summary of Significant liabilities

- None

Fees

	Amount (THB)	Percent of NAV (%)
Management fee	5,697,428	0.32
Property management fee	9,323,604	0.53
Registrar fee	664,700	0.04
Trustee fee	569,743	0.03

Remark: NAV as of ended 2021

Key Risks of Investment in the Fund

- **General risks**

General economic and business situations, including inflation rates, interest rates, foreign exchange rates, prices of consumer products, property prices, and financial and fiscal policies of the government, Bank of Thailand and other regulatory agencies have influences on mutual funds' operating results, financial positions and investments. Sluggish economic conditions and falling consumer demands may produce negative impacts on the Fund's operating results and the prices of investment units in the Stock Exchange of Thailand (SET), which may be higher or lower than the offering prices.

In addition, the investment unit prices in the SET may be affected by various external factors that are uncontrollable, e.g. movements or changes of foreign stock markets, domestic and foreign interest rates, foreign exchange rates, direct and indirect policies or measures affecting inbound or outbound foreign exchange flows, domestic and international economic conditions, operational and business risk factors, volatilities of consumer markets, regulatory rules and regulations, and other related government policies. There is no guarantee that changes in such external factors will not produce any significant impacts on the investment unit prices.

- **Political risk**

Uncertain politics may affect Thailand's economic situations, including the stock exchange, which may cause serious impacts on the Fund's financial status. There is no guarantee that Thailand's current or future political conditions, or changes in government's political policies, will not produce any serious impacts on the Fund's business operations, financial status, operating results and growth



- **Risk of liquidity shortage in investment unit trading in the market**

Mutual funds are closed-end funds listed on the SET. Liquidity of investment unit trading is assessed from the frequencies and volumes of trade of such investment units in the SET, which are based on the bid-offer. Bid-offer of investment units rely on various factors that cannot be controlled by the funds, e.g. market demand. Therefore, there is a risk of liquidity shortage in investment unit trading in the secondary market.

- **The funds' dividend payment capability**

The funds' dividend payment is considered from their operating results that are subject to several factors, including domestic and foreign economic conditions, management ability of property managers, property management costs, operating expenses, competition, changes in laws and rules related to properties, natural disasters and political situations. Therefore, investors are exposed to risk of not earning dividends, as earlier expected, in the year of incident, or the funds may not be able to maintain their dividend payment levels or raise the dividend amounts in the next years.

Major Incident

Additional Investment	The Property Fund has significant legal disputes, as a shareholder in KPN Land Company Limited as the property manager of the Property Fund has not performed in accordance with the Lease and Service Agreement. In 2020, KPN Chinese Academy Company Limited, KPN Music Company Limited, and Siam Wilson Learning Company Limited are pending for the result of enforcement from the court in order to issue a court order for enforcement. While KPN Tutoring Company Limited and KPN Academy Company Limited are still pending trial.
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The Asset Management Company

Name:	KASIKORN ASSET MANAGEMENT CO., LTD.
Address:	400/22 KASIKORNBANK Building, 6 th and 12 th Floors, Phahon Yothin Road, Samsen Nai, Phayathai, Bangkok 10400
Tel.:	0-2673-3888
Fax:	0-2673-3988
Website:	https://www.kasikornasset.com

Trustee

Name:	TMBThanachart Bank Public Company Limited
Address:	3000 Phahon Yothin Road, Chomphon, Chatuchak, Bangkok 10900.
Tel.:	02-299-1111
Fax:	02-299-2758
Website:	https://www.ttbbank.com



Part 2 Operation of Fund

1. Fund Fact Sheet

1.1 Fund's Name	KPN Property Fund
1.2 Abbreviation	KPNPF
1.3 Type of Fund	Closed-end property fund
1.4 Registered Capital	THB1,800 million
1.5 Term of Fund	Not specified
1.6 Asset Management Company	KASIKORN ASSET MANAGEMENT COMPANY LIMITED ("Asset Management Company")
1.7 Trustee	TMBThanachart Public Company Limited ("Trustee")
1.8 Property Manager	KPN Land Co., Ltd. (former name – KPN Group Corporation Limited)

2. Policies, Overview of Business Operation and Benefit Provision

2.1 Objectives, Investment Policies and Benefit Provision

2.1.1 Objectives, Investment Policies and Benefit Provision

The objectives of the Fund are to raise funds from general investors, to use the proceeds from such fundraising for purchasing and/or renting immovable properties and to gain benefits from such immovable properties. The Fund will also renovate, modify, develop the potential and/or dispose of properties invested in or held by the Fund, including lease, sub-lease and/or sale or other acts, with the purpose to generate income and returns to the Fund and unitholders. The Fund may invest in other assets and/or securities and/or may generate other benefits by other methods as prescribed by the securities law and/or other applicable laws.

2.1.2 Investment

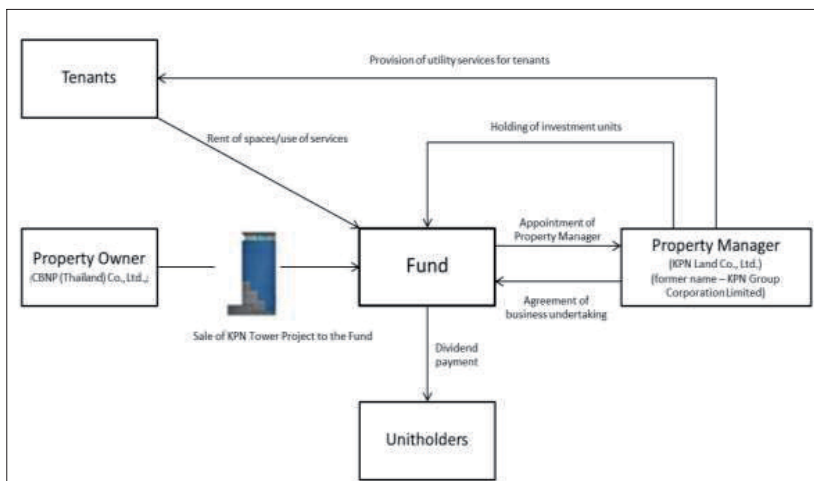
The Asset Management Company has invested the proceeds from the Fund's investment unit sale in the KPN Tower Project, located at No. 719, Rama IX Road, Bang Kapi Sub-District, Huai Khwang District, Bangkok. The project consists of one office building, with parking spaces on the floors 1A-10 and underground parking spaces U1 and U2 together accommodating 485 cars. The project's land area is 2-14.7 rai or 1,014.7 wah² under eight title deeds. The usable space totals 59,839 m² and net leasable area totals 25,978.43 m². The project provides various facilities for its tenants, such as shops and banks.

2.2 Important Changes and Developments

The Fund has not made any change related to persons responsible for fund management.

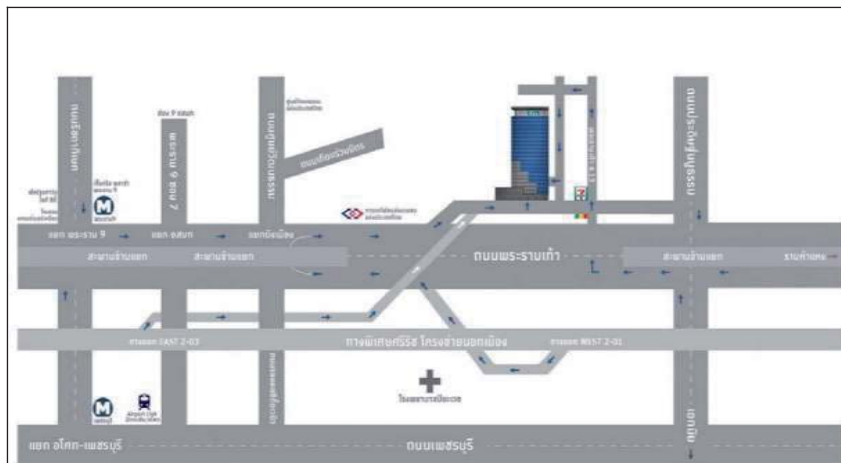


2.3 Structure of Fund Management



After the transfer of ownership in KPN Tower to the Fund, KPN Land Co., Ltd. was appointed as the property manager. A project management team was set up, consisting of persons with knowledge and skills in property management, with approval of the Fund. KPN Land Co., Ltd. agreed to engage CBNP (Thailand) Co., Ltd., which is a subsidiary of the KPN Group, to be responsible for that function.

Location of Property Invested In by the Fund



2.4 Details of the Fund's Assets

2.4.1 Asset Value, Net Asset Value and Value of Investment Unit

KPN Property Fund as of December 30, 2021

Net asset value (THB/unit)	9.7766
Market price of asset value (THB/unit)	6.35

2.4.2 Details of Assets of the Fund

The Fund's investment in ownership of land, building and utility systems, as well as fixtures and equipment of the KPN Tower Project, include the following:

Type of Investment	Ownership rights in land, office building, related utilities, fixtures and equipments
Building Name	KPN Tower
Type of Project	27-storey office building
Location	719 Rama IX Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok
Age of Building	<ul style="list-style-type: none"> - 23 years from December 1998 - Major maintenance and renovation in 2010-2011
Title Deeds	25228 - 25235 and 4906
Total Land Area (rai)	2-2-14.7
Usable Area	59,839 m ² , comprising: <ul style="list-style-type: none"> - Rental area: 25,978.43 m² - Common area: 33,860.57 m²
Rental Area	25,978.43 m ² , comprising: <ul style="list-style-type: none"> - Commercial area (shops): 375 m² - Office area: 25,188.43 m² - Storage area: 415 m²
Common Area	33,860.57 m ² , comprising: <ul style="list-style-type: none"> - Service area: 8,654 m² - General area and mechanical room: 5,196.57 m² - Parking area and driving lanes: 16,821 m² - Area outside the building: 343 m² - Rooftop area: 2,846 m²
Area Utilization	<ul style="list-style-type: none"> - Commercial area (shops): 1st and 7th floors - Office area: 2nd – 27th floors - Storage area: 2nd, and U1-U2 floors



	<ul style="list-style-type: none"> - Parking area: 1A – 10th and U1-U2 floors - Advertisement area (outside the building)
Utility Systems	<p>Chilled-water air conditioning system</p> <p>9 sets of elevators, including:</p> <ul style="list-style-type: none"> - 7 passenger elevators for office building - 1 elevator for parking building - 1 freight elevator <p>Fire protection systems, including fire alarm system along with smoke and heat detection tools; fire extinguishing system consisting of fire hose cabinet and chemical fire extinguisher; sprinkler system; evaluation system and evacuation routes in the buildings</p>
Fund Holdings	Ownership rights in land, building and fixtures
Latest Appraised Price	THB 1,667.00 million (as of December 31, 2021)
Appraisal Method	Income approach with discounted cash flow
Appraiser	Knight Frank Chartered (Thailand) Co., Ltd.
Revenue January 1 – December 31, 2021	THB 111.24 million
Investment Date	May 3, 2013
Investment Price	THB10.00

2.4.3 Details of Fund's Additional Property Investment during the Accounting Year

No additional property investment of the Fund over the past accounting year

2.4.4 Details of Fund's Sales of Immovable Properties and Leasehold Rights

No sale or transfer of property of the Fund over the past accounting year

2.5 Benefit Provision

2.5.1 Benefit Provision

The Fund gains benefits from properties that the Fund has invested in via an appointment of KPN Land Co., Ltd. (former name O KPN Group Corporation Limited) as the property manager.

Income Structure

Income from Investment (THB)	Jan. 1 – Dec. 31, 2021	Jan. 1 – Dec. 31, 2020	Change (%)
Rental and service income	111,242,513	136,796,147	-18.7
Interest income	104,570	250,063	-58.2
Other income	2,538,684	99,267	2457.4
Total	113,885,767	137,145,477	-17.0

Items	Jan.1 – Dec. 31, 2020	Jan.1 – Dec. 31, 2020	Change (%)
Average occupancy rate (%)	55.36%	62.86%	-7.6
Average rental rate (THB/m ² /month)	416	426	2.3

Anchor Tenants Jan. 1 – Dec. 31, 2021

Tenants	Share of Income (%)
Givaudan (Thailand) Co., Ltd.	8.1
No Magic Asia Co., Ltd.	5.4

Billboard Tenants	Share of Income (%)
CMYK Colour Co., Ltd.	11.4
Hello Bangkok LED Co., Ltd.	11.2

Contract Expiry at the Year-end

• Lease Contracts for Office Spaces

Lease Contracts for Office Spaces	Share of Rental Office Spaces (%)
2022	15.7
2023	14.3
2024	20.9
From 2025 onward	0.9

Note: Information as of December 31, 2021, not including the area of CBNP (Thailand) Co., Ltd. totaling 436 m² that is used as office space

• Lease Contracts for Commerce

Lease Contracts for Commerce	Share of Rental Commerce Spaces (%)
2022	45.0
2023	5.8

Note: Information as of December 31, 2021, not including the area of postal operation of the project and meeting room for rent

2.5.2 Details of Tenants (Related Parties)

In 2021, the companies in KPN Group rented 4.2 percent of office areas of the project at appropriate rental and service fees that were in accordance with market rates, with the following details:

Companies	Share of Rental Spaces (%)
KPN Land Co., Ltd.	4.0
KPN Music Co., Ltd.	0.2
Total	4.2

Note: Information as of December 31, 2021



2.5.3 Property Manager

Property Manager	KPN Land Co., Ltd. (former name – KPN Group Corporation Limited)
Address	719 KPN Tower, 27 th Floor, Rama IX Road, Bang Kapi Sub-District, Huai Khwang District, Bangkok 10310
General Information	KPN Land Co., Ltd. is the property developer under KPN Group

2.5.4 The Fund's Measure for the case whereby any current tenant unable to perform according to its lease agreement

The Fund will take action by following up the tenant on an unpaid rent (if any), and legal proceedings will be instituted if the tenant is unable to perform according to the terms and conditions stated in the lease agreement.

2.6 Borrowing

In managing a property fund, the Fund may borrow funds, whether with or without collateral, which shall comply with the following requirements:

- (1) Borrowing shall be undertaken for the following purposes:
 - (a) Renovation of immovable properties owned or rented by the Fund so that they are in good conditions and ready for benefit provision
 - (b) Building extension or construction of new buildings on the land owned or rented by the Fund for the purpose of benefit provision
- (2) The borrowing shall be based on the unitholders' benefits. In case of borrowing for improving the immovable properties in which the Fund has the leasehold rights per (1)(a) or for building extension or construction of new buildings on the land of which the Fund has the leasehold right per (1)(b), the Fund shall take into account the remaining lease term as specified in the lease contract.
- (3) The borrowed funds shall not exceed 10 percent of the Fund's NAV. Later on, if the borrowed funds exceed the limit, but not owing to additional borrowing, the Asset Management Company may maintain such a borrowing ratio, but no additional borrowing shall be done until the borrowing ratio decreases to less than 10 percent of the Fund's NAV.
- (4) The Asset Management Company's borrowing shall be approved by a majority of the unitholders, or more than half of the investment units that have been sold. In a meeting that has been properly called or a written circular resolution related to approval of borrowing per (1)(c), the Asset Management Company shall not count the investment units held by the unitholders having interests in the related additional investment in immovable properties or leasehold rights in immovable properties.

At present, the Fund has no policy of borrowing.

