

1 April 2021

**Subject:** Report informing the relevant matters for unitholders' acknowledgement instead of holding the 2021 Annual General Meeting of unitholders of KPN Property Fund (KPNPF)

**To:** Unitholders of KPN Property Fund (KPNPF)

**Enclosures:** Annual Report for the year 2020 in the form of compact disk (or download at the website <http://www.kasikornasset.com>)

Due to the outbreak of Coronavirus Disease 2019 (COVID-19) and for the Unitholders' safety and to prevent the spread of the virus and mitigate the effect and risk which may be caused from the arrangement of unitholders meeting, and the agendas in the Annual General Meeting for the year of 2021 consist of the matters for acknowledgement, Kasikorn Asset Management Company Limited (the "**Management Company**"), as Management Company of KPN Property Fund (KPNPF) (the "**Property Fund**") deemed it appropriate to provide information to unitholders for acknowledgement instead of holding a physical Annual General Meeting for the year of 2021 according to the Announcement of the Capital Market Supervisory Board No. TorNor./Jor 10/2564 Re: Waiver of the operation of the Property Funds, Infrastructure Funds and Real Estate Investment Trusts for the year 2021 due to the Outbreak of Coronavirus Disease 2019 (COVID-19).

In this regard, the Management Company would like to provide information to the Unitholders on the following matters for acknowledgement instead of holding a physical Annual General Meeting for the year of 2021:

**1<sup>st</sup> Matter**      The significant management of the Property Fund and the management guideline in the future.

The Management Company deems that it is appropriate to propose the Unitholders to acknowledge, the details are as follows:

#### 1.1 General information of the Property Fund and details of the main assets currently invested by the Property Fund

##### General Information of the Property Fund

Fund name	KPN Property Fund (KPNPF)
Registered capital	THB 1,800 million (one thousand eight hundred million baht)
Par value per unit as of the commencement date of investment	THB 10.00

Par value as of 31 December 2020	THB 10.00
Management Company	Kasikorn Asset Management Company Limited
Fund Supervisor	Thai Military Bank Public Company Limited
Property Manager	KPN Land Co., Ltd. (former name – KPN Group Corporation Co., Ltd.)

#### Main Assets of the Property Fund

Building name	KPN Tower, 27 storey office building consisting of: <ul style="list-style-type: none"> <li>- Commercial area (shops)</li> <li>- Office area</li> <li>- Storage area</li> <li>- Car parking area on floor 1A – 10 and underground floor U1 and U2</li> <li>- Advertisement area (outside of the building)</li> <li>- Utilities</li> </ul>
Utilization	27 storey office building
Building term	<ul style="list-style-type: none"> <li>- 23 years from the date of utilization since December 1998</li> <li>- The building had a major maintenance and renovation in 2010 – 2011</li> </ul>
Utilization area	59,839 square meters, consisting of: Leased area: 25,978.43 square meters Common area: 33,860.57 square meters
Procurement of benefits by the Property Fund	The office, shop, and advertise areas (except the common area) will be let to the lessees of the building and/or third parties to lease for advertisement. The Property Manager will take care of the existing lessees and procure additional parties interested to lease the building area and/or advertisement area in order to increase the occupancy rate of such area via networks and/or allies of the Property Manager, brokerage company, or advertisement via medias as appropriate.

## 1.2 Significant legal disputes

The Property Fund has a significant legal dispute with the shareholder of KPN Land Co., Ltd., the non-performance of the Property Manager pursuant to lease agreement and service agreement. In year 2020, KPN Chinese Academy Co., Ltd., is in the process of judgement enforcement and KPN Music Academy Co., Ltd., KPN Tutoring Co., Ltd., Siam Wilson Learning Co., Ltd and KPN Academy Co., Ltd are in the process of trail.

