

Or. 10-01/2024

8 October 2024



Re: Report on Information of Sala @ Sathorn Property Fund (SSPF) for Year 2024

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

Ref: Letter No. Or. 09-02/2024, dated 13 September 2024, Re: Notification of Schedule of Annual Two-way Communication for Year 2024 and Book Closing Date of Sala @ Sathorn Property Fund (SSPF)

Encl. 1. Fund's financial statements for the fiscal year ending on 30 June 2024  
2. Question Form.

Whereas Krungsri Asset Management Limited ("Management Company"), as the Management Company of Sala @ Sathorn Property Fund (SSPF) ("Fund"), has notified the schedule of annual two-way communication for the year 2024 by delivering letters to unitholders of the Fund to report the information of the Fund as specified in the related notifications and providing opportunities for the unitholders to ask additional questions as detailed in the reference published on the Stock Exchange of Thailand's website.

The Management Company would like to report such information to the unitholders as follows:

**Matter 1: Management of the Fund on Significant Matters and Guidelines for Management of the Fund in the Future**

The Management Company has considered the matter and deems it appropriate to report the following matter to unitholders of the Fund for acknowledgement.

**1.1 The Fund's general information and currently invested main property**

### General information of the Fund

Management project name (Thai)	กองทุนรวมอสังหาริมทรัพย์ศาลาแอสทอร์
Management project name (English)	Sala @ Sathorn Property Fund
Abbreviation	SSPF
Project type	Closed-end property fund listed on the Stock Exchange of Thailand
Project life period	Indefinite
Project capital	1,670,000,000.00 baht (one billion six hundred seventy million baht)
Unit par value	10.00 baht (ten baht)
Number of investment units	167,000,000.00 units (one hundred sixty-seven million units)
Trustee	Siam Commercial Bank Public Company Limited
Property manager	Plus Property Company Limited

### The Fund's invested main property

The main property invested in by the Fund is the freehold in the land with the office building, i.e., @ Sathorn Building, located on South Sathorn Road, at the entrance to Soi Sathorn 11 (Soi St. Louis), Yannawa Sub-district, Bang Rak District, Bangkok. It is an office building which was completely constructed in 2009. The @ Sathorn Building is a 25-storey building with a total usable space of approximately 17,520 square meters. Its lease area has been allocated to various lessees. Currently, the Fund leases the areas to a total of seven lessees as follows:

Floor	Lessee	Area (square meters)	Lease Term (years)
1	Government Savings Bank	122.80	3
1	Mr. Akkaranan Sornchamni (Cafe' de Golfio)	80.00	1
3	Puredent Company Limited	304.72	-
5	Insightout Service Company Limited	304.72	-
11A	Government Savings Bank	443.67	3
11B	- Unoccupied -	449.51	-
12	Government Savings Bank	982.60	3

13	Government Savings Bank	982.60	3
14A	Vasayo (Thailand) Company Limited	443.67	3
14B	- Unoccupied -	449.51	-
15	Vasayo (Thailand) Company Limited	982.60	3
16A	Gypman Tech Company Limited	443.67	3
16B	- Unoccupied -	449.51	-
17	- Unoccupied -	982.60	-
18	Government Savings Bank	982.60	3
19	G Capital Public Company Limited	947.60	3
20	- Unoccupied -	982.60	-
21	- Unoccupied -	982.60	-
22	- Unoccupied -	982.60	-
23	- Unoccupied -	982.60	-
24	- Unoccupied -	982.60	-
25	- Unoccupied -	982.60	-
26	- Unoccupied -	982.60	-
27	- Unoccupied -	982.60	-

At present, the total area rented by lessees under lease and service agreements equals 6,991.25 square meters, equivalent to 40.62% of the total space for rent, and the average rental rate stands at 670.58 baht per square meter per month.