3. Current Situation and Outlook

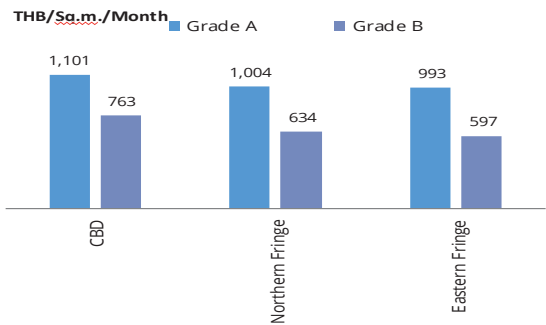
3.1 Overview of Property Business – Office Buildings

Supply

According to 2021 Bangkok Property report of Colliers International Thailand (“Colliers”) found that as of Q4 2021, the supply of office space in Bangkok continued to increase steadily to 9.19 million sq.m. In Q4 2021, there were 6 office buildings with a total NLA of approximately 162,515 sq.m postponed. In 2022, Colliers Thailand expects that there will be approximately 621,096 sq.m. of additional office supply constructed. Another 589,581 sq.m. in 2023 will also be completed. Approximately 58.6% of all incoming supply is in the CBD area and 92.5% are Grade A office space. Overall average asking rental prices in Bangkok increased 0.40% q-o-q to THB750 per sq.m. The rise in rental prices was largely due to the new supply coming into the market have higher rental prices that are a lot higher than the average market price.

The asking price for Grade A office buildings in the CBD areas remained stable at approximately THB1,101. For Grade B office building in the CBD areas at approximately THB763.

Average Asking Rental Rate by Location, as of Q4 2021



Source: Research and Communication, Colliers Thailand

Demand

The outer CBD areas benefited slightly as some tenants who previously rented office space in CBD areas began to look for office space outside the city center. The most popular areas outside the CBD are the northern fringe, the eastern fringe and the western fringe areas. Some tenants moved out of the CBD to reduce cost.

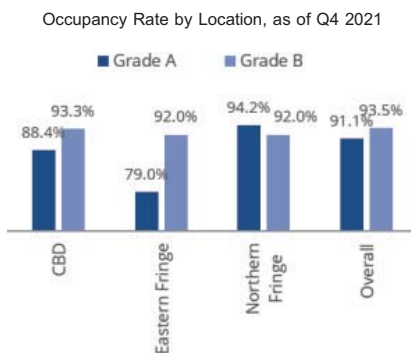
Many tenants are aiming to renew their lease and reduce the size of their rental space in the same transaction. Generally, tenants were offered a range of 3% - 5% increase on rental rates during renewal. Tenants with representation can secure favorable terms as competition is increasing among landlords.



As of Q4 2021, over 8.558 million sq.m. of office space in Bangkok was occupied representing a stable rate in Q4 2021 at 93.8%. The Sukhumvit area maintained the highest occupancy rate in the CBD at 94.5%. The Western Fringe had the highest occupancy rate in the non-CBD area at 98.1%.

The demand for office space in the Bangkok area dropped slightly from the previous quarter. Tenants were still likely to request a downsize of the rental space or a temporary rental reduction.

At the same time, some businesses, such as e-commerce, technology, co-working spaces and financial institutions continued to expand their businesses and request more space to rent. However, most companies focussed on downsizing and some aimed to move to new office buildings with lower rental prices in order to save costs.



Source: Research and Communication, Colliers Thailand

3.2 Marketing Strategy

Collier was found that an overview of the marketing strategy of the office building market in Q4 2021, landlords continued to offer discounts on office rental, service fees, and parking fees to the tenants at least 3-6 and still allowed the tenants to pay rental fees, Service fees including extending the original payment period without any interest. In addition, it was found that office space tenants were offered free rental of space (Only the rental fee, excluding other services) for a period of 1 month in order to regain the tenants' interest to allow tenants to quickly decide the rental process. In addition to this, most landlords have increased their commissions to agencies. As for the commission increase, it depends on the size of the leased areas.

4. Risk Factors

Investment in investment units involves risks. In addition to other information in this document, investors should use their judgment and carefully consider the risk factors that are specified herein before deciding to invest in investment units that are associated with risks and uncertainties, and are based on the established assumptions. If such risks actually occur, the Fund's operations, business opportunities, financial

positions, operating results and dividend payment capability may adversely affected, while investment unit prices may fall and investors may lose to some or all of their investment funds.

Except specified in this document, the Fund or the Asset Management Company is unable to calculate financial impacts or other impacts of the risk factors included herein. In addition, the risk factors mentioned in this document may not be all risk factors and there may be other risk factors that are not known to the Fund at present or may be currently deemed as insignificant and may become significant risk factors in the future, causing serious impacts on the Fund's operations, business opportunities, financial positions, operating results and dividend payment capability or investment unit prices.

Description of risk management guidelines to minimize risks, risk measures and/or the Fund's capability to minimize any of the risks is not deemed as the Fund's guarantee that the Fund will be able to cope with all or some risks, and is not deemed as the Fund's confirmation that the risks as specified in this document will decrease or will not occur, due to the fact that the success in and/or capability of risk minimization depends on various uncontrollable factors.

This information referred or related to the government or Thailand's overall economy has been derived from disclosed information or information summarized from the government's publications or from other sources. The Fund has not verified or guaranteed the accuracy of such information.

Investors should be aware that investment unit prices may be volatile and investors may lose of whole or part of their investment funds.

4.1 Direct Risk to the Fund or Unitholders

4.1.1 General Risks

General economic and business conditions, including inflation rates, interest rates, foreign exchange rates, consumer goods prices, property prices and financial and fiscal policies of the government, Bank of Thailand and other regulatory agencies affect the Fund's operating results, financial status and investment. Sluggish economy and falling consumer demand may adversely affect the Fund's performance, while investment unit prices in the SET may be higher or lower than the offering price.

In addition, investment unit prices may be affected by various external factors that are uncontrollable, e.g. movements of or changes in foreign stock exchanges, domestic and foreign interest rates, foreign exchange rates, direct and indirect policies or measures affecting inward or outward foreign exchange flows, domestic and international economic conditions, operational and business risks, volatilities of consumer goods market, regulatory requirements, tax rates and other government policies. There is no guarantee that changes in such external factors will not significantly affect investment unit prices.

4.1.2 Political Risk

Political uncertainties may affect Thailand's economy and stock exchange, which may create serious impacts on the Fund's financial status. There is no guarantee that Thailand's current or future political



situation, or changes in the government's political policies will not significantly affect the Fund's performance, financial status, operating results and growth.

4.1.3 Risk from Natural Disasters, Accidents and Sabotages

Natural disasters, accidents, sabotages and other *Force Majeure* may not occur frequently. However, if they occur at the location of the Fund's immovable properties, they could cause serious casualties to the Fund's assets and losses of life and properties of tenants and service users. In this regard, the Fund has entered into insurance policy covering damages caused by natural resources, accidents and other *Force Majeure*, in accordance with the standard insurance policies for the business of providing leasable areas and services for office buildings.

4.1.4 Changes in Accounting Standards or Related Laws

The Fund's operating results may be affected by enforcement of new accounting standards or revision of accounting standards, which is an uncontrollable or predictable factor. Other unpredictable incidents include amendments of laws, announcements, rules, regulations, stipulations, policies and/or instructions of government agencies or competent authorities, such as land and building tax. Therefore, the Fund is unable to assess possible impacts of such incidents and to guarantee that such changes will not affect the Fund's performance.

4.1.5 Risk related to the Fund's NAV that may not be its actual value

The Fund's NAV calculation is based on basic information of valuation of properties invested in by the Fund. Such NAV may be exposed to the following risks:

- (1) The Fund's NAV may not be the actual value that the Fund will receive upon the disposal of all assets or the Fund's termination.
- (2) The Fund's NAV may not be the actual value of investment units in the SET.

4.1.6 Risk from Lack of Investment Unit Liquidity

The Fund is a closed-end fund listed on the Stock Exchange of Thailand. Investment unit liquidity is assessed from the frequency and volume of investment unit trading, based on the volume of bid-offer, which depends on various factors that are uncontrollable, such as market demand. Therefore, there is a risk that investment units may lack liquidity for trading in the secondary market.

4.1.7 Tax Risk

Sale, transfer or acceptance of transfer of leasehold rights, or sale, transfer or acceptance of transfer of immovable properties (in case where the Fund invests in immovable properties) in the future may involve taxes and fees incurred from such sale, transfer or acceptance of transfer of leasehold rights or immovable

properties. The Fund may have to bear all or part of the burdens, while tax and fee rates at that time may differ from the current rates.

4.1.8 Risk of property funds compared to risks of other types of funds

Property funds must invest in immovable properties at not less than 75 percent of their NAV, causing investment concentration in a single property project. Meanwhile, other types of funds have a policy of investment diversification in various financial instruments.

4.1.9 Dividend Payment Capability of the Fund

The Fund's dividend payment is considered from the Fund's operating results that are subject to various factors, including domestic and foreign economic conditions, capabilities of immovable property managers, costs of immovable property management, related expenses, competition, changes in regulatory requirements related to properties, natural disasters and political situations. Therefore, there is a risk that investors may not earn the expected dividend in the years of incidents or that the Fund may not maintain the level of dividend payment or increase the amount of dividend in the following years.

4.1.10 Risk involving expropriation of properties invested in by the Fund, whether in whole or in material parts, under land expropriation law, causing the Fund's inability to use the properties invested in by the Fund and possibly producing impacts on the Fund's operating results

Currently, there is no expropriation of properties invested in by the Fund, whether in whole or in material parts. However, if any of the properties invested in by the Fund is expropriated after the Fund has already accepted the transfer of land and building ownership rights, whether in whole or in material parts, related contracts specify that the Fund shall conduct necessary actions to gain the compensation per the amount, criteria and methods specified in the Immovable Property Expropriation Act B.E. 2530 (1987) (including its amendments and other related laws).

In such a case, the Fund may not gain the compensation per the expropriation law due to non-compliance with certain covenants of the law or the Fund may gain the compensation at an amount lower than: (a) the returns on investments; and/or (b) the losses of expected benefits from the properties invested in by the Fund, which will significantly affect the Fund's business, operating results and financial status, for example, the Fund may not be able to use the properties invested in by the Fund per the investment objectives and the Fund's expected income may significantly changes.

4.2 Risk related to capability to gain profits from properties

4.2.1 Risk from economic volatilities that may affect immovable properties

Immovable properties invested in by the Fund are exposed to risk from volatilities of Thailand's economic system and may be affected by changes in the overall economic system.



In addition, immovable properties may be affected by changes in other macro factors, e.g. city planning, natural disasters, epidemic diseases and domestic unrests, which may affect consumers' purchasing power or number of tenants.

4.2.2 Risk from Intensified Competition

The Fund's operating results may be affected by the property market conditions, the rising number of operators and the increase or decrease in rent demand. The higher demand of operators will result in an increase in the supply, causing rising competition to seek tenants.

4.3 Operational Risk

4.3.1 Risk related to tenants' capability to pay rent and service fees

Rent and service fees that the Fund receives from the tenants per the lease and service contracts are the only main source of income of the Fund. Although there are several tenants, if such tenants have financial problems that affect their payment capability, causing their payment default or cancellation of lease and service contracts before the end of contract term, and the Fund is unable to find new tenants, the Fund's income will be directly affected, in spite of the Fund's right of claim and forfeiture of security deposit from tenants.

4.3.2 Risk related to loss of key tenants and rent payment capability of key tenants that may affect the Fund's income

Key business of the Fund is provision of leasable office buildings, with key tenants including Givaudan (Thailand) Co., Ltd., and No Magic Asia Co.,Ltd., which occupy 12.3 percent of office leasable areas of the project. Lease contracts of key tenants have an average of 2.6 -year term. If any tenant wishes to terminate the lease and service contract before the end of the contract term or does not wish to renew the lease and service contract upon the end of the contract term, or faces financial problems that affect its payment capability, and the Fund is unable to find new tenant to replace such a tenant, the Fund's business, operating results and financial status may be significantly affected.

4.3.3 Risk related to finding new property manager because the Fund's operating results rely on immovable property management conducted by the property manager

The Fund has appointed KPN Land Co., Ltd. (former name – KPN Group Corporation Limited) as the property manager, given its experience in managing the properties initially invested in by the Fund. KPN Land Co., Ltd. has the property management duties as assigned by the Fund, participates in determination of property management policies and business operations of such properties. Therefore, the property manager's tasks, such as maintenance or development of properties to satisfy the tenants, provision of quality service for

the tenants, search of new tenants or renewal of lease contracts with the existing tenants and maintenance of properties initially invested in by the Fund in good conditions, directly affect the Fund's operating results.

In addition, if KPN Land Co., Ltd. is unable to perform the property manager's duties for whatever reason, the Fund may not be able to appoint other party that can perform the property manager's duties as efficiently as the existing property manager, which may significantly affect the Fund's operating results and financial status.

4.3.4 Risk from KPN Land's investment in other properties that may compete with the business of KPN Tower

For investment of the Fund, KPN Land Co., Ltd. has entered into an agreement with the Fund to appoint a property manager of KPN Tower Project and a business undertaking contract with the Fund specifying that over the period of five years from the date of the Fund's initial investment, KPN Land Co., Ltd. and its shareholders holding at least 10 percent of shares, as well as its subsidiaries, shall not conduct any business of the same type with KPN Tower management within a 5-km radius of KPN Tower.

However, such non-competition agreement is not limited to building management service, and KPN Land Co., Ltd. (including its shareholders and subsidiaries) still has the right to invest in other immovable properties or office buildings and may assign other parties to manage such properties and/or office buildings, without being deemed as violation of the business undertaking contract. Although KPN Land Co., Ltd. does not manage such properties by itself, it can set up the management directions given its ownership and investment in such properties.

Therefore, the Fund is exposed to risk that KPN Land Co., Ltd. will invest in other properties per the abovementioned characteristics, which may eventually compete with KPN Tower business.

4.3.5 Risk from Insurance

The Fund's business operations are exposed to risk related to the use of the Fund's properties. Although the Fund has in place adequate and appropriate insurance coverage per related regulatory requirements, the Fund may not arrange for insurance coverage for certain types of risks (such insurance may exist but with premiums that may not be worth the expected economic benefits), such as damages caused by war, or the Fund may not exercise its right for claim per related insurance policies, whether in whole or in part, or may encounter delay of indemnity payment, which is not the Fund's fault.

The Fund may be exposed to risk from financial losses, due to severe incidents, causing inadequate compensation or inability to arrange for related insurance. This situation may produce direct impacts on the expected returns of unitholders.



4.3.6 Risk from the counterparty's failure to fulfill any of its contractual obligations

For the Fund's immovable property investment and management, the Asset Management Company shall enter into contracts related to the Fund's investment and management to facilitate the Fund's benefit generation. In case where the Fund has not earned the benefits as expected, whatever the cause may be, the Fund is exposed to risk that the minimum income from the properties will miss the target and the unitholders will not receive the returns per the expected amount or period. In addition, if CBNP (Thailand) Co., Ltd. and/or KPN Land Co., Ltd. fails to perform the duties under the business undertaking contract, causing the Fund to claim and/or file a lawsuit against CBNP (Thailand) Co., Ltd. and/or KPN Land Co., Ltd., the Asset Management Company will be unable to predict the timeline and the amount that the Fund will receive for remedy of all losses.

4.3.7 Risk related to the Fund's income that may fall in the future due to covenants of the property manager appointment contract

In accordance with the contract of property manager appointment, KPN Land Co., Ltd. has agreed to collect the property manager's remuneration at up to THB12.00 million in 2020. Afterward, the unitholders shall have a risk arising from the Mutual Fund's income that may decrease or may not meet the estimation.

5. Legal Disputes

In 2021, The Fund legal disputes in 2021, involving non-compliance of one tenant. The disputes are now under litigation processes.

