

**Fund Performance Report Year 2019
Of Prime Office Leasehold Property Fund (POPF)**

SCB Asset Management Co., Ltd., the Management Company of Prime Office Leasehold Property Fund (“POPF”) has notified to the Stock Exchange of Thailand on 3 April 2020, to cancel the hold of the 2020 Annual General Meeting of Unitholders which determined to convene the meeting on 22 April 2020 from 2.00 p.m. at Ladprao Suite, Centara Grand at Central Plaza Ladprao Bangkok hotel in order to follow the announcement of SEC, TorNor 23/2563, determination of Annual General Meeting Date for the Year 2020 due to outbreak of novel coronavirus (COVID-19) thus, the Management Company will deliver the Fund’s performance for the year 2019 instead of the hold of the meeting 2020.

In this regard, the Management Company would like to inform the Fund’s performance for the year 2019 including the summary of answers according to platform provided unitholders for sending the questions or doubts during 22 April to 8 May 2020 as following:

Agenda 1 To acknowledge the minutes of the previous meeting

The Management Company would like to inform the minutes of previous meeting as the details as shown in attachment 1 of the Annual General Meeting of Unitholder for the year 2019 of Prime Office Leasehold Property Fund (POPF) which had delivered earlier to unitholders for acknowledgement.

Agenda 2 To acknowledge the Prime Office Leasehold Property Fund’s 2019 operating performance.

The management company has summarized the operating results of POPF and significant incidents arising from 1 January 2019 to 31 December 2019, as per details appear in the Annual Report 2019 (Unitholders can download via QR-code in Attachment No.2 of the Determination of the Fund’s performance for the year 2019 letter which had delivered to unitholders earlier). The operating results of POPF pursuant to the Annual Report 2019 can be summarized as follows:

Operating Results	1 January 2019 – 31 December 2019	1 January 2018 – 31 December 2018
1. Total investment income		
1.1 Rental income	1,000,305,198 Baht	960,955,272 Baht
1.2 Interest income	3,659,320 Baht	233,954 Baht
1.3 Other income	15,739,137 Baht	18,553,881 Baht
2. Total expenses	389,977,359 Baht	377,368,236 Baht
3. Net investment income	629,726,296 Baht	604,472,801 Baht

4. Number of tenants as of year end		
4.1 UBC II Building	143 Companies	147 Companies
4.2 Ploenchit Center Building	161 Companies	153 Companies
4.3 Bangna Tower Building	107 Companies	109 Companies
5. Net Lettable Area as of year end		
5.1 UBC II Building	33,045 SQM.	33,080 SQM.
5.2 Ploenchit Center Building	42,728 SQM.	42,727 SQM.
5.3 Bangna Tower Building	49,663 SQM.	49,675 SQM.
6. Occupancy Rate (%)		
6.1 UBC II Building	96%	95%
6.2 Ploenchit Center Building	99%	96%
6.3 Bangna Tower Building	95%	95%
7. Average Rental Rate		
7.1 UBC II Building	700 Baht/ SQM./ Month	681 Baht/ SQM./ Month
7.2 Ploenchit Center Building	730 Baht/ SQM./ Month	707 Baht/ SQM./ Month
7.3 Bangna Tower Building	459 Baht/ SQM./ Month	445 Baht/ SQM./ Month

Opinion of Management Company:

The management company is of the view that operating result of POPF as shown in the Annual Report 2019 are accurate, proper and in accordance with the provisions specified in the Fund scheme.

Agenda 3 To acknowledge the Prime Office Leasehold Property Fund's balance sheet and the profit and loss statements for the year ended 31st December 2019.

It is proposed to the unitholders to acknowledge the balance sheet and the profit and loss statements for the year ended December 31, 2019 of POPF as per details in the attachment No.2 of the Determination of the Fund's performance for the year 2019 letter which had delivered to unitholders earlier. POPF has prepared and approved the balance sheet and the profit and loss statements for the year ended December 31, 2019, which have been completely audited and certified KPMG Co., Ltd. Therefore, it is deemed appreciate to state the matter to unitholders for acknowledgement, details of which are as follow;

Operating Results	1 January 2019 - 31 December 2019	1 January 2018 - 31 December 2018
1. Total assets	6,208,428,436 Baht	6,249,239,312 Baht
2. Total liabilities	805,636,121 Baht	451,925,168 Baht

3. Long Term Loans	357,800, 000 Baht	386,600,000 Baht
4. Net asset value	5,402,792,315 Baht	5,410,714,144 Baht
5. Net asset value per unit	11.2175 Baht	11.2339 Baht
Operating Results	1 January 2019 - 31 December 2019	1 January 2018 - 31 December 2018
6. Total Income	1,019,703,655 Baht	981,841,037 Baht
7. Total Expenses	389,977,359 Baht	377,368,236 Baht
8. Net investment income	629,726,296 Baht	604,472,801 Baht
9. Total Net Gain (Loss) from Investments	(139,730,140) Baht	(77,770,551) Baht
10. Net profit	489,996,156 Baht	526,702,250 Baht

Opinion of Management Company:

The management company is of the view that balance sheet and the profit and loss statements for the year ended December 31, 2019 of POPF are accurate proper and contents and it is deemed appreciate to state to unitholders for acknowledgement.