## 1.2 Conditions of the office building market

The total area of office space in Bangkok in 2023 was approximately 7,060,000 square meters, increased by approximately 360,000 square meters from 2022, resulting in an increase in available rental space to 17.82% in 2023, as a result of significant amount of continuously accumulated demand. At the same time, the average rental rate merely increased by approximately 0.2% to 860 baht per square meter per month. In addition, the total office space for Grade A buildings in the Central Business District (CBD) increased by 187,000 square meters, amounting to the total office space in CBD of 3,540,000 square meters, with an increase in a total available space to 18.31% in 2023 from 14.08% in the previous year. The average rental rate in CBD increased to 870 baht per square meter per month, or an increase of 0.11% from the previous year. This comprises an average rental rate

for Grade A buildings at 1,067 baht per square meter per month and an average rental rate for Grade B buildings at 726 baht per square meter per month.

Because of the increase in the total office space in Bangkok, rental rates in CBD in the first half of 2024 have increased in opposition to available spaces and market demand, particularly offices in the neighborhoods of Phloen Chit Road - Rama 1 Road, Wireless Road – Lang Suan Road, beginning section of Sukhumvit Road, and Silom Road, the rental rates of which have decreased by more than 5% from 2023. However, the office building market in the neighborhoods of Rama 4 Road and Asoke-Ratchadaphisek Road still maintain lessees properly, with the available space percentage remaining stable from last year. On the other hand, in the market for office buildings outside CBD, the rental rate in Chatuchak-Ratchayothin neighborhoods increased to 9.1% from 8.7% in 2023.

#### Marketing policy and competition of the project invested in by the Fund in the previous year 2023

The continuous COVID-19 outbreak has caused negative effects on the overall office building market until present. The change in demand for use of office space, teleworking policy and global economy, which is still unstable, are all part of the factors causing the decrease in office space lease.

The property in which the Fund invests is a Grade B+ office building located in the CBD. The majority of clients with an interest to rent spaces in downtown area include international and Thai companies. The behavior of this group of clients when searching for rental spaces is that most of them use real estate agents to find locations. However, some directly contact the building to view the spaces. Therefore, the Fund's policy is to be open about communicating with real estate agencies in general, whether they are international companies, e.g., CB Richard Ellis (Thailand) Company Limited, Savills (Thailand) Company Limited and Knight Frank Chartered (Thailand) Company Limited, or Thai companies. Moreover, the Property Manager has had billboards posted in the building area so that interested parties may also contact the building directly.

With respect to competition, given the overall competition involving the location-based rental office spaces, Sathorn neighborhood has some interesting competition with other office locations, namely, Phloen Chit-Ratchaprasong, Sukhumvit-Emporium and Ratchadaphisek-Rama 9. However, considering direct competition with the same-level office buildings in South Sathorn area, the competition is not as strong as buildings in the Sathorn Road neighborhood are often either over 10-year-old buildings or new Grade A buildings, such as, Sathorn Square and AIA Sathorn Tower.

### 1.3 Guidelines for management of the Fund in the future

Regarding the seeking of additional lessees, despite drastic change of office space lessees' behavior at present, the size of spaces for rent in the @ Sathorn Building has been adjusted from the whole-floor lease to two divided zones for lease per floor, and the spaces will be divided into a smaller size next year in response to the requirements of the tenants, especially those which are startups, as several office buildings for rent currently utilize other pricing strategies and privileges to fight to get new clients and retain existing tenants with them. The @ Sathorn Building therefore uses pricing strategies to attract interested parties to rent the building's spaces, as well as offering different privileges to appeal to interested clients, e.g., additional parking entitlements and extended free parking period, etc.

#### The Management Company's opinion

The Management Company deems it appropriate to report the management of the Fund on significant matters and guidelines for management of the Fund in the future to the unitholders for acknowledgement and in accordance with relevant notifications.

#### **Matter 2: Financial Status and Operating Result of the Fund for the Fiscal Year during 1 July 2023 to 30 June 2024**

The Management Company has prepared a summary of financial status and operating results of the Fund for the fiscal year during 1 July 2023 to 30 June 2024, as shown in the Fund's financial statements for the fiscal year ending on 30 June 2024 as audited and opined by the Fund's auditor. The details are shown in Enclosure 1 and can be summarized as follows:

#### Summary of balance sheet

Total assets	1,891,591,405.73 baht
Total liabilities	19,896,871.72 baht
Net assets	1,871,694,534.01 baht
Net value per investment unit	11.2077 baht
Total number of investment units sold at year-end	167,000,000 units

In the previous fiscal year, the Fund's net assets stood at 1,871,694,534.01 baht, increased from that in 2023 which was 1,862,838,760.23 baht, representing approximately 0.48%. The net value per investment unit was 11.2077 Baht.