6. Other Information

Unitholders can study more details of the Fund at the Asset Management Company's website – <https://www.kasikornasset.com>, or the Stock Exchange of Thailand's website – <https://www.settrade.or.th>



Part 3 Management and Corporate Governance

7. Investment Units

7.1 General Information of Investment Units

7.1.1 General Information

Project Fund as of the Initial Investment Date	THB 1,800.00 million
Par Value as of the Initial Investment Date	THB 10.00
Project Fund as of December 31, 2021	THB 1,800.00 million
Par Value as of December 31, 2021	THB 10.00
Number of Investment Units	180.00 million units

7.1.2 Value of Securities and Investment Units

	Share prices (closing) (THB)	NAV per unit (THB)
January 31, 2021	7.50	10.3498
February 28, 2020	7.40	10.3905
March 31, 2021	7.10	10.2704
April 30, 2021	7.05	10.3075
May 31, 2021	6.85	10.2809
June 30, 2021	6.75	10.2977
July 31, 2021	6.75	10.3242
August 31, 2021	6.80	10.2894
September 30, 2021	6.60	10.3286
October 31, 2021	6.70	10.3650
November 30, 2021	6.65	10.3247
December 31, 2021	6.35	9.7766

7.2 Instruments issued by the Fund

- None -

7.3 Major Unitholders

No.	Unitholders	Amount (Unit)	%
1	Social Security Office	37,948,100	21.1%
2	Mr. Kris Narongdej	29,506,900	16.4%
3	Mr. Nop Narongdej	14,732,300	8.2%
4	Muang Thai Insurance PCL	12,417,200	6.9%



No.	Unitholders	Amount (Unit)	%
5	Muang Thai Life Assurance PCL	11,337,800	6.3%
6	Mr. Korn Narongdej	6,735,000	3.7%
7	Mr. Kittipong Jungtrakul	900,000	0.5%
8	Mrs. Vipha Preechawit	790,000	0.4%
9	Mr. Atth Boonthaweephath	760,000	0.4%
10	Mrs.Thongjua Cholsaipan	743,000	0.4%

Note: Information as of December 30, 2021

7.4 Fund's Payment of Returns

7.4.1 Criteria of Fund's Payment of Returns

If the Fund's profit meets the criteria of dividend payment, the Asset Management Company has a policy to pay dividend to the unitholders up to four times per year, with the following details:

- (1) The Management Company shall pay a dividend of not less than 90 percent of adjusted net profit to unitholders in each accounting year. The adjusted net profit is referred to as net profit deducted by reserve set aside for the following items:
 - (a) Repair, maintenance or improvement of the Fund's infrastructure assets in accordance with the plan, which is clearly set in the Fund schemes or prospectus, 56-1 form, annual report, or of which the Management Company has informed unitholders in advance.
 - (b) Payment of the Fund's borrowing or obligations in accordance with the borrowing policy which is clearly set in the Fund schemes and prospectus, 56-1 form, annual report, or of which the Management Company has informed unitholders in advance.
 - (c) Payment of dividend to unitholders with preferential rights (if any):
- (2) To pay dividend to unitholders, the Management Company shall consider the necessity of appropriately maintaining the Fund's cash position in accordance with the guidelines determined by the Office of the SEC.
- (3) The Management Company shall not borrow for making dividend payment to unitholders.
- (4) In case the Fund still incurs retained deficit, the Management Company is not permitted to pay dividend.

(a) Dividend payment in each accounting period

The Management Company shall announce dividend payment and close the registration book to determine the names of unitholders who are eligible for dividend. Such dividend will be paid to unitholders within 90 days of the end of the accounting year or the end of the accounting period when dividend is paid, as the case may be.

(b) Interim dividend payment

The Management Company shall announce dividend payment and close the registration book to determine the names of unitholders who are eligible for dividend. Such dividend will be paid to unitholders within 30 days of the unitholder registration book closing date for dividend payment.

However, in case the Management Company cannot make dividend payments per clause (1) during said period, the Management Company shall so notify the Office of the SEC and unitholders in writing, and in case the Management Company cannot pay unitholders dividend during said period due to its own errors, the Management Company shall pay unitholders interest at the rate of not less than 7.5 percent per year from the dividend payment due date to the date that the dividend has been fully paid.

7.4.2 Conditions and Limitations of Benefit Payment and Steps and Methods of Operations related to Non-Payable Benefits

1. If the dividend per investment unit scheduled to be paid during a certain period is less or equal to 0.10 Baht, the Company reserves the right not to make dividend payment during that period. Such dividend shall be payable together with the subsequent dividend payment.

2. In the case where a unitholder does not exercise the right to receive any amount of dividend during the statute of limitations on claims in accordance with the Civil and Commercial Code, the Management Company shall not use that amount of dividend for other purposes than for the benefits of the Property Fund.

7.4.3 Dividend Payment

Dividend Payment	Dividend (THB/unit)	Capital reduction (THB per unit)
No. 1 / Q2 2013	0.1180	-
No. 2 / Q3 2013	0.1625	-
No. 3 / Q4 2013	0.1595	-
No. 4 / Q1 2014	0.1580	-
No. 5 / Q2 2014	0.1570	-
No. 6 / Q3 2014	0.1570	-
No. 7 / Q4 2014	0.1620	-
No. 8 / Q1 2015	0.1590	-
No. 9 / Q2 2015	0.1400	-
No. 10 / Q3 2015	0.1200	-
No. 11 / Q4 2015	0.1260	-
No. 12 / Q1 2016	0.1200	-
No. 13 / Q2 2016	0.1150	-



Dividend Payment	Dividend (THB/unit)	Capital reduction (THB per unit)
No. 14 / Q3 2016	0.1000	-
No. 15 / Q4 2016	0.1000	-
No. 16 / Q1 2017	0.1100	-
No. 17 / Q2 2017	0.1150	-
No. 18 / Q3 2017	0.1150	-
No. 19 / Q4 2017	0.1150	-
No. 20 / Q1 2018	0.1100	-
No. 21 / Q2 2018	0.1100	-
No. 22 / Q3 2018	0.0900	-
No. 23 / Q4 2018	0.1100	-
No. 24 / Q1 2019	0.1100	-
No. 25 / Q2 2019	0.1100	-
No. 26 / Q3 2019	0.1025	-
No. 27 / Q4 2019	0.1065	-
No. 28 / Q1 2020	0.0880	-
No. 29 / Q2 2020	0.0900	-
No. 30 / Q3 2020	0.1108	-
No. 31 / Q4 2020	0.0800	-
No.32 / Q1 2021	0.0700	-
No.33 / Q2 2021	0.0600	-
No.34 / Q3 2021	0.0769	-
No.35 / Q4 2021	-	0.0876

8. Management Structure

8.1 Asset Management Company

8.1.1 Name, Address, Registration Number, Telephone Number, Fax Number and Website

Name : KASIKORN ASSET MANAGEMENT COMPANY LIMITED

Address : 400/22 KASIKORNBANK Building, 6th and 12th Floors, Phahon Yothin Road, Samsen Nai
Sub-District, Phayathai District, Bangkok 10400

Tel : 026733988

Fax : 026733988

Email : ka.customer@kasikornasset.com

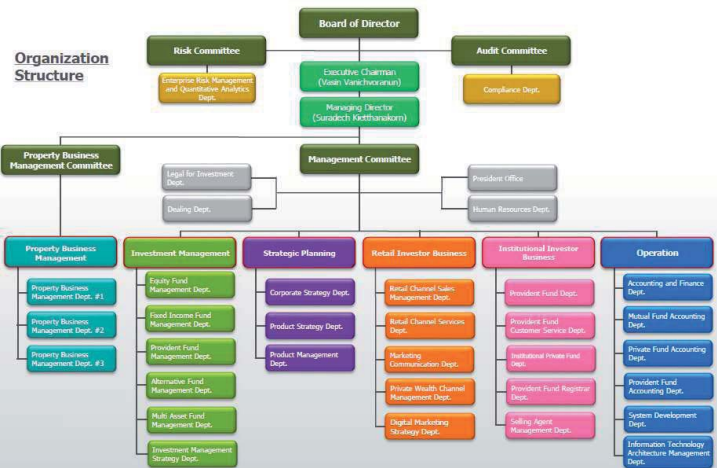
Website : <https://kasikornasset.com>

8.1.2 Shareholding Structure

KASIKORN BANK PCL holds 99.91 percent of shares.

Note: Information as of November 10, 2021

8.1.3 Management Structure



Note: Information as of October 1, 2021

8.1.4 Duties and Responsibilities of Asset Management Company and Fund Manager

The Asset Management Company has the duties and responsibilities to operate and manage the Fund in accordance with the securities law, as well as the following duties and responsibilities:

1. Fund Management

- 1.1 Managing the Fund in accordance with the terms and conditions of the projects that have been approved by the Office of the SEC and the commitment between the Asset Management Company and unitholders, and conducting duties per Section 125 and other related covenants of the Securities and Exchange Act B.E. 2535 (1992).
- 1.2 Arranging for a commitment between the unitholders and Asset Management Company, Trustee appointment contract and prospectus, with identical key contents to the draft commitment, draft Trustee appointment contract and draft prospectus that have been approved by the Office of the SEC.



-
- 1.3 Delivering, distributing and arranging for the projects' prospectuses and details by the following methods:
- (a) Prior to investment unit offering to the general public, the Asset Management Company shall deliver the prospectuses to the Office of the SEC at least one business day before delivering or distributing the prospectuses to the general public. Prospectuses shall be submitted via the Office of the SEC's Mutual Fund Report and Prospectus (MRAP) system. In case of changes of information, the Asset Management Company shall submit such changes via the MRAP system without any delay.
 - (b) For investment unit offering, the Asset Management Company shall ensure that important information related to the investment units and the Fund is adequately distributed to investors. The Asset Management Company shall also prepare the project details in case of investors' request. All information must be up-to-date.
 - (c) Upon the end of the offering period, the Asset Management Company shall provide for the general public the prospectuses' part of project details at all offices of the Asset Management Company. Copies of such documents shall also be provided upon request of unitholders. In case of any amendments of the projects, the Asset Management Company shall notify to the Stock Exchange of Thailand (SET) of such amendments within 10 days of the day after the date of approval by the Office of the SEC or the date of resolution to amend the projects, whichever the case may be, until the Fund is terminated.
- 1.4 In case where the Asset Management Company wishes to establish an agent for selling the Fund's investment units, the Asset Management Company shall have no relations with the owner, lessor, transferor of leasehold right, grantor of right in immovable properties to be invested in by the Fund as the same person.
- 1.5 Investing the Fund's money in immovable properties or other properties, and earning interests from such immovable properties by purchasing, renting, disposing of, transferring the leasehold rights and selling; ordering transfer and modification of immovable properties or other properties invested in by the Fund in accordance with the policies, objectives, criteria, terms and conditions, and methods specified in the projects, and in compliance with related requirements and criteria of the SEC, and notifications of the Office of the SEC.
- 1.6 If it has clearly appeared to the Asset Management Company that any person or group of persons holds investment units of the Fund totaling more than 50% of all investment units that have been sold or any other amount as specified by the Office of the SEC, the Asset Management Company shall act in accordance with related requirements of the Office of the SEC.

- 1.7 Increasing or decreasing the capital fund of the Fund per the specified methods of the projects and/or in accordance with related requirements of the SEC or the Office of the SEC.
- 1.8 Allocating the Fund's earnings for dividend payment to the unitholders in accordance with the criteria and methods specified in the projects and in accordance with related requirements of the Office of the SEC.
- 1.9 Arranging for property valuation in accordance with related requirements and criteria of the Office of SEC.
- 1.10 Arranging for insurance of the Fund in accordance with related requirements and criteria of the Office of SEC.
- 1.11 Arranging for inspection of property conditions in accordance with related requirements and criteria of the Office of SEC.
- 1.12 Submitting related documents and information necessary for valuation or review of valuation upon valuer's request, and providing the following facilitations:
 - (a) Facilitating companies or persons assigned by property valuer in their surveys of immovable properties invested in by the Fund;
 - (b) Facilitating Trustee or persons assigned by Trustee in their surveys of immovable properties invested by the Fund in accordance with Trustee appointment contract.
- 1.13 Organizing meetings of unitholders upon request of the unitholders together holding not less than 10 percent of the investment units that have been sold.
- 1.14 Modifying or amending projects or fund management methods in accordance with the terms and criteria as specified in the projects.
- 1.15 Undertaking any legal acts and contracts in the name of the Fund within the lawful scope.
- 1.16 Undertaking other actions in order to achieve the Fund's objectives and maintain the unitholders' interests within the scope, duties and responsibilities of the Asset Management Company in compliance with the securities law and/or other related laws.
- 1.17 Terminating the Fund as specified in the projects.

2. Fund Acceptance and Payment of the Fund

Acceptance and payment of fees and expenses and/or other proceeds shall be undertaken as specified in the projects.

3. Appointment of Related Parties for Fund Management

- 3.1 Investment Committee (if any)
- 3.2 Appointing persons approved by the Office of the SEC to perform the following duties:
 - (a) Property fund manager – to make decisions to invest in or dispose of immovable properties or leasehold rights in immovable properties;



- (b) Fund manager – to make decisions to invest in or dispose of properties per Item 6.2 for the purpose of liquidity management of the Fund; the list of fund managers shall be announced by the Asset Management Company.

The Asset Management Company shall post the list of fund managers at its offices.

- 3.3 Appointing Trustee with qualifications as specified in the Office of the SEC's notification on qualifications of property Trustee, changing and appointing new Trustee per the terms and conditions of the projects, with approval of the Office of the SEC.
- 3.4 Appointing unitholder registrar, changing and appointing new registrar with qualifications as specified by the Office of the SEC, and notifying the Office of the SEC for acknowledge of such appointment.
- 3.5 Appointing unitholder registrar to control foreign investors' holding of investment units at any particular period, after the initial investment unit offering per the criteria announced by the Office of the SEC.
- 3.6 Appointing property valuer, which must be in the list approved by the Office of the SEC.
- 3.7 Appointing property manager (if any); property manager must have the qualifications and must not have the prohibited characteristics per related SEC notifications.
- 3.8 Appointing advisor (if any) of the Asset Management Company and/or the Fund.
- 3.9 Appointing the Fund's auditor, auditor must have the qualifications and must not have the prohibited characteristics per the SEC notification on auditor approval criteria, changing and appointing new auditor with qualifications specified by the Office of the SEC, and notifying the Office of the SEC for acknowledgement of such appointment.
- 3.10 Appointing the Fund's liquidator to gather and allocate properties to the unitholders and to undertake other necessary duties related to liquidation upon the Fund's termination or revocation.
- 3.11 Appointing other persons to perform duties related to the Fund, e.g., construction supervisor, experts, building inspector, hygiene supervisor and construction contractor.

4. Other functions

- 4.1 Filing applications for registration of assets that are proceeds earned from investment unit sales to the Office of the SEC within 15 days from the day following the closing date of investment unit offering.
- 4.2 Filing applications to the SET for consideration of the Fund's investment units as listed securities within 30 days of the Fund's registration date.