Agenda 4 To acknowledge the dividend payment for the year 2019.

It is proposed to unitholders to the meeting to acknowledge the dividend payment for the year 2019 of POPF, detail of which are as follows:

According to the dividend payment policy of POPF as prescribed in the Fund prospectus, The Fund shall distribution not less than 90% of adjusted net profit for each fiscal year, and the dividend payment shall be made not more than fourth times a year. In this regard, the Fund invests first time on 1 April 2011 and the 1st Additional Investment on 30 October 2014, respectively. In the operating period between 1 January 2019 to 31 December 2019, POPF's total income was THB 1,019.70 million. and total expenses of THB 389.97 million., causing the Fund to have net investment income of THB 629.73 million and when considering with the total net profit (loss) from investment of THB 139.73 million., POPF had the increase in net assets from operations in 2019 totaling THB 490.00 million. Therefore, the Fund has distributed the dividend of 1.0064 Baht per unit.

Operating Results	1 January 2019 – 31 December 2019	1 January 2018 – 31 December 2018
1.Dividend		
1.1 From 1 January 2019 - 30 March 2019	0.2540 Baht/Unit	0.2352 Baht/Unit
1.2 Period 1 May 2019 - 30 June 2019 and forecast of July 2019	0.3386 Baht/Unit	0.2414 ^{1/1} Baht/Unit

1.3 Period From 1 August 2019 - 30 September 2019	0.1569 Baht/Unit	0.2414 Baht/Unit
1.4 Period From 1 October 2019 - 31 December 2019	0.2569 Baht/Unit	0.2843 Baht/Unit
2. Rate of dividend payment	1.0064 Baht/Unit	1.23 Baht/Unit
3. Number of units sold	481,638,600 Unit	481,638,600 Units
4. Total dividend payment	484,721,087 Baht	482,746,369 Baht
5. Net profit	499,666,524 Baht	526,702,250 Baht
6. Proportion of dividend payment compare to adjusted net profit	97.01%	90.00%

Note: ¹ Dividend payment 0.1580 THB/unit was based on the Fund's performance for the period 1 May 2018 - 30 June 2018

Opinion of Management Company:

The Management Company is of the view that the dividend payment for the year 2019 of POPF (based on the operating result of POPF between 1 January 2019 and 31 December 2019 and retained earnings) are accurate, proper and in accordance with the provisions specified in the agreement. In addition, it is deemed appropriate state the matter to unitholders for acknowledgement.

Agenda 5 To acknowledge the appointment of auditors and the determination of audit fee for 2020.

It is proposed to the meeting to acknowledge the appointment of auditors and determination of audit fee for the year 2019 of POPF, detail of which are as follows:

The Management Company has considered and proposed that the auditors from KPMG Phoomchai Audit Co., Ltd. be appointed as the auditors of POPF for the year 2020. The names of auditors are as follows:

Name list of Auditor of Firm:

1. Ms. Vilaivan Pholprasert Certified Public Account No. 8420 and/or
2. Ms. Vipavan Pattavanvivek Certified Public Account No. 4795 and/or
3. Ms. Bongkot Amsageam Certified Public Account No. 3684

Auditor fee annual year:

Auditor fee from KPMG Phoomchai Audit Co., Ltd.		
Year 2019	Year 2020	Change
574,000 Baht	597,000 Baht	Increased by THB 23,000 (4%)

Remark: Excluding out of pocket expenses (if any)

Opinion of Management Company:

The Management Company is of the view that the auditor from KPMG Phoomchai Audit Co., Ltd. have duly preformed their duties and have no relationship or conflict of interest with POPF which can independently perform the duties and the annual fee is as market rate. Therefore, it is deemed appreciate to appoint the auditors from KPMG Phoomchai Audit Co., Ltd., namely:

1. Ms. Vilaivan Pholprasert Certified Public Account No. 8420 and/or
2. Ms. Vipavan Pattavanvivek Certified Public Account No. 4795 and/or
3. Ms. Bongkot Amsageam Certified Public Account No. 3684

to be the auditors of POPF for the year 2020. In addition, it is deemed appreciate to determine the audit fee for the year 2020 totaling THB 597,000. In the case that the aforesaid auditors are unable to perform the duties, KPMG Phoomchai Audit Co., Ltd. shall provide other auditors from its office to audit accounts and express opinions on the financial statements of POPF in replacement of the aforesaid auditors. Moreover, it is deemed appreciate state the aforesaid matter to the 2020 AGM for acknowledgement.