Summary of profit and loss statement

Total revenue	69,178,464.54 baht
Total expenses	38,800,390.46 baht
Net investment revenue (expense)	30,378,074.08 baht
Total net realized and unrealized gain (loss) from investment	(2,000,000.00) baht
Net increase in net operating assets	28,378,074.08 baht

In the previous fiscal year, the Fund's total revenue stood at 69,178,464.54 baht, increased from that in 2023 which was 58,628,239.09 baht, equivalent to approximately 18%. The main cause of such increase was the increase in income from rental and service charges and also investment profit in the amount of 30,378,074.08 baht. However, the Fund had net loss from investment in the amount of 2,000,000 baht as a result of the decrease in asset appraisal price on the assumption of the current market condition.

Summary of cash flow statement

Net cash received (paid) from the operating activities	26,053,418.99 baht
Net cash paid in the operating activities (paid dividend)	(19,522,300.30) baht
Net increased (decreased) cash or cash equivalent	6,531,118.69 baht
Cash or cash equivalents on the first day of year	73,550,888.93 baht
Cash or cash equivalents at year-end	80,082,007.62 baht

In the previous fiscal year, the Fund has already paid the dividend in the amount of 19,522,300.30 baht. The Fund has cash and cash equivalents at year-end in the amount of 80,082,007.62 baht, and the Management Company will further consider managing such amount appropriately.

The expenses collected from the Fund (as from 1 July 2023 to 30 June 2024)

Fee	Amount (Baht)	Equivalent to percentage (%) to NAV
Cost of rental and service fees	26,969,578.68	1.44%
Management fee	4,784,254.35	0.26%
Trustee fee	421,014.36	0.02%
Registrar fee	956,850.86	0.05%
Property manager fee	4,934,767.02	0.26%
Professional fee	414,800.00	0.02%
Income tax	54,291.95	0.01%
Other operation expenses	264,833.24	0.01%
Total	38,800,390.46	2.07%

Dividend payment history

<u>Fiscal year</u>	<u>Dividend payment rate / investment unit</u>
Ending on 30 June 2012	No dividend payment
Ending on 30 June 2013	0.108
Ending on 30 June 2014	0.140
Ending on 30 June 2015	0.260
Ending on 30 June 2016	0.370
Ending on 30 June 2017	0.450
Ending on 30 June 2018	0.456
Ending on 30 June 2019	0.463
Ending on 30 June 2020	0.472
Ending on 30 June 2021	0.385
Ending on 30 June 2022	0.154
Ending on 30 June 2023	0.117
Ending on 30 June 2024	0.166

According to the Fund's operating results during 1 July 2023 to 30 June 2024, the Fund had net profit in the amount of 28,378,074.08 baht. The Management Company, therefore, considered announcing annual

dividend payment for the year 2024 to unitholders. The dividend payment was scheduled to be made on 24 September 2024 at the rate of 0.166 baht per investment unit.

**The Management Company's opinion**

The Management Company deems it appropriate to report the Fund's financial status and operating results for the fiscal year during 1 July 2023 to 30 June 2024 and financial statements for the fiscal year ending on 30 June 2024 as audited and opined by the auditor to the unitholders for acknowledgment and in accordance with relevant notifications.

**Matter 3: Appointment of the Fund's Auditors and Auditing Expenses for the Fiscal Year ending on 30 June 2025**

The Management Company has appointed auditors of PV Audit Company Limited as the auditors of the Fund for the fiscal year ending on 30 June 2025. They have been approved, have qualifications and do not possess prohibited characteristics in accordance with the Notification of the Office of the Securities and Exchange Commission No. Sor Chor. 39/2553 Re: Approval of Auditors in the Capital Market (as amended). The Management Company has considered the auditors' qualifications and capabilities based on criteria regarding the auditor's qualification, quality, work proficiency and independence where the auditor has no interest or conflict of interest in performing of duties as auditor of the Fund. The details of auditors and auditing expenses are as follows:

Auditors	1. Mr. Prawit Viwanthananut                      CPA Registration No. 4917 2. Mr. Terdthong Thepmangkorn                      CPA Registration No. 3787 3. Miss Chutima Wongsarapanchai                      CPA Registration No. 9622 4. Miss Ratapatara Limsakul                      CPA Registration No. 10508
Relationship and interest with the Management Company, Fund and related persons	The auditors have no relationship and interest other than being the Fund's auditors.
Location	100/29, 14th Floor, Vongvanij Complex Building B, Rama 9 Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok 10310
Remuneration	410,000 baht
Other expenses	Actual amount paid

PV Audit Company Limited's auditors have been appointed as the Fund's auditors since 2009, or a total service period of 15 years. In the previous year (the fiscal year ending on 30 June 2024), there was an audit fee of 410,000 baht (excluding other expenses) and no other non-audit fees.

**The Management Company's opinion**

The Management Company deems it appropriate to report the appointment of the Fund's auditors and auditing expenses for the fiscal year ending 30 June 2025 to the unitholders for acknowledgement and in accordance with relevant notifications. The aforesaid auditors have been approved pursuant to the Notification of the Office of the Securities and Exchange Commission No. Sor Chor. 39/2553 Re: Approval of Auditors in the Capital Market (as amended). The abovementioned audit fee is in line with the market rate offered by the auditors for providing audit services to other persons.

The Management Company would like to inform unitholders that, in case you wish to ask for additional information or have any other questions about the information reported above, you can submit such questions to the Management Company during the period from 8 October 2024 to 22 October 2024 via electronic mail or send the question form by post to the Management Company's address, as detailed below.

- 1) Email address: kungsriasset.property@krungsri.com
- 2) Send the Question Form as per **Enclosure 2** by post to the Management Company at the following address:

Krungsri Asset Management Limited (Sala @ Sathorn Property Fund)  
Address: 898 Ploenchit Tower, Floor 1-2, Zone A, Floor 18, Zone B,  
Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330  
Tel. 0-2657-5757, Fax: 0-2657-5777

In case unitholder(s) asks for any additional information, the Management Company will prepare a summary of essential issues incorporating questions and answers and publish it on the Stock Exchange of Thailand's information system and/or the Management Company's website at [www.krungsriasset.com](http://www.krungsriasset.com) by 5 November 2024, for acknowledgement by all unitholders.

Please be informed accordingly.

Yours sincerely,

Krungsri Asset Management Company Limited  
Sala @ Sathorn Property Fund

In case you have any questions or wish to ask for additional information, please contact the Client Service, Tel. 0-2657-5757.

SALA @ SATHORN PROPERTY FUND  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Unitholders of Sala @ Sathorn Property Fund**

#### **Opinion**

I have audited the financial statements of Sala @ Sathorn Property Fund ("the Fund"), which comprise the statement of financial position and details of investments as at 30 June 2024, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Sala @ Sathorn Property Fund as at 30 June 2024, and its financial performance, changes in its net assets and cash flows for the year then ended in accordance with the Accounting Guidance for the Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission.

#### **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 Code of Ethics for Professional Accountants, including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

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

#### **Valuation of Investments in Property**

As discussed in Notes 3 and 5 to the financial statements, accounting policies and the investments in property, with carrying amount as at 30 June 2024 of Baht 1,801.00 million, are stated at their fair values based on independent valuations. The valuation process is considered a key audit matter because it involves significant judgment in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. Any changes in the key assumptions applied could result in a material impact to the financial statements.

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

### **Other Information**

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

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

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

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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



Rathapat Limsakul

Certified Public Accountant

Registration Number 10508

PV Audit Co., Ltd.