- 4.3 Requesting equivalent documents from the Office of the SEC as evidence of registration of property fund as a fund, with payment of fees as specified by the Office of the SEC, in case where such evidence has been lost or destroyed.
- 4.4 Separating the Fund's properties from the Asset Management Company's properties, and placing the Fund's properties with Trustee and/or Thailand Securities Depository Co., Ltd.
- 4.5 Arranging for the unitholder register in accordance with the criteria and methods as notified by the Office of the SEC, and safekeeping the unitholder register.
- 4.6 Recording the Fund's investment correctly and preparing the Fund's investment reports for acknowledgement of Trustee in accordance with the criteria and methods as notified by the Office of the SEC.
- 4.7 Calculating value of assets, NAV and value of the Fund's investment units per the SEC's notification on criteria, terms and conditions, and methods of establishment and management of property funds, or criteria and methods as notified by the Office of the SEC.
- 4.8 Notifying the unitholders of any incidents or changes that occur after the date of calculation of asset value, NAV and value of the Fund's investment units if such incidents or changes produce significant impacts on the Fund's total assets.
- 4.9 Preparing the Fund's financial statements in accordance with the accounting standards for investment businesses, and preparing the Fund's reports at the end of each financial year and delivering such reports to the unitholders as shown in the unitholder register and the Office of the SEC within 4 months of the end of the financial year.
- 4.10 Delivering copies of valuation reports and related documents to Trustee without delay and to the Office of the SEC within 30 days after receiving the valuation reports, with exception of the valuation review reports per Item 30.3, which shall be sent to Trustee only.
- 4.11 Delivering the following documents to Trustee without delay upon investment in or disposal of immovable properties or leasehold rights in immovable properties:
 - (a) Documents indicating ownership or right of possession in immovable properties, and contracts of purchase, rent, acceptance of leasehold right transfer or granting of right in immovable properties, as the case may be;
 - (b) Written contracts indicating disposal of immovable properties or leasehold rights in immovable properties. The Asset Management Company shall deliver written notifications on possession of immovable properties to Trustee within 5 business days after the date of immovable property possession.
- 4.12 Delivering copies of the following contracts to Trustee:



- (a) Contract of property valuer appointment – within 5 business days of the contract execution date or Trustee appointment date in case where the valuer was appointed before Trustee, whichever the case may be;
 - (b) Contract of property manager appointment (if any) and advisor appointment (if any) – within 5 business days of the contract execution date.
- 4.13 Compiling, monitoring, operating and instructing the appointed parties to perform their functions per the appointment contracts, e.g., property manager, advisor and construction supervisor; preparing and delivering related reports; and/or undertaking any actions as specified in the appointment contracts and/or the request of the Investment Committee and/or unitholders and/or regulatory agencies.
- 4.14 Delivering summary documents related to the Fund's investment in or disposal of immovable properties or leasehold rights in immovable properties to the unitholders and the Office of the SEC within 15 days of the date of such investment or disposal; providing important information at all offices of the the Asset Management Company and headquarters of Trustee within 15 days of the date of investment or disposal; the summary documents must contain important information per related notifications of the Office of SEC.
- In case where the Fund's investment units are approved as listed securities on the SET, the Asset Management Company shall send the summary documents to the SET instead of sending them to the unitholders within the business day after the date of such investment or disposal, or other date as specified by the SET.
- 4.15 Selling, disposing of, allocating or transferring the Fund's partial or entire assets as deemed appropriate.
- 4.16 Performing other duties as specified by the securities law as the duties of asset management companies.

8.1.5 Conditions for changing the Management Company

The Property Fund may change the Management Company in any of the following cases and/or upon approval of the Office of the Securities and Exchange Commission.

(1) The Property Fund unitholders holding more than half of all investment units sold have a resolution to change the Management Company and notify the Management Company at least 90 days in advance. If such a change is not caused by wrongdoing or gross mishandling by the Management Company, the Property Fund shall pay a compensation for the management fee as specified in the Project to the Management Company in an amount calculated from the remaining period before the five-year period, using the net asset value of the last month as the base of calculation.

- When the Property Fund has been managed for one entire year, the Management Company has the right to receive the management fee of four years as compensation.

- When the Property Fund has been managed for two entire years, the Management Company has the right to receive the management fee of three years as compensation.
- When the Property Fund has been managed for three entire years, the Management Company has the right to receive the management fee of two years as compensation.
- When the Property Fund has been managed for four entire years, the Management Company has the right to receive the management fee of one year as compensation.
- When the Property Fund has been managed for five entire years, the Property Fund shall not pay the management fee as compensation to the Management Company.

(2) In the case of modification of management policy per a resolution of unitholders meeting or amendment of the Securities and Exchange Act, announcement of the Securities and Exchange Commission announcement of the Office of the Securities and Exchange Commission, and/or other law, which results in the Management Company being unable to comply with such announcement, order, rule and regulation, as the modification increases the duties of the Management Company and the Management Company does not wish to bear such duties any longer. In this connection, the Management Company reserves the right to not continue to bear the duties of Property Fund management. The Management Company shall notify the unitholders in writing of their intention, and the unitholders shall appoint a new Management Company within 90 days before the termination date of the Management Company's operations. The unitholders meeting shall nominate a new Management Company having the qualifications as required by the securities law, which shall be approved by the Office of the Securities and Exchange Commission to assume the duties of Property Fund Management as specified by the Project within 180 days from the date the unitholder receives the Management Company's notification.

(3) In case of changes in the policies and methods of the Property Fund's administration, operations and management, or changes in the unitholding structure, or any other cases that cause the Management Company to not wish to continue their duties any longer, the Management Company reserves the right to not continue to bear the duties of Property Fund management. The Management Company shall notify the unitholders of their intention to resign in writing at least 90 days before the effectiveness of the termination of their duties. The unitholders meeting shall nominate a new Management Company having the qualifications as required by the securities law, which shall be approved by the Office of the Securities and Exchange Commission to assume the duties of Property Fund Management as specified by the Project within 180 days from the date the unitholder receives the Management Company's notification.

(4) In the case where the Management Company's securities business license for Property Fund management is revoked, causing the Management Company to be unable to continue their duties as the Management Company, and such revocation occurs before five years of Property Fund Management from the date of registration, the Property Fund shall not pay compensation for the management fee to the Management Company.



If a change of Management Company is required by law to be approved by the Office of the Securities and Exchange Commission, such approval shall be sought and the Management Company shall continue to conduct their duties until a new Management Company is appointed. However, in the case where the Management Company has completely notified about their resignation as mentioned in (2) or (3), and the Property Fund and/or unitholders are unable to nominate a new Management Company within 90 days from the date of the Management Company's notification, the Management Company reserves the right to terminate the Project, deeming that such action has been approved by all unitholders.

8.1.6 Property Funds/Infrastructure Funds

No.	Fund's Name	Details of Assets
1	Amata B.Grimm Power Power Plant Infrastructure Fund (ABPIF)	Rights to receive benefits per the Revenue Sharing Agreement of power plant business of B.Grimm 2 which will end on September 27, 2022, and the Agreement with B.Grimm 1 has terminated on September 16, 2019.
2	Centara Hotels & Resorts Leasehold Property Fund (CTARAF)	Leasehold of land and buildings (hotel) and the ownership of furnitures and operating assets
3	KPN Property Fund (KPNPF)	Freehold of land and office building of KPN Tower, related utilities, fixtures and equipments.
4	Major Cineplex Lifestyle Leasehold Property Fund (MJLF)	<p>1. Leasehold of land and buildings of the Major Cineplex Ratchayothin buildings and parking building, including parking building utilities; investments in Project utilities infrastructure.</p> <p>2. Leasehold of land and buildings of the Major Cineplex Rangsit Project, including parking areas in the building; investments in Project utilities infrastructure.</p> <p>3. Leasehold of land and part of buildings of which the Suzuki Avenue Ratchayothin Lifestyle Shopping Complex project and parking structure ;ownership of systems and properties necessary for land and building utilization</p>

Note: Information as of December 30, 2021

8.2 Property Manager

8.2.1 Name, Address, Telephone Number and Fax Number

Name : KPN Land Co., Ltd.

Address : 719 Rama IX Road, Bang Kapi Sub-District, Huai Khwang District, Bangkok 10310

Tel : 027170111

Fax : 027170875

8.2.2 Shareholding Structure

N0.	Unitholders	Amount (Unit)	%
1	KPN Holding Co., Ltd.	7,999,996.00	100.0
2	Mr. Krit Narongdej	1.00	0.0
3	Mr. Nop Narongdej	1.00	0.0
4	Mr. Korn Narongdej	1.00	0.0
5	Mr. Kasem Narongdej	1.00	0.0
		8,000,000.00	100.0

Note: Information as of May 11, 2021

8.2.3 Rights, Duties and Responsibilities of Immovable Property Manager

- (1) Receiving remuneration for the duties of property manager from the Fund per the engagement contract between the Fund and Property Manager.
- (2) Gaining benefits from immovable properties, such as seeking tenants for the Fund.
- (3) Performing general functions related to immovable property administration and management in compliance with the annual operating plans, the Fund's projects and the securities law
- (4) The property manager agrees to provide sufficient staff to permanently function at the project sites; such staff must be knowledgeable and experienced in immovable property management, with qualifications of immovable property managers as specified in the securities law; expenses incurred from such staff shall be borne by the property manager
- (5) In case where the property manager engages any party or assigns any task related to the property manager's duties per this contract to any party to perform on their behalf, and such a party is a subsidiary of or the same entity as the property manager, the property manager shall provide a warranty and shall agree to examine the remuneration to be paid to that party to comply with the market rate.
- (6) Performing other duties as specified by the SEC or the Office of the SEC as duties of property managers.

8.3 Trustee

8.3.1 Name, Address, Telephone Number and Fax Number

Name : TTBThanachart Public Company Limited

Address : Head Office 3000 Phahon Yothin Road, Chomphon Sub-District, Chatuchak District, Bangkok 10900



Tel : 022991111

Fax : 022992758

8.3.2 Shareholding Structure

No.	Name	No. of shares (unit)	%
1	ING BANK N.V	22,190,033,791	23.02
2	Thanachart Capital Public Company Limited	20,416,613,367	21.18
3	Ministry of Finance	11,364,282,005	11.79
4	Vayupak Fund 1 by KRUNGTHAI Asset Management PCL	5,031,347,008	5.22
5	Vayupak Fund 1 by MFC Asset Management PCL	5,031,347,007	5.22
6	THAI NVDR Company Limited	2,930,362,907	3.04
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES Limited	1,969,887,203	2.04
8	Bualuang Top-Ten Fund (BTP)	923,116,300	0.96
9	MR. HENDRIK ROBERTUS CASTENDIJK	735,950,000	0.76
10	Mrs.Somporn Juangroongruangkit	698,954,247	0.72

Remark: As of April 30, 2021

8.3.3 Rights, Duties and Responsibilities of Trustee

- (1) Receiving remuneration for the duties of Trustee per the rate as specified in Trustee appointment contract entered into with the Asset Management Company.
- (2) Supervising the Asset Management Company's performance in accordance with Section 125 and other related covenants of the Securities and Exchange Act B.E. 2535 (1992), the regulations of the fund management project which had been approved, and the commitment concluded with the unitholders; in case where the Asset Management Company fails to comply with such requirements, Trustee shall notify the Asset Management Company immediately.

In case where the Asset Management Company conducts any act causing damages to the Fund or fails to comply with Section 125 and other related covenants of the Securities and Exchange Act B.E. 2535 (1992), Trustee shall prepare a detailed report on the issue and deliver the report to the Office of the SEC within 5 days of the date Trustee is aware of the incident or the date where there is a reasonable cause to be aware of the incident.

- (3) Filing a lawsuit to enforce the Asset Management Company to conduct its duties or filing a claim for indemnities from the Asset Management Company for the unitholders' benefits, or upon instruction given by the Office of the SEC.
- (4) Inspecting the Fund's immovable properties per the following timelines:
 - (a) Within 30 days after receiving the Asset Management Company's notification of immovable property possession.

- (b) Every one year from the previous inspection of Trustee; expenses incurred from property inspection shall be deemed as the Fund's expenses.
- (5) Recording the conditions of immovable properties inspected by Trustee accurately and completely within 30 days of the start date of such inspection.
- (6) Notifying the Asset Management Company within 5 business days of the date Trustee finds out significant defects of the Fund's immovable properties.
- (7) Notifying the Asset Management Company to undertake re-evaluation in case where Trustee deems that there is any incident or change that may significantly affect the value of the Fund's immovable properties.
- (8) Reviewing the Fund's purchase, rent, disposal or transfer of leasehold rights in immovable properties per the terms and conditions of the projects and criteria as specified by the SEC.
- (9) Recording and certifying the correctness of the Fund's properties under its supervision; and preparing the reports on acceptance and allocation of the Fund's properties.
- (10) Certifying the asset value, NAV, value of investment units calculated by the Asset Management Company per the "Calculation Methods, Calculation Schedules and Announcement of Asset Value, NAV and Value of Investment Units" of the fund management project; For calculation of NAV, Trustee may use the information obtained from the Asset Management Company, which could be the information from reports prepared and certified by the Asset Management Company or the information that the Asset Management Company has received from the property manager engaged by the Asset Management Company, which has been certified by the property manager.
- (11) Providing opinions related to the Fund's operations in the Fund's reports.
- (12) Having the rights, duties and responsibilities as specified in Trustee appointment contract.
- (13) Performing other duties as specified by the SEC or the Office of the SEC as duties of Trustee.

8.4 Investment Committee

8.4.1 Members of the Property Business and Infrastructure Sub-Committee

- | | |
|------------------------------|--------------------------------|
| - Mr. Suradech Kietthanakorn | - Mr. Vittawat Ajchariyavanich |
| - Mr. Mongkol Mai-ngam | - Mr. Pornsit Korlertratsamee |
| - Ms. Patitta Sirisuksamran | - Ms. Waraphorn Asaphorn |
| - Ms. Chanathip Rungkunanon | - Mr. Direk Lertpanyavisetkul |
| - Mr. Peerapat Foithong | |



8.4.2 Roles and Responsibilities

- (1) Making decisions on investment, purchase, rent, sub-rent, lease-out, sub-lease out, disposal, transfer or acceptance of transfer of immovable properties or leasehold rights in immovable properties.
- (2) Granting approval on major maintenance and modification or repair of the Fund's properties, for which the expenses exceed the amount agreed upon by the Fund and sub-tenants in the sub-lease contract of immovable properties initially invested in by the Fund.
- (3) Undertaking other functions per resolutions of unitholders meetings, which must not contradict any notifications of the SEC, the Office of the SEC and other related laws, both existing and to be issued in the future.
- (4) All members of the Property Business and Infrastructure Sub-Committee shall keep the information discussed in the meetings confidential and shall not disclose such information to any persons and/or use such information for other benefits than the Fund's benefits, except explicitly compelled by laws to disclose such information or except where such information has been already disclosed to general investors.
- (5) The Property Business and Infrastructure Sub-Committee's decisions shall be made with transparency and integrity, and shall be based on compliance with the terms and conditions of the projects and related laws, both existing and to be issued in the future, with focus on the unitholders' interests.
- (6) The Property Business and Infrastructure Sub-Committee shall not take part in daily operations of the Fund (e.g. instruction of instrument trading, fund depositing) and shall have no right to any remuneration for performing the duties of the Property Business and Infrastructure Sub-Committee, except for meeting allowance as approved by the Asset Management Company and/or unitholders meeting in case where meetings have been held, or at other amounts per related resolutions of the unitholders.

8.5 Auditor, Investment Unit Registrar, Property Valuer and Legal Advisor

8.5.1 Auditor

Name : Grant Thornton Co., Ltd.