## 1.3 Future Management Guideline

### Market strategy

- To increase the number of restaurants/shops/daily plaza as a means to increase the alternatives for dining and shopping in reasonable price so as to serve the existing lessees and to attract the interested lessees in future.
- To strengthen a relationship with the lessees by opening for comments, coordinating, resolving problems and visiting the lessees during holiday seasons including inviting the lessees to attend social service activities i.e. items dotation.
- To create opportunity for marketing consultants, with an expertise in real estate market, to offer to sell the leased area of KPN Tower in order to increase more sales channels.

### Building management strategy

CBNP (Thailand) Company Limited under KPN Land Co., Ltd. (the “Property Manager”) has hired Plus Property Company Limited, who has personnel with expertise in real estate management and engineering building, to increase the potential of building resource management of which the delivery of area has started since 1 February 2020.

### Management Company’s opinion

The Management Company has considered and deemed it appropriate to propose the unitholders to acknowledge the details of the Property Fund management in significant part in 2020 and future management guideline in order to comply with regulations of the Notification of Capital Market Supervisory Board No. TorNor 36/2562 Re: Property Fund Management which prescribed that such management of the Property Fund shall be reported to the unitholders.

**2<sup>nd</sup> Matter**      **The financial position and operating performance of the Property Fund for the accounting period from 1 January 2020 to 31 December 2020**

The Management Company provided a summary of the financial status and performance of the Property Fund for the year 2020 during the period of 1 January 2020 to 31 December 2020 which such information according to the Notification of Capital Market Supervisory Board No. TorNor 20/2561 Re: Rules, Conditions, and Procedures for Disclosures of the Mutual Funds and Trusts which Invested in Real Estate or

Infrastructure (as amended) including balance sheet and profit and loss statement as of the fiscal year ended of the Property Fund (ended on 31 December annually) and had been in accordance with general accounting standard which reviewed and audited by Grant Thornton Company Limited. The details appeared in the 2020 Annual Report (Enclosure 1, Page 1 and 3), Enclosure 1, which is delivered to the unitholders together with this report.

Performance (Unit : Baht)	For the year ended 31 December 2020
Investment Income	137,145,477
Expenses	64,112,169
Income from net investment	73,033,308
Unrealized net profit (loss) from the investment	(40,993,262)
Increase in net assets from operations	32,040,046
Statement (Unit : Baht)	For Year Ended 31 December 2020
Total assets	1,916,237,730
Total liabilities	60,651,182
Net assets	1,855,586,548
Net assets per unit	10.3088
Outstanding units (unit)	180,000,000

For the operation guidelines regarding the anti-corruption, Kasikorn Asset Management Company Limited on behalf of the management company had signed a Thailand's Private Sector Collective Action Coalition Against Corruption which has been operating by Thai Institute of Directors (IOD), The Thai Chamber of Commerce, The International Chamber of Commerce of Thailand, Thai Listed Companies Association, The Thai Bankers Association, Federation of Thai Capital Market Organization and The Federation of Thai Industries which has main goal to encourage anti-corruption resistance broadly. Moreover, the Management Company had got a certificate certifying a membership of Thailand's Private Sector Collective Action Coalition Against Corruption since dated 4 October 2013 and the Management company had places considerable emphasis on anti-corruption in every case. The prohibition of giving or receiving a bribe as prescribed in employee ethic which all of the directors and employees must strictly follow. Moreover, in the year 2013, board of directors of the Management Company had approved the anti-corruption policy which includes bribes and inducements, gifts and benefits, charitable contributions and financial sponsorships and political contributions.

#### Management Company's opinion

The Management Company has considered and deemed it appropriate to propose the unitholders to acknowledge the financial position and operating performance of the Property Fund for the

accounting period from 1 January 2020 to 31 December 2020 which had been reviewed and audited from the auditor in order to be complied with the Notification of Capital Market Supervisory Board No. TorNor 36/2562 Re: Property Fund Management which prescribed that the financial status and performance of the Property Fund for the accounting period of the passing year shall be reported to the unitholders.