Bangkok, 1 August 2024

**SALA @ SATHORN PROPERTY FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	Note	Baht	
		2024	2023
<b>ASSETS</b>	4		
Investments in property at fair value	3, 5, 14	1,801,000,000.00	1,803,000,000.00
Cash and cash equivalents	6	80,082,007.62	73,550,888.93
Restricted bank deposit	11, 12	2,400,000.00	2,400,000.00
Accounts receivable from interest		25,790.11	7,802.58
Rental and services income receivables	9	5,687,475.85	3,403,631.57
Other assets		2,396,132.15	522,337.36
<b>Total Assets</b>		<b>1,891,591,405.73</b>	<b>1,882,884,660.44</b>
<b>LIABILITIES</b>			
Accrued expenses	4, 9	2,706,152.76	4,320,122.62
Rental and service deposits	4, 9	16,125,402.09	14,204,418.29
Revenue received in advance		751,953.03	1,297,989.53
Accrued income tax	4	894.82	676.25
Other liabilities	4	312,469.02	222,693.52
<b>Total Liabilities</b>		<b>19,896,871.72</b>	<b>20,045,900.21</b>
<b>NET ASSETS</b>		<b>1,871,694,534.01</b>	<b>1,862,838,760.23</b>
<b>NET ASSETS :</b>			
Capital received from unitholders		1,670,000,000.00	1,670,000,000.00
Retained earnings	7	201,694,534.01	192,838,760.23
<b>Net Assets</b>		<b>1,871,694,534.01</b>	<b>1,862,838,760.23</b>
Net assets per unit		11.2077	11.1547
Total outstanding investment units at the end of the year (units)		167,000,000	167,000,000

**SALA @ SATHORN PROPERTY FUND**

**DETAILS OF INVESTMENTS**

**AS AT 30 JUNE 2024**

	Cost (Baht)	Fair value (Baht)	Percentage of investments
<b>Investments in property</b>			
Land and building including equipment			
@ SATHORN BUILDING	1,677,916,274.72	1,801,000,000.00	100.00
<b>Total investments in property</b>	<b>1,677,916,274.72</b>	<b>1,801,000,000.00</b>	<b>100.00</b>

**SALA @ SATHORN PROPERTY FUND**

**DETAILS OF INVESTMENTS**

**AS AT 30 JUNE 2023**

	Cost (Baht)	Fair value (Baht)	Percentage of investments
<b>Investments in property</b>			
Land and building including equipment			
@ SATHORN BUILDING	1,677,916,274.72	1,803,000,000.00	100.00
<b>Total investments in property</b>	<b>1,677,916,274.72</b>	<b>1,803,000,000.00</b>	<b>100.00</b>

**SALA @ SATHORN PROPERTY FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Note	Baht	
		2024	2023
<b>INCOME</b>	3		
Rental and services income	9	68,398,475.60	58,088,867.37
Interest income		382,076.78	173,365.13
Other income	9	397,912.16	366,006.59
Total income		69,178,464.54	58,628,239.09
<b>EXPENSES</b>	3		
Cost of rental and services		26,969,578.68	25,524,765.41
Management fee	8, 9	4,784,254.35	4,746,431.40
Trustee fee	8	421,014.36	417,685.95
Registrar fee	8, 9	956,850.86	949,286.28
Property management fee	12	4,934,767.02	4,777,797.34
Professional fee		414,800.00	414,800.00
Income tax		54,291.95	25,464.77
Other operating expenses		264,833.24	300,785.82
Total expenses		38,800,390.46	37,157,016.97
Net profit from investments		30,378,074.08	21,471,222.12
<b>Net gain (loss) on investments</b>	3		
Net gain (loss) from changes in fair value of investments	5	(2,000,000.00)	3,000,000.00
Total net gain (loss) on investments		(2,000,000.00)	3,000,000.00
<b>Increase in net assets from operations</b>		28,378,074.08	24,471,222.12

**SALA @ SATHORN PROPERTY FUND**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	Note	Baht	
		2024	2023
Increase (decrease) in net assets from operations during the year			
Net profit from investments		30,378,074.08	21,471,222.12
Net gain (loss) on investments		(2,000,000.00)	3,000,000.00
Increase in net assets from operations		28,378,074.08	24,471,222.12
Distributions to unitholders	3, 10	(19,522,300.30)	(25,717,999.82)
Increase (decrease) in net assets during the year		8,855,773.78	(1,246,777.70)
Net assets at the beginning of the year		1,862,838,760.23	1,864,085,537.93
Net assets at the end of the year		1,871,694,534.01	1,862,838,760.23
<u>Changes of investment units</u>		Units	
(at Baht 10 each)			
Investment units at the beginning of the year		167,000,000	167,000,000
Investment units at the end of the year		167,000,000	167,000,000