Address : 87/1 Capital Tower at All Seasons Place, 18th Floor, Wireless Road, Lumpini Sub-District, Pathumwan District, Bangkok 10330

Tel : 026251888

8.5.2 Investment Unit Registrar

Name : KASIKORNBANK PCL

Address : Registrar and Account Administration Unit, Securities Services Department, 1
Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District, Rat Burana District,
Bangkok 10140
Tel : 028888822

8.5.3 Property Valuer

Name : Agency for Real Estate Affairs Co., Ltd.
Address : 33/4, The 9th Towers, Grand Rama 9, Tower A, 31st Fl., Unit No.TNA 01-04, Rama 9 Rd,
Huaykwang Sub-District, Huaykwang District, Bangkok 10310
Tel : 026438223

8.5.4 Legal Advisor

Name : Charin & Associates Limited
Address : 57 Park Ventures Ecoplex, 16th Floor, Wireless Road, Lumpini Sub-District, Pathumwan
District, Bangkok 10330
Tel : 021082344

9. Corporate Governance

9.1 Corporate Governance Policy

The Board of Directors of KASIKORN ASSET MANAGEMENT Co., Ltd. (the "Board") is well aware that key success factor of the investment management business is the general public's trust and confidence. The Board is fully ensured that the good corporate governance processes will sustainably enhance the company's performances and is crucial to the achievement of the company's goals, including creation of customers' ultimate satisfaction and generation of maximum value to the shareholders, with adherence to the policy of independent investment management and focus on investors' interests prior to the interests of the company, staff and shareholders. The measures to prevent conflicts of interests and to emphasize transparency are in place, based on the good corporate governance principles, along with a management structure to support the achievement of the above-stated goals, while ensuring the competitiveness, business ethics and legal compliance of the company.

As one of Thailand's leading asset management companies, the Board adheres to the following components of good corporate governance processes:

- Responsibility toward the customers' interests, which are deemed more important than other interests
- Integrity
- Transparency
- Independence



- Accountability
- Responsibility toward duties
- Fairness
- Responsibility toward society

The company's corporate governance principles reflect the company's value, guidelines and directions as determined and approved by the Board. In addition, the company has ingrained in all executives and employees the adherence to the code of conduct and self-regulation.

The company also emphasizes its role to support and promote good corporate governance practices of listed companies and securities issuers. As the Fund's representative, the company exercises the proxy voting right to protect the Fund's maximum benefits.

9.2 Sub-Committees

The Board members are experts with knowledge and capabilities that are useful for the Asset Management Company. The Board appoints the following Sub-Committees to study and screen important issues that need close supervision, and to provide opinions to the Board:

Audit Committee with the following duties and responsibilities:

- (1) Reviewing internal audit reports directly submitted by the Asset Management Company's internal audit unit.
- (2) Overseeing the Asset Management Company's compliance and internal audit units.
- (3) Receiving facts from the company's auditor related to suspicious acts of directors or persons responsible for the Asset Management Company's operations that may violate Section 281/2 Paragraph 2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 and Section 313 of the Securities and Exchange Act B.E. 2535 (1992) for examination; initial examination results shall be reported to the Office of the SEC and the company's auditor within 30 days of the date that the auditor's notification is received (Section 89/25).
- (4) Performing other duties as assigned by the Board.
- (5) The Audit Committee's performances shall be reported to the Board.

Risk Management Committee with the following duties and responsibilities

- (1) Granting approval on risk management policies to be submitted to the Board for consideration of the overall risk management; risk management incorporates, for example, credit risk, strategic risk, liquidity risk, operational risk, reputational risk and/or other significant risks.
- (2) Establishing risk management strategies, organizational structure and resources in line with KASIKORNBANK's risk management policy, to enhance effective analysis, assessment, measurement and monitoring of risk management processes

- (3) Supervising, reviewing and providing suggestions to the Board on risk management policies, standard operational practices, strategies and risk measurements to ensure proper implementation of risk management strategies.
- (4) Granting approval on risk framework and risk limits for important dimensions of risk, with regard to investment risk management for the Fund under management.
- (5) Considering other necessary and related issues as assigned by the Board, in addition to Item (1)–(4)

9.3 Investment Committee Meetings

9.3.1 Convening of Meeting

A member of the Investment Committee calls a meeting to consider and issue resolutions per the methods as specified in the projects. The Asset Management Company shall deliver the meeting notice indicating the date, time, venue and meeting agenda via letter, fax or email as deemed appropriate at least three days in advance. Meeting notice is not required for emergency cases. If there is no meeting notice, the members who have attended the meeting shall be deemed as renouncing the right to receive the meeting notice.

9.3.2 Meeting Schedule

The Investment Committee meeting is held at least once a year.

9.3.3 Meeting Quorum

A quorum is more than half of the Investment Committee members, with representatives of the Asset Management Committee which has been approved to act as the property managers at not less than half of the attending members. Meetings may be held in the form of face-to-face meeting or teleconference. The Investment Committee shall comply with the majority of the attending members; each member of the committee has one vote and any member having interests in an issue shall not the right to vote on that issue.

9.3.4 Meeting Resolutions

(a) In case a meeting is held

Any resolution requires a majority of votes by the attending members. In case of equal votes, the Chairman shall have a casting vote.

(b) In case no meeting is held

The Investment Committee may undertake written circular resolutions signed and/or approved by more than half of the Investment Committee members. Signing may be made separately in each original of the resolution or together in a single original of the resolution.

The Investment Committee members may send the signed resolutions to the Asset Management Company via fax, and the Asset Management Company may deem that the copies of signed resolutions sent



to the company via fax are fully effective. The original resolutions shall also be sent to the Asset Management Company to be kept as evidence. In case of equal votes, the Chairman shall have a casting vote.

However, any member of the Investment Committee having interests in an issue shall not have the right to vote on that issue.

If a resolution or implementation of a resolution contradicts any law, regulation, rule and instruction of competent authorities and/or the code of conduct, or may impair the Asset Management Company's reputation or may cause damages or conflict of interest of the Fund or unitholders, the representative of Asset Management Company may exercise the right of veto. Such exercising of the right of veto shall be notified to the Investment Committee in writing. Such a resolution shall be deemed as not binding the Asset Management Company and the Investment Committee shall correct such as resolution without any delay.

9.3.5 Chairman of the Meeting

The Asset Management Company shall appoint a member of the Investment Committee who is the company's representative to act as Chairman of the Board and Chairman of the Meeting. Chairman of the Meeting shall have the authority and duty to supervise the meetings per the terms and conditions of the projects.

9.3.6 Important transactions of the Fund over the past accounting year

There has been no Important transactions of the Fund over the past accounting year

9.4 Use of Internal Information

The Asset Management Company has established guidelines to supervise the use of internal information, with the Chinese wall system to prevent leakage of customers' data. The list of authorized persons to access the Fund's internal information has been set up; communications of such persons are subject to control and examination, and their workspaces are provided exclusively with a control system to prevent entries of other persons.

The Asset Management Company has set up an operational procedure related to securities trading of employees and related persons; this operational procedure applies to directors, executives and employees at all levels. If the Asset Management Company finds out any use of internal information by directors, executives or employees for their own benefits, the company shall impose serious disciplinary action.

9.5 Investment Decision and Fund Management

The Fund has a policy to invest in immovable properties with the purpose to generate income and returns to the Fund and unitholders per the securities law and/or other related laws. Investment shall be subject to due diligence in cooperation with financial advisors including analyses of financial, legal and specialized techniques, etc. Projects to be invested in must be deemed appropriate for general investors,

with earning potential so that continual income can be generated to the Fund. Ownership documents or contract documents must be complete, well defined, effective and adequate for the Fund's operations and generation of benefits.

In case of infrastructure projects to be invested in are involved with the right to receive benefits from future income or the right under revenue-sharing contract, there must be a mechanism in place to allow for the Fund's examination or verification of revenues that the Fund shall receive per the contract, and to submit reports or related information for monitoring and examination of such revenue sharing.

9.6 Selection of Property Manager

The Fund has a policy to invest in immovable properties or leasehold rights in immovable properties conducting business of leasable office building. The Asset Management Company has assessed and analyzed property managers' experience, reputation and past performances. The selection criteria include continually outstanding performances, business management skills, financial structure having low risk arising from borrowing, stable income and cash flow, and business operations with social responsibility.

9.7 Monitoring of Property Manager's Operations

9.7.1 The Fund has determined criteria for examination or review of property manager's operations against the terms and conditions of contract of property manager appointment and the Fund's prospectuses. Such criteria include the following:

- (1) Approval of estimated annual revenues and expenses, and estimated expenses related to property improvement and repair.
- (2) Review of the estimated revenues and expenses against the actual expenses.

9.7.2 The Fund manager's opinions related to the Fund's immovable property management: In the previous accounting year, the property manager performed their functions in accordance with the established annual budget plan. However, due to certain uncontrollable and unpredictable external factors, the Fund's income did not meet the expectation.

9.8 Monitoring of Trustee

The Fund has established criteria for examination or review of Trustee's functions in compliance with Trustee appointment contract and the Fund's prospectuses. In addition, the Fund has monitored the accuracy of rental and service income per the contract, and the status of tenants in each project, at the beginning of each month, as well as monitoring the estimated expenses compared to the actual expenses, undertaking random checks of revenues that are not under the lease and service contracts, and examining the conditions of key properties, machines and fixtures, and other properties on a yearly basis. Such items must be accurate and in accordance with the Fund's property list.



9.9 Remuneration of the Asset Management Company

The Management Company has the right to receive the Fund management fee at up to 1 percent p.a. of the Fund's NAV (not including VAT, special business tax or other related taxes). The Asset Management Company calculates and collects the fee from the Fund on a monthly basis, based on the Fund's NAV on the last day of each month, which serves as an incentive toward efficient property management for satisfactory returns of the unitholders and increasing returns to the Asset Management Company as well. In 2021, actual remuneration of the Asset Management Company amounted to THB 5,697,428

9.10 Information Disclosure to Unitholders

The Fund places an emphasis on disclosure of financial and non-financial information, with the purpose to ensure accurate, complete, thorough and up-to-date disclosure in compliance with regulatory requirements and related regulations. The Asset Management Company has disclosed information as required by the projects or laws, e.g. financial statements and annual reports, and in case of important incidents that may affect securities prices, via the SET's disclosure system and the Asset Management Company's website. Such disclosure complies with the criteria of the Office of the SEC and/or the SET.

9.11 Meeting of Unitholders

- 9.11.1 The Asset Management Company may request unitholders' resolution by sending a request letter to the Unitholders or calling a meeting of unitholders. In the meeting notice or letter requesting unitholders' resolution, the Asset Management Company shall provide adequate information for the unitholders' decision making, as well as the opinions of the Asset Management Company and Trustee on the issues and possible impacts of such resolution.
- 9.11.2 The Asset Management Company shall arrange for a meeting of unitholders of a letter requesting unitholders' resolution upon a request of unitholders together holding not less than 10 percent of the investment units that have been sold. Arrangement of meeting or letters requesting unitholders' resolutions shall comply with the terms and conditions of the projects or the methods established by the Office of the SEC.

9.12 Remuneration of Auditor

The Auditor's remuneration for January 1 – December 31, 2021 totaled THB 990,000.

10. Social Responsibility

10.1 Social Responsibility Policy

KASIKORN ASSET MANAGEMENT Co., Ltd. is a subsidiary of KASIKORNBANK (KBank). KBank's policy of social and environmental development consists of the following components:

10.1.1 Social Development

With commitment to strengthening society and communities, KBank has undertaken development of potential of youths and society, and creation of public benefits. Focus has been placed on the development of youths so they become quality population and important force of national development. Cooperation has been forged among the networks of communities, public agencies and people to improve communities' living conditions and environment.

10.1.2 Environmental Development

- (a) Environmentally friendly business operations: KBank has committed to environmental operations via providing financial support to environmentally friendly businesses, focusing on reduction of greenhouse gas from KBank's operations, and ensuring that all business processes are based on environmental conservation concept.
- (b) Resource conservation, and reduction of resource utilization and waste: KBank has continually promoted efficient use of resource, including water and electricity, and reduction of waste.

10.2 Anti-Corruption

KASIKORN ASSET MANAGEMENT Co., Ltd. has joined the Private Sector Collective Action Coalition Against Corruption (CAC), which was co-founded by the Thai Institute of Directors, Thai Chamber of Commerce, Joint Foreign Chambers of Commerce in Thailand, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Associations, Federation of Thai Industries and Tourism Council of Thailand, with the purpose to promote the anti-corruption policy and practices. The company received a CAC certificate in 2013.

The company has included anti-corruption guidelines, including prohibition of acceptance or offering of bribes and inducements, in the code of conduct, which must be strictly adhered to by the directors and employees. In 2013, the Board of Directors approved an anti-corruption policy, including the issues of bribes and inducements, gifts and benefits, charitable contributions and financial sponsorships, and political contributions and activities.

11. Internal Control and Risk Management

11.1 Opinions of Head of Unit Supervising Internal Control System of the Asset Management Company

(1) Adequacy and Appropriateness of Internal Control System

The Internal Control Department has assessed the internal control system of the management of KPN Property Fund by questioning and reviewing related documents received from related departments, and has come to the conclusion that, after the assessment of the company's internal control system in regard to the Fund management, the company's internal control system is adequate and appropriate.

(2) Deficiency of Internal Control System



Via random audit of the Fund management during January – June 2021, the internal audit unit has not found any significant deficiency related to the internal control system.

11.2 Head of Internal Audit Unit of Asset Management Company

The meeting of Board of Directors of KASIKORN ASSET MANAGEMENT Co., Ltd. on January 1, 2021, No. 1/2021, appointed Dr. Peerapat Foithong as the highest executive of unit responsible for compliance and internal unit, given her experience in compliance and internal audit of fund management business for nearly 16 years and understanding in the company's activities and operations. Therefore, it is agreed that she is qualified to undertake this duty.

The consideration and approval to appoint, remove, or transfer the Head of abovementioned unit must gain approval or consent from the Company Board or any person authorized by the Company Board, who will report to the Company Board.

12. Prevention of Conflict of Interest

12.1 Related Transactions between the Fund and related parties over the past accounting period

The list of related parties for the period of January 1 – December 31, 2020:

12.1.1 Relations of the Fund and Related Parties

Major shareholders of the Fund are the authorized directors and major shareholders of the property manager and tenants of office spaces. As of December, 20121, the related parties' shareholding in the Fund was, as follows:

Name	Shareholding (%)
Mr. Kris Narongdej	16.3
Mr. Nop Narongdej	8.2
Mr. Korn Narongdej	3.7
Total	28.2

12.1.2 Characteristics of Related Transactions

(a) As of December 2021, KPN subsidiaries, i.e. KPN Land Co., Ltd., KPN Music Co., Ltd., (the "KPN Subsidiaries") rented office spaces in KPN Tower under three-year lease and service contracts, accounting for 4.2 percent of total leasable spaces.

(b) The Fund has appointed KPN Land Co., Ltd. as the Fund's property manager, and KPN Land Co., Ltd. as engaged CBNP (Thailand) Co., Ltd. to act as the property manager. The two companies have relations involving authorized directors and major shareholders.

12.1.3 Pricing Policy

- (a) Rent and service fees are fixed in accordance with the locations of properties under the lease and service contracts
- (b.) Property management fees are in accordance with the property manager appointment contract and the Fund project.

12.1.4 Opinion on Prices

- (a) The KPN subsidiaries rent the spaces of KPN Tower for business operations, with the rent and service fees at market rates and similar to the average rent of other similar tenants.
- (b) The property management fee is in accordance with the rate specified in the Fund prospectus.