**3<sup>rd</sup> Matter      The appointment of the Property Fund’s auditors and the audit fees for the year of 2021**

The management Company appointed the auditors of the Property Fund and determined the audit fees for the financial statements in the year 2021, the details of which are as follows:

**3.1      Appointment of Auditor**

The Management Company deemed it appropriate to propose the unitholders of the Property Fund to acknowledge appointment of the auditors of the Property Fund who are approved and in accordance with the regulations of Office of the Securities and Exchange Commission (“Office of the SEC”) No. SorChor 39/2553 Re: Approval of Auditors in the Capital Market. The Management Company also considered the qualifications and skills of the auditors by taking into account of their credentials, qualifications as auditors, work efficiency, and independence of the auditors to have no interest nor conflict of interest which may affect the duty as auditors of the Fund. The name of the auditors are as follows:

Grant Thornton Co., Ltd.

1.      Mr. Somkid Tiatrakul                      Certified Public Account No. 2785 and/or
2.      Ms. Kanyanat Sriratchatchaval      Certified Public Account No. 6549 who signed the financial statement of the 2018-2019 fiscal of Property Fund and/or
3.      Mr. Narin Churamoongkul              Certified Public Account No. 8593 and/or
4.      Ms. Amornjid Baolorpet                  Certified Public Account No.10853 who signed the financial statement of the 2020 fiscal of Property Fund and/or
5.      Ms. Saranya Akharamahaphanit      Certified Public Account No.9919

By assigning any one of the above auditors to audit and state an opinion on the financial statements of the Property Fund. In cases that no one of the auditors can perform the duties, Grant Thornton Thailand Co., Ltd. must procure other certified public auditors of Grant Thornton Thailand Co., Ltd. to responsible for examining and providing opinions on the financial statements of the Property Fund instead. The list of auditors above has changed from year 2020 as Mr. Teerasak Chuasrisakul, the Certified Public Account No. 6624, who signed the Property Fund 's financial statements for the fiscal year of 2015 - 2017, has resigned. Therefore, Ms. Saranya Akharamahaphanit, the Certified Public Account No. 9919, was proposed to act as the Property Fund's auditor for the Year of 2021.

### 3.2 Determination of Audit Fee

The Management Company has considered and deemed it appropriate to propose the unitholders of the Property Fund to acknowledge the determination of the audit fees of the Property Fund's auditor for the Year 2021. The details of which are as follows:

Fiscal Period	Audit Remuneration (Baht)		
	Year 2020	Year 2021	% Difference
1 January 2021 – 31 March 2021	165,000.00	165,000.00	-
1 April 2021 – 30 June 2021	165,000.00	165,000.00	-
1 July 2021 – 30 September 2021	165,000.00	165,000.00	-
1 October 2021 – 31 December 2021	495,000.00	495,000.00	-
Total	990,000.00	990,000.00	-

#### Management Company's opinion

The Management Company has considered and deemed it appropriate to propose the unitholders to acknowledge the appointment of the Property Fund's auditor and determining audit fee according to the details of which the Management Company had proposed above in order to comply with the Notification of Capital Market Supervisory Board No. TorNor 36/2562 Re: Property Fund Management which prescribed that the appointment of the Property Fund's auditor and audit fee shall be reported to the unitholders. The appointed auditor is the auditor who is approved and be in accordance with the criteria of Notification of the Office of the Securities and Exchange Commission No. SorChor 39/2553 Re: Approval of Auditors in the Capital market. In this regard, the determined audit fee is in line with the market rate which auditor charges in general.

#### 4<sup>th</sup> Matter      The dividend payment and reduction of registered capital of the Unitholders of Property Fund for the accounting period during 1 January 2020 to 31 December 2020

##### 4.1 Dividend payment policy

The Property Fund has a policy to distribute dividends to the unitholders of not exceeding 4 times per year if the Property Fund has adequate profits in accordance with the criteria allowing the distribution of dividends as follows:

1. In the case that the Property Fund has net profit during any fiscal period, the Management Company shall distribute dividends to the Unitholders not less than 90 percent of the adjusted net profit of the fiscal year. "Adjusted net profit" shall mean the net profit after deducting unrealized gain from appraisal or audit appraisal of the property or leasehold right of the property including other adjustment as specified by Office of the SEC for compliance with cash status of the Property Fund.