**SALA @ SATHORN PROPERTY FUND**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2024**

	Baht	
	2024	2023
Cash flows from operating activities		
Increase in net assets from operations	28,378,074.08	24,471,222.12
Adjustments to reconcile the increase in net assets from operations to net cash provided by (used in) operating activities		
Net (gain) loss from changes in fair value of investments	2,000,000.00	(3,000,000.00)
Increase in accounts receivable from interest	(17,987.53)	(3,583.79)
(Increase) decrease in rental and services income receivables	(2,283,844.28)	4,161,759.44
(Increase) decrease in other assets	(1,873,794.79)	2,133,496.79
Increase (decrease) in accrued expenses	(1,613,969.86)	1,764,841.34
Increase in rental and service deposits	1,920,983.80	984,371.00
Increase (decrease) in revenue received in advance	(546,036.50)	761,630.40
Increase in accrued income tax	218.57	537.57
Increase in other liabilities	89,775.50	63,808.01
Net cash provided by operating activities	<u>26,053,418.99</u>	<u>31,338,082.88</u>
Cash flows from financing activities		
Distributions to unitholders	(19,522,300.30)	(25,717,999.82)
Net cash used in financing activities	<u>(19,522,300.30)</u>	<u>(25,717,999.82)</u>
Net increase in cash and cash equivalents	6,531,118.69	5,620,083.06
Cash and cash equivalents at the beginning of the year	73,550,888.93	67,930,805.87
Cash and cash equivalents at bank at the end of the year	<u><u>80,082,007.62</u></u>	<u><u>73,550,888.93</u></u>

**SALA @ SATHORN PROPERTY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1. GENERAL INFORMATION**

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

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

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

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with the Accounting Guidance for the Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by SEC (“Accounting Guidance”), while for those matters not covered by the Accounting Guidance, the Fund applies Thai Financial Reporting Standards issued by the Federation of Accounting Professions that are effective in that financial reporting period.

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

**3. ACCOUNTING POLICIES**

Investments

Investments in property are recognised as assets with the cost of investments at the date on which the Fund has the right on investments. The costs of investments are comprised with the purchase price and all direct expenses which the Fund paid to get those investments. Investments at fair value through profit or loss are recognised as assets at fair value at the date on which the Fund has the right on investments.

- Investments in property are stated at fair value based on valuation of an independent appraiser for every 2 years and will conduct a review of appraisal every year after the date of the latest appraisal.

Net gain or loss from changes in fair value of investments are reflected in profit or loss.

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

#### Distributions of Income

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

#### Revenues and Expenses Recognition

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

Lease incentives paid are recognised in profit or loss as an integral part of the total rental income. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

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

Other income and expenses are recognised on an accrual basis.

On disposal of an investment, the difference between net consideration received and carrying amount is recognised in profit or loss.

#### Income Tax

The Fund shall pay income tax according to the Revenue Code based on income under section 40 (4) (a) at the rate of 15% of income before deducting expenses.

#### Use of Accounting Judgments and Estimates

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

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

## **4. FINANCIAL RISKS**

#### Interest rate risk

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

The following table summarises the Fund's interest rate risk, which comprised fair value of financial assets and financial liabilities and categorised by type of interest rates:

	Baht			
	Outstanding balance of net financial instruments as at 30 June 2024			
	Floating Interest Rate	Fixed Interest Rate	No Interest Rate	Total
<u>Financial Assets</u>				
Cash and cash equivalents	80,082,007.62	-	-	80,082,007.62
Restricted bank deposit	2,400,000.00	-	-	2,400,000.00
Accounts receivable from interest	-	-	25,790.11	25,790.11
Rental and services income receivables	-	-	5,687,475.85	5,687,475.85
Other assets	-	-	175,942.50	175,942.50
<u>Financial Liabilities</u>				
Accrued expenses	-	-	2,706,152.76	2,706,152.76
Rental and service deposits	-	-	16,125,402.09	16,125,402.09
Accrued income tax	-	-	894.82	894.82
Other liabilities	-	-	312,469.02	312,469.02
	Baht			
	Outstanding balance of net financial instruments as at 30 June 2023			
	Floating Interest Rate	Fixed Interest Rate	No Interest Rate	Total
<u>Financial Assets</u>				
Cash and cash equivalents	73,550,888.93	-	-	73,550,888.93
Restricted bank deposit	2,400,000.00	-	-	2,400,000.00
Accounts receivable from interest	-	-	7,802.58	7,802.58
Rental and services income receivables	-	-	3,403,631.57	3,403,631.57
Other assets	-	-	187,129.07	187,129.07
<u>Financial Liabilities</u>				
Accrued expenses	-	-	4,320,122.62	4,320,122.62
Rental and service deposits	-	-	14,204,418.29	14,204,418.29
Accrued income tax	-	-	676.25	676.25
Other liabilities	-	-	222,693.52	222,693.52