The unitholders may find the details of transactions with related parties at the Asset Management Company or on its website – <https://www.kasikornasset.com>, or the website of the Office of the SEC – <https://www.sec.or.th>

With strong determination to conduct business with transparency, and compliance with regulatory requirements and good corporate governance principles, and with focus on the customers' benefits, KASIKORN ASSET MANAGEMENT Co., Ltd. has established a policy to prevent conflict of interest, as follows:

12.2 Policy to carry out transactions with related entities, and measures to prevent conflict of interest

12.2.1 Principle of Conflict of Interest

12.2.1.1 Conflict of interest must be eliminated in transactions of the company and funds under management of the company in a cautious, reasonable and independent manner and within the ethical framework, for the benefits of the company, customers and shareholders. Directors, executives or employees having interest in transactions conducted with the company and funds under management of the company must not take part in consideration or approval of such transactions.

12.2.1.2 Transactions between KASIKORNBANK and the company or related transactions of subsidiaries of KASIKORN ASSET MANAGEMENT shall be subject to normal conditions or requirements for transactions conducted with general persons with equivalent risk levels or for the cases approved by the Board of Directors, and shall comply with the company's established regulations and criteria, and related regulatory requirements.

12.2.1.3 Related transactions and transactions conducted with related businesses shall comply with the company's established regulations and criteria, and related regulatory requirements.

12.2.1.4 For related transactions, pricing shall be appropriate, fair and in compliance with normal trade practices, the company's regulations and related regulatory requirements.



12.2.1.5 Directors, executives and employees shall disclose accurate and adequate information related to transactions with the company for use in decision making or approving the company's transactions,

12.2.1.6 It is prohibited to use the information obtained from one's function for the benefits of oneself or others.

12.2.1.7 Securities trading shall comply with the company's regulation on employees' securities trading.

12.2.1.8 The company has required disclosure of information involving related transactions in accordance with related criteria, terms and conditions, and regulatory requirements,

12.2.1.9 In conducting transactions or legal acts of the Fund's counterparties or contracting parties or between the funds under management of the company, conflict of interest shall be prevented for the Fund, unitholders or customers.

12.2.1.10 Churning of transactions for a customer or contracting party without proper reason shall be avoided.

12.2.2 Guidelines to Prevent Conflict of Interest

12.2.2.1 *The company has established the system and measures to prevent conflict of interest, as follows:*

- (1) Fair treatment of customers
- (2) Thorough prevention of improper use of information or service provision
- (3) Separation of units and staff with duties that may involve conflict of interest, or separation of working spaces
- (4) Formulation of operational procedure or prevention of behaviors that may cause conflict of interest, including the following:
 - (a) Acts of the company or related parties that may create conflict of interest:
 - Seeking benefits for which customers bear the expenses
 - Conducting transactions using the information which the company, or director, executive or employee has gained from business operations, and which is not generally disclosed
 - Accepting or going to accept returns or other benefits in the form of money, other items or services from any party in excess of normal benefits from business operations
 - Accepting or going to accept returns from providing benefits for any customer in excess of benefits for another customer, causing unfair treatment of customers in the same group

- Being unable to provide appropriate customer service, because the company has gained benefits from service provision that are not consistent with the benefits that the customers should gain or because there is a conflict of interest among customers
- Conducting transactions for customers causing losses of benefits to the company or related parties
- The Fund engages an advisor who is also the advisor of the Fund's counterparty or contracting party or is a stakeholder of the Fund.

(b) Acceptance of gifts or other benefits from customers, service providers or other parties

(c) Account opening and investment in capital market products of directors, executives and employees of the company

12.2.2.2 The company has established measures to monitor, control and examine compliance with the measures and work systems established by the company.

12.2.2.3 The company has required regular review of measures and work systems, or at least upon any incident that may produce adverse impacts. Such review shall be reported per the company's requirements.



Part 4 Financial Position and Performance

13. Important Financial Information

13.1 Summary of Auditor's Report

Please see Attachment 1

13.2 Important Financial Information

Assets and Liabilities

(Unit :THB)

	For the year ending December 31, 2021	For the year ending December 31, 2020	For the year ending December 31, 2019
Total assets	1,800,132,780	1,916,237,730	1,948,986,488
Total liabilities	40,334,863	60,651,182	54,285,986
Net assets	1,759,797,917	1,855,586,548	1,894,700,502
Net assets value per unit	9.7766	10.3088	10.5261
Outstanding investment units (units)	180,000,000	180,000,000	180,000,000

Income Statement

(Unit : THB)

	For the year ending December 31, 2021	For the year ending December 31, 2020	For the year ending December 31, 2019
Total income	113,885,767	137,145,477	156,408,548
Total expenses	54,991,624	64,112,169	69,697,792
Net investment income	58,894,143	73,033,308	86,710,756
Unrealised gain (loss) from Investment valuation	(103,040,774)	(40,993,262)	(967,867)
Increase in net assets from operations	(44,146,631)	137,145,477	85,742,889

14. Analysis and Explanation by the Asset Management Company

14.1 Past Performance

As per the management of the Fund during 1 January 2021 to 31 December 2021, the Fund has realized a total revenue of THB 113.89 million, a decrease of approximately 20.4% from the previous year, due primarily to the fact that several tenants of the Fund had reduced rental space, while some had not renewed their rental contracts amid the COVID-19 pandemic. Additionally, the Fund had assisted pandemic-affected tenants to maintain their existing tenancies. The Fund has recorded a total expense of THB 55.00 million in 2021, which includes; operating expenses of THB 37.13 million, Most items involved public utilities and system improvements to maintain the building standards, management fee THB 5.70 million , property management fee THB 9.32 million, trustee fee THB 0.57 million, registrar fee THB 0.66 million and others expense THB 1.60 million. As a result, for the period of 1 January 2021 to 31 December 2021, the Fund has realized a net revenue of THB 58.89 million. Considering a net unrealized loss from investment of THB 103.04 million as end of 2021, The Fund has an increase in net assets from the full year operation of THB 44.15 million, and net asset value of THB 1,759.80 million or THB 9.7766 per unit as of 31 December 2021.

Payment of Dividend of the Fund

The Fund has paid dividend of THB 0.2069 per unit to unitholders in 2021 (from 1 January 2021 to 31 December 2021), which is equal to 2.9% yield of PAR (PAR at 10.0000 Baht per unit) or 4.5% of market price as at 30 December 2021 (market price at 6.3500 Baht per unit).

14.2 Factors Affect Performance

The lease of office spaces depended on various factors, for example, political situations, global economy and impacts of the COVID-19 pandemic wherein many companies needed to move to other locations. At the same time, some businesses, such as e-commerce, technology, co-working spaces and financial institutions continued to expand their businesses and request more space to rent. However, most companies focussed on downsizing and some aimed to move to new office buildings with lower rental prices in order to save costs. However, KPN Tower offers a variety of office spaces, and is situated near the Expressway's points of entry and exit, and the MRT Orange Line (Cultural Center – Min Buri) that is under construction. Upon the opening of the MRT Orange Line (expected to be completed in 2023), the occupancy rate and rent will significantly rise, because travel convenience is an important factor of tenants' decision making.

In addition, KPN Tower has been in service for more than 20 years and, therefore, the maintenance costs may rise in the future in order to maintain the building in good conditions and increase its competitiveness.



15. The Fund Supervisor Grant Approval



Make REAL Change

SSFO 22/011

January 7, 2022

THE SUPERVISOR GRANT APPROVAL

To : Unitholders
KPN Property Fund

TMBThanachart Bank Public Company Limited, as the mutual fund supervisor of the KPN Property Fund, has performed our duties in such mutual fund project, administered and managed by Kasikorn Asset Management Public Company Limited., from the period between January 1, 2021 to December 31, 2021

In our opinion, we are pleased to confirm that Kasikorn Asset Management Public Company Limited., has managed the mutual fund strictly in accordance with the approved mutual fund project prospectus and the commitment made to the unitholders under The Securities and Exchange Act, BE 2535

MANEEVAN INGKAVITAN
Fund Supervisory
TMBThanachart Bank Public Co., Ltd.

ธนาคารพาณิชย์ธนชาต จำกัด (มหาชน)
TMBThanachart Bank Public Company Limited

3000 ถนนพหลโยธิน แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10900 โทรศัพท์/โทรสาร: 0-2299 1111 โทรสาร: 0-2299 1111
3000 Phahon Yodhin Rd., Chom Phon, Chatuchak, Bangkok 10900. Reg No./Tax ID No. 0107537000017 Tel. 0 2299 1111
ttbbank.com



Part 5 Certification of Information Accuracy

Certification of Information Accuracy

Managing Director of KASIKORN ASSET MANAGEMENT Co., Ltd.


"I, as the Fund Manager, have cautiously reviewed the information in this Annual Registration Statement. I hereby certify that such information is accurate, complete, not false, not misleading or not omitting material information that should have been disclosed" In addition, I certify that:

(1) The financial statements and financial information summarized in this Annual Registration Statement are accurate and complete in all material elements related to the Fund's financial status and operating results.

(2) I have arranged for an efficient information disclosure system to ensure that the material information disclosure of the company and the Fund is accurate and complete, and have supervised compliance with the system.

(3) I have arranged for an efficient internal control system and supervised compliance with the system. I have notified the Fund's auditor of the internal control system assessment as of February 22, 2022, including deficiencies and significant changes of the internal control system as well as improper acts that may affect the preparation of the Fund's financial reports.

As evidence that all documents are the documents that I have certified, I hereby assign Mr. Vittawat Ajchariyavanich to sign all pages of these documents. Any document without the signature of Mr. Vittawat Ajchariyavanich shall be deemed as not being the information that has been certified as the above-mentioned.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr. Vittawat Ajchariyavanich	Executive Vice President	
2. Ms.Sunida Meechookul	Head of Property Business Management Department #2	

As the Fund Manager and Authorized Person by the Asset Management Company to act on behalf of the Fund



Details of Assets As at 31 December 2021

KPN Property Fund

As at 31 December 2021			As at 31 December 2020	
Type	Baht	% NAV	Baht	% NAV
Investments in Property	1,667,000,000.00	94.73	1,770,040,000.00	95.39
Investments in Securities	-	0.00	1,006,095.39	0.05
Cash and Deposit	130,796,436.21	7.43	117,694,051.57	6.34
Receivable	936,958.01	0.05	918,368.74	0.05
Receivables from rental and services	1,284,007.49	0.07	26,527,681.27	1.43
Deferred expenses	115,378.87	0.01	51,533.09	0.00
Total Assets	1,800,132,780.58	102.29	1,916,237,730.06	103.27
Liabilities	(40,334,863.10)	(2.29)	(60,651,182.16)	(3.27)
Net Assets	1,759,797,917.48	100.00	1,855,586,547.90	100.00

Summary of Asset Value, Net Asset Value and Fund Unit Value

KPN Property Fund

As at 31 December 2021

Total Assets	1,800,132,780.58	Baht
Net Assets	1,759,797,917.48	Baht
Number of Units	180,000,000.0000	Units
Net Assets per Unit	9.7766	Baht

Portfolio Turnover Ratio (PTR) : N/A

Information of investment inconsistent with investment policy in specified period.

- None

Information of bond's value recording or null and void rights of claim in case bond issuers or debtors of right of claim default.

- None

Information of repayment with assets other than money.

- None

KPN Property Fund Manager

Ms. Sunida Meechookul

Mr. Chajchai Sarit-Apirak

Mr. Chaiyaporn Direkpokar

Ms. Songporn Suebsaithai

Mr. Monchai Anantakool

Mr. Panodphol Tantawichian

Ms. Gunsara Romchampa

Mr. Kulaniith Busaranon

Soft commission

-None-



Kasikorn Asset Management Co., Ltd.

A Profile of KAsset

Kasikorn Asset Management Co., Ltd. or KAsset, a KASIKORNBANK Group Company, was established as a mutual fund management company in March 1992 licensed under the Finance Business, Securities Business and Credit Foncier Business Act B.E. 2522 (1979). It was granted a provident fund license in June 1996 and a private fund license in March 1997.

Since its establishment, KAsset has grown to become one of the largest asset management companies in Thailand. As of December 31, 2006, it managed 86 mutual funds, 209 private funds, and 75 provident funds with total assets of approximately US\$ 6.7 billion.

KAsset offers a vast variety of investment choices including money market funds, fixed income funds, balanced funds, flexible portfolio fund, equity funds and index funds. All KAsset's funds performances have been consistent through out the years.

Location of Management Company

400/22 , KASIKORNBANK Building, 6th Floor,& 12th Floor Phahon Yothin Avenue, Samsen Nai,Phaya Thai, Bangkok 10400
Thailand Telephone: 0 2673 3888 Fax: 0 2673 3988

Board of Directors

1. Mr. Patchara Samalapa	Chairman of the Board
2. Mr. Vasin Vanichvoranun	Executive Chairman
3. Mr. Suradech Kietthanakorn	Managing Director
4. Mr. Prasopsuk Damrongchietanon	Director
5. Mrs. Rattanapun Srimaneekulroj	Director
6. Mrs. Nisanat Ouvuthipong	Director

Executive

1. Mr. Vasin Vanichvoranun	Executive Chairman
2. Mr. Suradech Kietthanakorn	Managing Director
3. Mr. Kasate Chaiwanpen	Executive Vice President
4. Ms. Yupawadee Tuchinda	Executive Vice President
5. Mr. Navin Intharasombat	Chief Investment Officer
6. Mr. Chajchai Sarit-apirak	Chief Investment Officer
7. Ms. Thidasiri Srisamith	Chief Investment Officer
8. Mr. Vittawat Ajcharyavanich	Executive Vice President
9. Ms. Euapun Petcharaporn	First Senior Vice President
10. Mrs. Hathaipachara Xuto	First Senior Vice President
11. Ms. Chanathip Rungkunano	First Senior Vice President
12. Mrs. Oraon Wongpinijwarodom	First Senior Vice President
13. Mr. Yoothana Sinsereekul	First Senior Vice President
14. Mr. Wajana Wongsupasawat	First Senior Vice President
15. Ms. Piyanuj Charoensit	First Senior Vice President

Data as of October 01, 2021



INDEPENDENT AUDITOR'S REPORT

Grant Thornton Limited
11th Floor, Capital Tower
All Seasons Place
87/1 Wireless Road
Lumpini, Pathumwan
Bangkok 10330, Thailand

T +66 2 205 8222
F +66 2 654 3339

To the Unitholders of KPN Property Fund

Opinion

I have audited the financial statements of KPN Property Fund ("the Fund") which comprise the statement of financial position and details of investments as at 31 December 2021, the statements of comprehensive income, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund as at 31 December 2021, and its financial performance, changes in net assets and cash flows for the year then ended in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trust, Infrastructure Fund, and Infrastructure Trust issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand.

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 that is 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.

Amarnjod



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Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are 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.

Key audit matter	How the matter was addressed in the audit
<p><i>Valuation of investment in property</i></p> <p>As of 31 December 2021, the Fund's investments in property is presented at fair value of Baht 1,667.00 million or 92.60% of total assets. During the year 2021, the Fund recognized loss from change in fair value of investments amount of Baht 103.40 million in the statement of comprehensive income for the year.</p> <p>The fair value was determined by an independent valuer by using the income approach which is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The Fund Manager must exercise judgements and use significant assumptions in determining the fair value which includes:</p> <ul style="list-style-type: none">• The growth rate of rental income.• The growth rate of occupancy rate.• The capitalisation rate.• The discount rate.	<p><i>My audit procedures are summarized below:</i></p> <ul style="list-style-type: none">- Discussed with the Fund Manager and independent valuer to understand the basis used for measurement of the valuation of investment in property.- Assessed the competency, independence, and objectivity of the independent valuer and verified their qualifications.- Assessed the assumptions and checked the validity and appropriateness of the data used in the valuation of the investment in property by evaluating the data provided by the Fund manager as follows:<ul style="list-style-type: none">• The current rate of rental income and occupancy rate.• The growth rate of rental income and occupancy rate.• The estimated future net cash flows received which was estimated from rental and other income and expenses.• The discount rate.- Considered the appropriateness of the key assumptions used in the valuation and the reasonableness of change in the fair value of investment in property from the prior year.