2. In the case that the Property Fund has retained earnings during any fiscal period, the

Management Company may distribute the dividends to the Unitholders from such retained earnings

The distribution of dividends shall not cause the Property Fund to have an increase in its deficit in the fiscal period that the dividends are distributed.

(a) In the case of distribution of dividends in each fiscal year

The Management Company shall declare the distribution of dividends and close its register book to specify the name of the Unitholders entitled to receive dividends and proceed to distribute such dividends to the Unitholders within 90 days from the end date of the fiscal year or the end date of the fiscal period to which the dividends were distributed, as the case may be.

(b) In the case of interim distribution of dividends

The Management Company shall declare to distribute dividends and close its register book to specify the name of the Unitholders entitled to receive dividends and proceed to distribute such dividends to the Unitholders within 30 days from book closing date.

#### 4.2 Criteria for capital reduction

1. In the case that the Property Fund has excess liquidity from any of the cases below, if the Management Company wishes to distribute such excess liquidity to the Unitholders, the Management Company shall proceed for the decrease of its capital decrease only:

- (1) The Property Fund shall sell the property or the leasehold right of the property.
- (2) The value of the property or the leasehold right of the property invested or held by the Property Fund decreases from the appraisal or audit appraisal of such property.
- (3) The Property Fund has accounting transactions which are deferred expenses and gradually amortized.

2. Regarding the Property Fund capital decrease, the Management Company shall decrease the unit value and proceed as follows:

- (1) The Management Company shall reserve the rights to use its discretion in decreasing its registered capital.
- (2) Distribute the capital returns to the Unitholders whose names appeared in the register book on the book closing date. Such capital returns shall not be deducted from the retained earnings of the Property Fund.
- (3) Apply to register the decrease of capital of the Property Fund to Office of the SEC within 5 business days from the date the capital returns are distributed to the Unitholders in the form provided in an electronic system of the Office of the SEC.
- (4) Publish the information in relation to the decrease of registered capital of the Property Fund on the website of the Management Company and the Annual Report of the Property Fund for the investors to review. Such information shall have the details at least as follows:
  - (a) reason for capital decrease.

- (b) amount of the decrease in registered capital and registered capital per unit for each decrease of capital.
- (c) book closing date and the distribution of capital returns date.

For the accounting period between 1 January 2020 to 31 December 2020, the Property Fund has not reduced the capital. The summary of the dividend payment to the unitholders of KPN Property Fund (KPNPF) are as follows:

Book Closing Date	Dividend Payment Date	Dividend per Unit (Baht)	Total Distributed Dividends (Baht)	Operating Result Period
5 June 2020	19 June 2020	0.0880	15,840,000.00	1 Jan – 31 Mar 2020
3 September 2020	18 September 2020	0.0900	16,200,000.00	1 Apr – 30 June 2020
8 December 2020	21 December 2020	0.1108	19,944,000.00	1 Jul – 30 Sep 2020
17 March 2021	26 March 2021	0.0800	14,400,000.00	1 Oct – 31 Dec 2020

#### Management Company's opinion

The Management Company has considered and deemed it appropriate to propose the unitholders to acknowledge the dividend payment to the unitholders and reduction of capital of the Property Fund for the accounting period between 1 January 2020 to 31 December 2020. The detail as appeared in the dividend payment policy and criteria of capital reduction prescribed in the prospectus for the offering the investment unit of the Property Fund.

In addition, the Management Company would like to inform the Unitholders that if you have any questions or queries in relation to the above matters, you may submit such questions or queries to e-mail: [KA\\_Propertyinfra\\_agm2021@kasikornasset.com](mailto:KA_Propertyinfra_agm2021@kasikornasset.com) from today until 16 April 2021. The Management Company will further disclose a summary of such questions and answers via an electronics system of the Stock Exchange of Thailand and a website of the Management Company at [www.kasikornasset.com](http://www.kasikornasset.com) within 30 April 2021.

Sincerely Yours,

Kasikorn Asset Management Company Limited  
KPN Property Fund (KPNPF)