### Credit risk

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

### Foreign currency risk

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

### Market risk

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

### Risk management

The Fund manages risks which may arise from investments by establishing its risk management policy to cover risks on investments such as diversifying its investments and analysing the status of those entities invested by the Fund.

## **5. INVESTMENTS IN PROPERTY AT FAIR VALUE**

The movements of investments in property at fair value for the years ended 30 June 2024 and 2023 were summarised as follows:

	Baht	
	2024	2023
Balance at the beginning of the year	1,803,000,000.00	1,800,000,000.00
Gain (loss) from changes in fair value of investments	(2,000,000.00)	3,000,000.00
Balance at the end of the year	1,801,000,000.00	1,803,000,000.00

During the year 2024, the Fund provided an independent appraisal company Nexus Property Consultants Co., Ltd., to appraise the value of investments in property. According to the appraisal report dated 14 June 2024, stated that the method used for appraise the property was Income Approach. The fair value of the property was summarised as follows:

<u>Assets</u>	<u>Appraisal Date</u>	<u>Fair Value (Baht)</u>
Land and building – @ Sathorn Building	15 May 2024	1,801,000,000.00

During the year 2023, the Fund provided an independent appraisal company Nexus Property Consultants Co., Ltd., to appraise the value of investments in property. According to the appraisal report dated 18 July 2023, stated that the method used for appraise the property was Income Approach. The fair value of the property was summarised as follows:

<u>Assets</u>	<u>Appraisal Date</u>	<u>Fair Value (Baht)</u>
Land and building – @ Sathorn Building	30 June 2023	1,803,000,000.00

#### 6. CASH AND CASH EQUIVALENTS

<u>Bank</u>	<u>Baht</u>		<u>Interest Rate (%)</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
The Siam Commercial Bank Plc.	<u>80,082,007.62</u>	<u>73,550,888.93</u>	0.55	0.45

#### 7. RETAINED EARNINGS

The movements of retained earnings for the years ended 30 June 2024 and 2023 were summarised as follows:

	<u>Baht</u>	
	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	192,838,760.23	194,085,537.93
Net profit from investments	30,378,074.08	21,471,222.12
Net gain (loss) from changes in fair value of investments	(2,000,000.00)	3,000,000.00
Distributions to unitholders	(19,522,300.30)	(25,717,999.82)
Balance at the end of the year	<u>201,694,534.01</u>	<u>192,838,760.23</u>

#### 8. MANAGEMENT, TRUSTEE AND REGISTRAR FEES

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

## 9. RELATED PARTY TRANSACTIONS

During the year, the Fund had significant business transactions with the Management Company and other enterprises, which have the same shareholders and/or directors as the Management Company and the Fund. Such transactions for the years ended 30 June 2024 and 2023 were summarised as follows:

	Baht		Pricing Policy
	2024	2023	
Krungsri Asset Management Company Limited			
Management fee	4,784,254.35	4,746,431.40	As specified in the agreement (see Note 8)
Registrar fee	956,850.86	949,286.28	As specified in the agreement (see Note 8)
Government Savings Bank			
Rental and services income	35,609,428.23	40,038,965.67	As specified in the agreement
Other income	71,088.00	100,827.00	Market price

As at 30 June 2024 and 2023, the Fund had the significant outstanding balances with the related companies as follows:

	Baht	
	2024	2023
Krungsri Asset Management Company Limited		
Accrued management fee	410,503.22	409,680.62
Accrued registrar fee	82,100.64	81,936.13
Government Savings Bank		
Rental and services income receivables	517,992.57	680,663.49
Rental and service deposits	7,515,179.71	8,535,568.19