Amorjod



Key audit matter	How the matter was addressed in the audit
The Fund disclosed accounting policy, critical accounting estimates, assumptions and judgements relating to the fair value of investment in property and details of investment in property in Notes 4, 5 and 8 to financial statements.	<ul style="list-style-type: none">- Considered the key drivers of the sensitivity analysis and the likelihood of such movement.- Assessed the adequacy and appropriateness of the note disclosures.

Other Information

The Fund Manager is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I 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 when it becomes available 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 be 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 the Fund Manager and request them to revise the material misstatement.

Responsibilities of the Fund Manager for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trust, Infrastructure Fund, and Infrastructure Trust issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Amornjit



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In preparing the financial statements, the Fund Manager 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 the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund Manager is responsible for overseeing the Fund's financial reporting process.

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 the Fund Manager.

Ananjid



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- Conclude on the appropriateness of the Fund Manager 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 the Fund Manager 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.

I also provide the Fund Manager with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Fund Manager, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Amornjid Baolorpet

Ms. Amornjid Baolorpet
Certified Public Accountant
Registration No. 10853

Grant Thornton Limited
Bangkok
22 February 2022



KPN PROPERTY FUND

STATEMENT OF FINANCIAL POSITION

		Baht	
	Notes	31 December 2021	31 December 2020
ASSETS			
Investment in property - at fair value			
(At cost : Baht 1,795,000,000)	8, 17	1,667,000,000	1,770,040,000
Investment at fair value through profit or loss			
(At amortized cost			
31 December 2020 : Baht 1,005,321)	9, 17	-	1,006,095
Cash and cash equivalents	10	130,796,436	117,694,052
Receivables from rental and services	7, 11	1,284,007	26,487,681
Other assets		1,052,337	1,009,902
TOTAL ASSETS		1,800,132,780	1,916,237,730
LIABILITIES			
Trade accounts payable		6,471,411	5,338,625
Property management fee payable	7	825,453	1,916,402
Unearned income		3,189,140	3,032,320
Tenants' deposits for rental area	7	25,818,842	30,605,370
Accrued expenses		1,931,071	18,255,943
Other current liabilities		2,098,946	1,502,522
TOTAL LIABILITIES		40,334,863	60,651,182
NET ASSETS		1,759,797,917	1,855,586,548
NET ASSETS			
Capital received from unitholders			
(Baht 10.00 per unit for 180,000,000 units)		1,800,000,000	1,800,000,000
Retained earnings (deficit)	12	(40,202,083)	55,586,548
NET ASSETS		1,759,797,917	1,855,586,548
Net asset value per unit (Baht)		9.7766	10.3088

KPN Property Fund

KPN PROPERTY FUND

STATEMENT OF DETAILS OF INVESTMENTS

	31 December 2021			31 December 2020		
	Percentage of investment	Cost	Fair Value	Percentage of investment	Cost / Amortized cost	Fair Value
	(%)	(Baht)	(Baht)	(%)	(Baht)	(Baht)
Investment in property						
KPN Tower						
Location: 719, Rama 9 Road, Bangkapi, Huaykwang, Bangkok						
- Ownership in land for 8 plots 2-2-15.7 rai		152,100,000			152,100,000	
- Ownership in KPN Tower		1,640,760,000			1,640,760,000	
- Ownership in utilities system		2,140,000			2,140,000	
Total investment in property	100.00	1,795,000,000	1,667,000,000	99.94	1,795,000,000	1,770,040,000
Investments at fair value through profit or loss						
Investment in securities						
Bank of Thailand Bond (BOT215A)						
maturity on 27 May 2021						
(Interest rate at 1.84%)				0.06	1,005,321	1,006,095
Investments at fair value through profit or loss				0.06	1,005,321	1,006,095
Total investments	100.00	1,795,000,000	1,667,000,000	100.00	1,796,005,321	1,771,046,095



KPN PROPERTY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

		Baht	
	Notes	2021	2020
INVESTMENT INCOME			
Rental and service income	7	111,242,513	136,796,147
Interest income		104,570	250,063
Other income	11	2,538,684	99,267
Total investment income		113,885,767	137,145,477
EXPENSES			
Management fee	7	5,697,428	5,903,487
Property management fee	7	9,323,604	10,969,708
Trustee fee	7	569,743	590,349
Registrar fee	7	664,700	688,740
Operating expenses	13	37,131,509	44,284,841
Other expenses		1,604,640	1,675,044
Total expenses		54,991,624	64,112,169
Net profit from investments		58,894,143	73,033,308
NET LOSS FROM INVESTMENTS			
Loss from change in fair value of investments	8	(103,040,774)	(40,993,262)
Net loss from investments		(103,040,774)	(40,993,262)
Increase (decrease) in net assets from operations		(44,146,631)	32,040,046

KPN Property Fund

KPN PROPERTY FUND

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED 31 DECEMBER

	Note	Baht	
		2021	2020
Increase (decrease) in net assets from operations during the year			
Net profit from investments		58,894,143	73,033,308
Net loss on investments		(103,040,774)	(40,993,262)
Increase (decrease) in net assets during the year			
Distribution to unitholders	14	(51,642,000)	(71,154,000)
Decrease in net assets during the year			
Net assets at the beginning of year		1,855,586,548	1,894,700,502
Net assets at the end of year		1,759,797,917	1,855,586,548



KPN PROPERTY FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER

	Baht	
	2021	2020
Cash flows from operating activities		
Increase (decrease) in net assets from operations	(44,146,631)	32,040,046
Adjustments to reconcile the increase (decrease) in net assets		
from operations to net cash provided from operating activities		
Loss from changing in fair value of investments	103,040,774	40,993,262
Amortized surplus (discount) on bond	5,321	(42,348)
Purchases of investment in securities	-	(11,004,710)
Sales of investment in securities	1,000,000	18,000,000
Provision for impairment loss of accounts receivable	8,685,266	-
Reversal for provision of expenses	(9,608,928)	-
Decrease (increase) in receivables from rental and services	16,518,408	(22,677,682)
Decrease (increase) in other assets	(42,435)	155,270
Increase in trade accounts payable	1,132,786	1,201,236
Decrease in property management fee payable	(1,090,949)	(583,598)
Increase in unearned income	156,820	377,701
Increase (decrease) in tenants' deposit for rental area	(4,786,528)	1,530,303
Increase (decrease) in accrued expenses	(6,715,944)	4,008,147
Increase (decrease) in other current liabilities	596,424	(168,593)
Net cash provided from operating activities	64,744,384	63,829,034
Cash flows from financing activity		
Distribution to unitholders	(51,642,000)	(71,154,000)
Net cash used in financing activity	(51,642,000)	(71,154,000)
Net increase (decrease) in cash and cash equivalents	13,102,384	(7,324,966)
Cash and cash equivalents at the beginning of year	117,694,052	125,019,018
Cash and cash equivalents at the end of year	130,796,436	117,694,052

KPN Property Fund

KPN PROPERTY FUND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. NATURE OF BUSINESS

KPN Property Fund ("the Fund") is a closed-end property fund set up for a specific purpose. The Fund was established and registered on 22 April 2013 with no project life stipulated. The Fund is managed by Kasikorn Asset Management Company Limited ("the Fund Manager"), with the objectives of raising funds, investing mostly in property and generating benefits from such property.

The Stock Exchange of Thailand approved the listing of the Fund's units and permitted their trading since 3 May 2013 onward.

As at 31 December 2021, Narongdej Group and Social Security Office are major unitholders, holding 28.32% and 21.08% of the Fund units, respectively (2020: 28.18% and 21.08%, respectively).

Effect from the pandemic of coronavirus disease 2019

The outbreak of Coronavirus 2019 ("COVID-19") in early 2020 upto date has caused economic slowdown and adversely impacted the property rental business. This situation has brought about the early termination or breach of lease agreements including the consideration to renew lease agreements of existing tenants as well as impacted the incoming of new tenants which affect the Fund's operations during the year. This situation also impacts the valuation of investments in property at fair value which the Fund has recognized loss from change in fair value of investment in the statement of comprehensive income amounting to Baht 103.04 million. However, the Fund Manager has continuously monitored such situation to assess the potential impact of the Fund's operations which using the best estimates and judgement in respect of various issues as the situation has evolved.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The accompanying financial statements have been prepared in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trust, Infrastructure Fund, and Infrastructure Trust issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand ("the Fund's Accounting Guidance"), and Thai Financial Reporting Standards and the Accounting Guidance issued under the Federation of Accounting Professions of Thailand in respect of matters which are not covered by the Fund's Accounting Guidance. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must conform to the official report in Thai.

The Fund's financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.



The preparation of financial statements in conformity with the Accounting Guidance promulgated by the Association of Investment Management companies and Thai Financial Reporting Standards requires the Fund Manager to use critical accounting estimates and to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3. CHANGES IN THE FINANCIAL REPORTING STANDARDS

3.1 Financial Reporting Standards, Interpretations and guidance which become effective for accounting periods beginning on or after 1 January 2021

The Fund has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021 and has not early adopted the revised TFRS. The application has no impact on the Fund's financial statements.

3.2 Financial Reporting Standards and guidance which become effective for the accounting period beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards are aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The Fund Manager is currently in process of evaluating and considering the impact of these standards on the financial statements in the year when they are adopted.

3.3 The Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus 2019 pandemic

The Fund applied accounting guidance on temporary relief of accounting measures for additional accounting options in response to impact from the Covid-19 in preparing the financial statements for the year ended 31 December 2020. However, the accounting guidance already expired on 31 December 2020. The effect of the discontinuation of the accounting relief has no material impact on the Fund's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Rental income

At the lease inception, the Fund determines to classify lease as a finance lease if the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying assets and classify lease as an operating lease if the lease does not transfer substantially all of the risks and rewards incidental to ownership to the underlying assets.

The Fund recognizes lease rental received under operating leases as rental income on a straight-line basis over the lease term as part of "rental income and services". Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as income in the accounting period in which they are earned. Accrued rental income is presented as part of receivables from rental and services.

Services income, other income and interest income

Services income, other income and interest income are recognized on an accrual basis.

Surplus or discounts on bond are amortized evenly throughout the remaining term of the securities, using the effective rate method, and includes as part of interest income.

Expenses

Expenses are recognized based on accrual basis.

Investment in property at fair value

The Fund initially recognizes investment in property with cost of the investments on the date as the Fund has the rights in the investment. Costs of capital for the investments consist of direct cost and expenses paid for the acquisition of the investment. Then, investment in property is presented at fair value with no depreciation charge.

The fair value is based on appraisal value by an independent appraiser approved by the Securities and Exchange Commission. An appraisal will be performed when the economic situation changes, but at least every year, commencing from the date of acquisition.

Gains (losses) from the valuation of such investments is recognized as gains or losses from changes in fair value of investments.



Investment in securities

Investment in marketable debt securities which can be freely traded on an open market are presented at their fair value through profit or loss, based on the latest yield rate quoted by the Thai Bond Market Association.

Gains (losses) from the valuation of such investments is recognized as gains or losses from changes in fair value of investments.

Receivables from rental and services

Receivables from rental and services are carried at the original invoice amount and subsequently measured at the remaining amount less allowance for impairment loss.

The Fund applies a simplified approach in assessing the impairment loss of receivables from rental and service. The Fund assesses impairment of receivables on a collective basis as they possess shared credit risk characteristics and considers impairment as lifetime expected credit losses. The Fund uses its historical experiences, external indicators, and forward-looking information from changing in economic factors and other factors that impact to the payment of receivables. The recognition of expected credit losses arises from the probability-weighted estimates.

The Fund assesses credit risk of receivables from rental and service at the end of reporting period. Impairment losses and reversal of impairment losses are recognized in statement of comprehensive income as part of the Fund's operating expenses.

Financial assets and liabilities

Initial recognition

Financial assets and financial liabilities are initially recognized at the fair value of the consideration transferred or the consideration received (the transaction price). The transaction costs directly attributable to the acquisition of financial assets or financial liabilities are recognized in profit or loss immediately.

Classification of subsequently measurement of financial assets

All financial assets are classified as financial assets at fair value through profit or loss and subsequently measured at fair value through profit or loss except for cash and cash equivalents and receivables from rental and services which are subsequently measured at amortized cost.

Classification of subsequently measurement of financial liabilities

All financial liabilities are classified as financial liabilities at amortized cost and are subsequently measured at amortized cost. The Fund recognizes interest expenses by using effective interest rate.

Derecognition of financial assets

The Fund will derecognize financial assets when the contractual rights to cash inflows from the financial assets expire, or when the contractual rights to cash inflows from financial assets are transferred.

Derecognition of financial liabilities

The Fund will derecognize the financial liabilities (or partial of financial liabilities) from the statement of financial position when the obligation specified the contract is discharged, cancelled or expired.

Income tax

The Fund has no income tax liabilities since it is exempted from income tax in Thailand.

Provisions for liabilities and expenses and contingent assets

The Fund recognized provision for liabilities and expenses in the financial statements when the Fund has a present legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent assets will be recognized as separate assets only when the realization is virtually certain.

5. ESTIMATES

The preparation of the financial statements requires the Fund Manager undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by the Fund Manager.

Critical accounting estimates, assumptions and judgments are as follows:

1. Investment in property at fair value

The fair value of investment in property is based on an appraisal of an independent valuer using the income approach which is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted.

2. Impairment of receivables from rental and services

The Fund applies a simplified approach to calculates expected credit loss for receivables from rental and service. At the ended of the reporting period, the Fund monitors changes in credit risk and recognizes allowance for impairment loss over the lifetime expected loss of receivables from rental and services. Expected credit loss based on historical experience and adjust with forward-looking information relating to specific debtor and economic factors.



6. FINANCIAL RISK

Interest rate risk

Interest rate risk is the risk that the value of financial assets and liabilities is subjected to change from the movement of market interest rates.

Financial assets and liabilities of the Fund at fair value which are categorized by type of interest rate are as follows:

	As at 31 December 2021		
	Floating interest rate	Non - interest bearing	Total
<u>Financial assets</u>			
Cash at banks	42,780,956	88,015,480	130,796,436
Receivables from rental and services	-	1,284,007	1,284,007

Financial liabilities

Trade accounts payable	-	6,471,411	6,471,411
Property management fee payable	-	825,453	825,453
Tenants' deposits for rental area	-	25,818,842	25,818,842
Accrued expenses	-	1,931,071	1,931,071
Other current liabilities	-	2,098,946	2,098,946

	As at 31 December 2020			
	Floating interest rate	Fixed interest rate	Non - interest bearing	Total
<u>Financial assets</u>				
Cash at banks	80,144,527	-	37,549,525	117,694,052
Investment at fair value through profit or loss	-	1,006,095	-	1,006,095
Receivables from rental and services	-	-	26,487,681	26,487,681

Financial liabilities

Trade accounts payable	-	-	5,338,625	5,338,625
Property management fee payable	-	-	1,916,402	1,916,402
Tenants' deposits for rental area	-	-	30,603,370	30,603,370
Accrued expenses	-	-	18,255,943	18,255,943
Other current liabilities	-	-	1,502,522	1,502,522

Credit risk

The Fund has exposed to the risk which results from the failure of the counterparty to settle its contractual obligations from rental and service fees receivable. However, the related financial assets have short-term maturity, and the Fund has no concentrations of credit risk due the fund has a large number of tenants in various business. In addition, the Fund has a policy to collect the rental deposits in advance from tenants as guarantee in the case of default. Therefore, the Fund does not expect any credit risk from the uncollectible. The Fund continuously monitors the performance of the contract including take the legal action in case that counterparties fail to comply with their contractual obligations.

7. TRANSACTIONS WITH RELATED COMPANIES

Related companies of the Fund comprise enterprises and individuals that control, whether directly or indirectly, or which are under common control with the Fund.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Fund that gives them significant influence over the Fund, the Management Company, key management personnel, directors, and officers of the Management Company with authority in making planning and operating decisions.

Significant transactions with related companies for the years ended 31 December 2021 and 2020 are as follows:

		Baht	
Pricing Policy		2021	2020
Rental income	Contract price	2,601,637	2,993,065
Service income	Contract price	1,917,560	2,009,027
Management fee	Based on rate identified in contract	5,697,428	5,903,487
Property management fee	Based on rate identified in contract	9,323,604	10,969,708
Trustee fee	Based on rate identified in contract	569,743	590,349
Registrar fee	Based on rate identified in contract	664,700	668,740



Significant balances with related companies as at 31 December 2021 and 2020 are as follows:

	Baht	
	2021	2020
<u>Receivable from rental and services</u>		
Related companies	1,059,945	1,022,111
<u>Property management fee payable</u>		
Property management	825,453	1,916,402
<u>Tenants' deposits for rental area</u>		
Related companies	2,471,008	3,512,844

The management fee, property management fee, trustee fee and registrar fee are detail as follow:

MANAGEMENT FEE

Kasikorn Asset Management Company Limited acts as the Fund Manager. The monthly fund management fee is calculated at a rate of 0.30% per annum of the Fund's net asset value on the last business day of each month. The fund management fee cannot exceed the maximum compensation as specified in the prospectus.

PROPERTY MANAGEMENT FEE

The property manager is entitled to receive property management compensation from the Fund are summarized as follows:

- (1) The property management fee is calculated at a rate of 2.75% of the rental and service income plus 0.25% of the Fund's net asset value on the last business day of previous month, and 2.7% of net property income before deduction of fund expenses. The total compensation must not exceed 2% per annum of net asset value at the last business day of the previous month.
- (2) The operating fee for the renewal of an existing lease is equivalent to 0.5 of monthly rental and service income per lease depending on the lease period.
- (3) The operating fee for new lessee is one month of rental and service income per lease depending on the lease period.

TRUSTEE FEE

TMB Thanachart Bank Public Company Limited acts as the Trustee for assets and deposits with banks of the Fund. The monthly trustee fee is calculated based on the Fund's net asset value at a rate of 0.03% per annum, at the last business day of each month. The trustee fee cannot exceed the maximum compensation as specified in the prospectus.

REGISTRAR FEE

Kasikorn Bank Public Company Limited acts as the Registrar of Funds. The monthly registrar fee is calculated based on the Fund's net asset value, at a rate of 0.035% per annum, at the last business day of each month. The registrar fee cannot exceed the maximum compensation as specified in the prospectus.

8. INVESTMENT IN PROPERTY AT FAIR VALUE

The Fund invested in property by purchasing land, building, furniture and fixtures including the related systems of KPN Tower, totaling Baht 1,795 million from CBNP (Thailand) Co., Ltd. on 22 April 2013.

On 18 January 2019, the Fund registered the right to use immovable property with the Mass Rapid Transit Authority of Thailand (according to Section 13 of the Act on Procurement of Real Estate for Mass Transit Authority B.E. 2540) for the land 1 Ngan 6 Square wah with the total value of Baht 18.70 million with no time limit. However, the ownership and the right of such land is still belonged to the Fund.

As disclosed in Note 1 to the financial statement, the outbreak of Coronavirus 2019 ("COVID-19") has brought about the early termination or breach of lease agreements including the consideration to renew lease agreements of the existing tenants as well as impacted the decision the new coming tenants. These has affected the Fund's operations with the decrease in the occupancy rate from prior year expectation including the adjustment of rental rate which is lower than the expectation. The impact to the valuation of investments in property at fair value is as follows:

	Baht	
	2021	2020
Investment in property at the beginning of year	1,770,040,000	1,811,030,000
<u>Less</u> Loss from change in fair value of investments	(103,040,000)	(40,990,000)
Investment in property at fair value at the end of year	<u>1,667,000,000</u>	<u>1,770,040,000</u>

The Fund presents investment in property at fair value of Baht 1,667 million based on the appraisal of an independent appraiser's report dated 28 January 2022. The fair value has been determined based on income approach. It is estimated based on discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of market conditions net of any cash outflows that could be expected in respect of the property. The discount rate is 8.5% per annum (2020 : 10% per annum) and capitalization rate is 7.00% per annum (2020 : 7.00% per annum).



The sensitivity analysis for significant assumptions used in investment in property valuation as at 31 December 2021 and 2020 can be analyzed as follow:

	Baht			
	2021		2020	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Change in assumptions				
Discount rate				
Change in fair value increase (decrease)	(62,000,000)	64,000,000	(126,160,000)	146,150,000
Capitalization rate				
Change in fair value increase (decrease)	(65,000,000)	75,000,000	(53,900,000)	62,200,000
Rental growth rate				
Change in fair value increase (decrease)	48,000,000	(46,000,000)	72,810,000	(68,950,000)

9. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	Baht					
	2021			2020		
	Amortised cost	Gain from changes in fair value of investments	Fair value	Amortised cost	Gain from changes in fair value of investments	Fair value
<u>Investment in securities</u>						
Investment in Bank of Thailand Bonds	-	-	-	1,005,321	774	1,006,095
Total	-	-	-	1,005,321	774	1,006,095

The fair value of investments in debt securities has been determined by using the yield curve as announced by the Thai Bond Market Association.

The movements of investments presented at fair value through profit or loss during the year ended 31 December 2021 and 2020 are as follows:

	Baht	
	2021	2020
Beginning balance of the year	1,006,095	7,962,299
Addition	-	11,004,710
Disposal	(1,000,000)	(18,000,000)
Amortized discounts (surplus) on bond	(5,321)	42,348
Loss from changes in fair value of investments	(774)	(3,262)
Ending balance of the year	-	1,006,095

10. CASH AND CASH EQUIVALENTS

	2021		2020	
	Interest rate (%)	Baht	Interest rate (%)	Baht
Kasikorn Bank Public Company Limited	-	1,625	-	1,625
Krungthai Bank Public Company Limited	0.125	42,780,956	0.125	80,144,527
Krungthai Bank Public Company Limited	-	1,714,329	-	2,314,702
TMB Thanachart Bank Public Company Limited	-	86,299,526	-	35,233,198
Total		<u>130,796,436</u>		<u>117,694,052</u>

11. RECEIVABLES FROM RENTAL AND SERVICES

The outstanding balances of receivables from rental and services are aged on the basis of due dates, as follows:

	Baht	
	2021	2020
<u>Aged on the basis of due dates</u>		
Not yet due	676,537	882,967
Past due		
Less than 3 months	434,633	11,322,257
3 - 6 months	-	6,883,894
6 - 12 months	577,974	7,136,191
More than 12 months	5,854,776	4,481,719
Total	<u>7,543,920</u>	<u>30,707,028</u>
<u>Less</u> Allowance for impairment loss	(6,259,913)	(4,219,347)
Net	<u>1,284,007</u>	<u>26,487,681</u>

As at 31 December 2020, the Fund has an outstanding rental and services fees receivable for advertising billboard of Baht 19.90 million. During the year 2021, the Fund Manager and such debtor have negotiated for the debt settlement plan. The Fund has agreed to hair-cut the rental and services charge to such debtor for Baht 6.64 million. Therefore, the Fund Manager recognized the impairment loss of receivables in the statement of comprehensive income for the year ended 31 December 2021.

The Fund has received the full payment from such debtor according to the debt settlement plan and also receive the payment for the penalty charge relating to the delay payment from such debtor of Baht 2.24 million which is presented as other income in the statement of comprehensive income for the year.



12. RETAINED EARNINGS

	Baht	
	2021	2020
Retained earnings at the beginning of year	55,586,548	94,700,502
Net profit from investments	58,894,143	73,033,308
Loss from change in fair value of investments	(103,040,774)	(40,993,262)
Distribution to unitholders	(51,642,000)	(71,154,000)
Retained earnings (deficit) at the end of year	(40,202,083)	55,586,548

13. OPERATING EXPENSES

Operating expenses consist mainly of expenses directly incurred by the Fund, such as insurance expenses, professional fees, utilities repair and maintenance, and other expenses related to the Fund's operations including allowance for impairment loss of accounts receivable from rental and services.

14. DIVIDEND POLICY

If the Fund has profit which can pay dividends, the Fund has a policy to pay dividends to unitholders not exceeding four times per year with the following detail:

- (a) In the event that the Fund has a net profit in any accounting period, the Fund Manager shall pay dividends to the unitholders not less than 90 percent of the net profit not including any unrealised gains from appraisal or review in property appraisal or including other adjustment item in accordance with SEC guidelines.
- (b) In the event that the Fund has retained earning in any accounting period, the Fund Manager may pay dividends to the unitholders from the undistributed earnings.

The distribution of dividends must not result in a net asset deficit in the accounting period in which the dividends are paid.

KPN Property Fund

Details of dividends for the year 2021 are as follows:

Operations for period	Announcement date	Units	Baht	
			Dividend Per unit	Dividend Paid
1 October 2020 - 31 December 2020	2 March 2021	180,000,000	0.0800	14,400,000
1 January 2021 - 31 March 2021	21 May 2021	180,000,000	0.0700	12,600,000
1 April 2021 - 30 June 2021	23 August 2021	180,000,000	0.0600	10,800,000
1 July 2021 - 30 September 2021	23 November 2021	180,000,000	0.0769	13,842,000
				<u>51,642,000</u>

Details of dividends for the year 2020 are as follows:

Operations for period	Announcement date	Units	Baht	
			Dividend Per unit	Dividend Paid
1 October 2019 - 31 December 2019	21 February 2020	180,000,000	0.1065	19,170,000
1 January 2020 - 31 March 2020	21 May 2020	180,000,000	0.0880	15,840,000
1 April 2020 - 30 June 2020	20 August 2020	180,000,000	0.0900	16,200,000
1 July 2020 - 30 September 2020	23 November 2020	180,000,000	0.1108	19,944,000
				<u>71,154,000</u>

15. INVESTMENT TRADING INFORMATION

The Fund had investment trading transactions for the year ended 31 December 2021 excluding investments in property at fair value of Baht 1.00 million (2020 : Baht 6.99 million) which is 0.06% (2020 : 0.37%) of the average net asset value during the period.

16. SEGMENT REPORTING

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Fund operates in only a business segment which leases of property investment and the single geographical area of its operations is Thailand.



17. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability to others in an orderly transaction between buyer and seller (market participants) at the measurement date. The Fund uses a quoted market price in an active market to measure the fair value of assets and liabilities. Except for the absence of an active market for similar assets or liabilities, or a quoted market price cannot be obtained in an active market, the fund will estimate the fair value by using valuation techniques that are appropriate for each situation and use observable information relating to the assets and liabilities as much as possible.

Assets which are measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following tables present assets that are measured at fair value as at 31 December 2021 and 2020.

(Unit: Baht)

	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Investment in property at fair value	-	-	1,667,000,000	1,667,000,000
Total	-	-	1,667,000,000	1,667,000,000

(Unit: Baht)

	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
<u>Assets</u>				
Investment in property at fair value	-	-	1,770,040,000	1,770,040,000
Investment at fair value through profit or loss	-	1,006,095	-	1,006,095
Total	-	1,006,095	1,770,040,000	1,771,046,095

During the year 2021, there was no transfer within the fair value hierarchy and there were no changes in valuation techniques during the year.

18. CAPITAL RISK MANAGEMENT

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

19. COMMITMENTS

As at 31 December 2021, the Fund has commitments under service agreements to pay the following service expenses:

	Baht
Within 1 year	10,870,645
2 - 5 years	3,690,300
Total	14,560,945

20. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the management of Fund on 22 February 2022.



ATTACHMENT 2 Fees and expenses collected from the Fund

KPN Property Fund
Fees and expenses collected from the Fund
From 1 July 2021 to 31 December 2021

(Fund's Direct Expense)*	Amount (Thousand Bath)	% of the net asset value
Management Fee	2,865.34	0.16
Property Management Fee	4,751.99	0.26
Trustee Fee	286.53	0.02
Registrar Fee	334.29	0.02
Operation Fee	10,514.71	0.57
Audit Fee	514.91	0.03
Insurance Expense	362.38	0.02
Advertising and Public Relation expense ; IPO Period	None	None
Advertising and Public Relation expense ; After IPO Period	None	None
Other Expenses**	241.22	0.01
Total Fund's Direct Expenses	19,871.36	1.09

* All fees and expenses of the Fund shall be added by the value added tax and other taxes in the same manner

**Other Expenses < 0.01% of the net asset value of the Fund.

***Excluding brokerage fees and other expenses incurring from securities trading.

KPN Property Fund

KPN Property Fund

Fees and expenses collected from the Fund

From 1 January 2021 to 31 December 2021

(Fund's Direct Expense)*	Amount (Thousand Bath)	% of the net asset value
Management Fee	5,697.43	0.31
Property Management Fee	9,323.60	0.50
Trustee Fee	569.74	0.03
Registrar Fee	664.70	0.04
Operation Fee	30,170.76	1.63
Audit Fee	990.00	0.05
Legal Fee	187.89	0.01
SET Annual Listing Fee	103.42	0.01
Insurance Expense	744.09	0.04
Advertising and Public Relation expense ; IPO Period	None	None
Advertising and Public Relation expense ; After IPO Period	None	None
Other Expenses**	329.99	0.02
Total Fund's Direct Expenses	48,781.62	2.64

* All fees and expenses of the Fund shall be added by the value added tax and other taxes in the same manner

**Other Expenses < 0.01% of the net asset value of the Fund.

***Excluding brokerage fees and other expenses incurring from securities trading.



ATTACHMENT 3 Summary of the asset appraisal report of year 2021

Summary of the asset appraisal report of KPN Tower Property Fund (KPNPF)

Name of Project	KPN Tower
Type of Asset	27-storey office building
Location	719 Rama IX Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok
Valuation Method	Income approach with discounted cash flow
Market value as of 31 December 2021	1,667,000,000 Baht

No	Item	Rate	Note
1	Office and Store Areas		
	1.1 Average Occupancy in 2022	60.2% of office areas	growth 3.48% y-o-y and remained constant at 88.02 % in 2029 afterwards
	1.2 Average rental rate Rate of s in 2022	416.48 baht/sq.m./month	growth 3.54% y-o-y
2	Retail Areas		
	2.2 Average Occupancy in 2022	74.44%	growth 2.57 % y-o-y and remained constant at 92.43 % in 2028 afterwards
	2.2 Average rental rate of s in 2022	534.08 baht/sq.m./month	growth 3.66% y-o-y
3	Revenue in 2021		
	3.1 Income from total rental areas	62.7%	of total revenue
	3.1 Other income	37.3%	of total revenue
4	Estimated Operating expense in 2022	30.9%	of total revenue
5	Estimated Net operating income in 2022	69.1%	of total revenue
6	Period of time	11 years	constant at 11th year
7	Discount rate	8.5%	
8	Capital gain	7%	



หลักทรัพย์จัดการกองทุนกสิกรไทย
开泰基金管理 KASIKORN ASSET MANAGEMENT

บริษัทหลักทรัพย์จัดการกองทุน กสิกรไทย จำกัด
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