### Nature of relationship

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

## 10. DISTRIBUTIONS TO UNITHOLDERS

For the years ended 30 June 2024 and 2023, the Fund paid dividends as follows:

<u>The Closing Date of</u>	<u>Registered Book</u>	<u>For the Period</u>	<u>Per Unit (Baht)</u>	<u>Total (Baht)</u>
	12 September 2023	1 July 2022 – 30 June 2023	0.1169	19,522,300.30
	12 September 2022	1 July 2021 – 30 June 2022	0.1540	25,717,999.82

## 11. RESTRICTED BANK DEPOSIT

As at 30 June 2024 and 2023, deposit at a financial institution in the amount of Baht 2.40 million is used as collateral for bank to issue letter of guarantee for electricity (see Note 12).

## 12. COMMITMENTS

As at 30 June 2024, the Fund has commitments as follows:

1. Letter of the guarantee issued by a bank in the amount of Baht 2.40 million (see Note 11).
2. Payment under service agreement in the amount of Baht 0.57 million per month.
3. Payment under property management agreement with Plus Property Company Limited to manage the property for a period of one year and paid property management fee in the amount of Baht 400,087.22 per month.
4. Commitments of operating lease revenues, future minimum rental revenues under non-cancellable operating leases are as follows:

Period	Baht
Not later than one year	48,066,698.45
Later than one year and not later than five years	29,598,483.72
Total	<u>77,665,182.17</u>

## 13. SEGMENT INFORMATION

The Fund operates in only one business segment which is the investments in property and the business is only operated in Thailand.

## 14. INFORMATION ON FAIR VALUE LEVEL AND FAIR VALUE MEASUREMENT OF INVESTMENTS

### Fair value estimation

Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between buyers and sellers (market participants) at the measurement date. The Fund used quoted prices in active markets in measuring assets and liabilities which required to be measured at fair value under related accounting guidance. In case that there is no active markets for identical assets or liabilities or the quoted prices in active markets are not available, the Fund will estimate the fair value using valuation techniques that fit to each circumstance and try to use observable data that is relevant to the assets or liabilities to be measured as much as possible.

The following table shows fair value of financial instruments categorised by measurement approach with different levels in a fair value hierarchy as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2024 and 2023, the Fund had the following assets that were measured at fair value using different levels of inputs as follows:

	Baht			
	As at 30 June 2024			
	Level 1	Level 2	Level 3	Total
Investments in property at fair value	-	-	1,801,000,000.00	1,801,000,000.00

  

	Baht			
	As at 30 June 2023			
	Level 1	Level 2	Level 3	Total
Investments in property at fair value	-	-	1,803,000,000.00	1,803,000,000.00

Valuation techniques and inputs to Level 3 valuation

The fair value of investments in property, the Fund has assessed the valuations of assets based on valuation of the independent appraiser. The main information that the appraiser use for fair value assessment comprises of Discounted Cash Flow Method (Income Approach).

During the year, there were no transfers within the fair value hierarchy.

**15. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved for issue by the authorised persons of the Fund on 1 August 2024.

Question Form  
Report of Information of Sala @ Sathorn Property Fund (SSPF)  
for Year 2024

Date.....

To: Krungsri Asset Management Limited  
As the Management Company of Sala @ Sathorn Property Fund (SSPF)

I, ....., a unitholder of Sala @ Sathorn Property Fund,  
holding unit(s) in the amount of.....unit(s), unitholder No. ....,  
have question(s) regarding the report of information of Sala @ Sathorn Property Fund for year 2024  
as follows:

**Matter 1: Management of the Fund on Significant Matters and Guidelines for Management of  
the Fund in the Future**

*Question:* .....

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.....

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**Matter 2: Financial Status and Operating Result of the Fund for the Fiscal Year during 1 July  
2023 to 30 June 2024**

*Question:* .....

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.....

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Matter 3: Appointment of the Fund's Auditors and Auditing Expenses for the Fiscal Year ending on 30 June 2025

Question: .....

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Matter 4: Others (if any)

Question: .....

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Sign.....

( )