Agenda 6 Other matters (if any)

SCB Asset Management Company Limited (the "Management Company") as the management company of Prime Office Leasehold Property Fund (the "Fund") would like to inform that the Fund received the consent to amend the fund scheme from the Securities and Exchange Commission (the "Office of the SEC") on 13 April 2020 as shown in table below.

No.	Issue	The cause of Amendment
1.	The calculation method, determination period of calculation and the announcement of Total Asset Value, Net Asset Value and the value of the Investment Units	In accordance with TorJor 20/2561, Re: Rules Conditions and Procedures of Disclosure Information of Real Estate and Infrastructure Investment Trust (Consolidated)

The unitholders can view more details at www.scbam.com or additional inquiries through the Customer Service Division of the Management at 0 2777 7777 press 0 and then 6, during 8.30 – 17.00 hrs. of every business day.

Summary of Q&A submitted by unitholders between April 22 and May 8, 2019 through channels designated by the Asset Management Company. Six unitholders submitted the following questions:

Question Pleonchit Center's right to lease will expire within the next five years, what does POPF plan to do: continue leasing the building or find other buildings to lease instead? Is POPF required to make an additional investment for both options?

Answer The Office of the Securities and Exchange Commission (SEC)'s regulations prevent us from mobilizing fund either through borrowing or offering additional investment units. To do what the investor asks, it means we have to transform the property fund into a trust fund or the REIT in order to acquire the asset from the original property fund upon a resolution adopted by POPF's unitholders and upon the SEC's approval to set up the REIT or the trust fund. Currently, we are contemplating an appropriate option because all properties in which we have the right to lease do not belong to the same owner. In addition, it means that we need to negotiate with each property owner for a consent to proceed.

Question Is it possible for POPF to pay dividend by transferring the sum into a bank account rather than issuing a cheque because unitholders are not comfortable going to cash the cheque at a time of Covid-19? Besides, a bank transfer is less costly than issuing a cheque. The time has changed, and the method should be updated.

Answer Unitholders are required to change the way they wish to receive a dividend themselves by contacting the fund's registrar or through any other method as required by the registrar. The unitholders can contact via the following channels;

Name: Siam Commercial Bank Public Company Limited

Address: Securities Services Operations Group, Registrar Team 1,
G Tower Grand Rama 9, Floor 15th North Wing,
Rama 9 Road, Huaykwang, Bangkok 10310

Phone: 02 128 2324 - 9

Fax.: 02 128 4625

Question Anti-Corruption Policy, Future Plan or the 2020 Business Plan, Major events during the past year, Key audit matters for the past year

Answer The management company would like to reply to questions in each area as follows:

- 1) SCB Asset Management Co Ltd has announced the Investment Governance Code Policy (I Code Policy) and the Anti-Corruption and Countering Bribery Policy as follows.

- **Anti-Corruption Policy (The Investment Governance Code Policy)**

1. **Objectives, Principles and Rationale**

The Office of Securities and Exchange Commission (SEC) has highlighted the awareness of responsible investment management by institutional investors to resolve social and environmental problems that have heavily affected our wellbeing. Aside from making an investment on the basis of risks and returns, investors should take into consideration environmental, social and governance (ESG) responsibility as well. SCB Asset Management Co Ltd has supported and expressed our intention to take part in the investment governance principles of institutional investors. This policy is announced to promote as well as act a guideline for us to enhance the effectiveness of our investment decisions and monitoring process where environmental, social and governance (ESG) factors of investee companies are considered. Not only will the ESG factors lead to a better and more useful investment environment but it will also positively affect our investors in terms of risks and long-term returns.

2. **Principles of the Investment Governance for Institutional Investors**

Principle 1: Setting a clear investment governance code policy

Principle 2: Having adequate prevention and management of conflict of interest for optimal interest of customers.

Principle 3: Making timely decision and closely monitoring investee companies

Principle 4: Escalating the monitoring of investee companies if practices under Principle 3 are found inadequate.

Principle 5: Disclosing voting policies and results of the voting

Principle 6: Collective engagement

Principle 7: Regularly disclose the investment governance code policy and compliance with the customer policy

Note: This was approved by the Board of Directors on January 14, 2020.

<https://www.scbam.com/medias/upload/ann/Web-I-Code.pdf>

- **The Anti-Corruption and Countering Bribery Policy**

Principles:

One of our core values is to operate a business with social responsibility. As a result, corruption and bribery or attempt of both in our business is conflicting with our core values and therefore is neither acceptable nor allowed. The core values have been clearly announced in the Code of

Conduct of both directors and employees, who are to comply with this policy especially with regard to the “Don’ts” as follows.

- (1) Demanding, procuring or receiving bribe for the benefit of directors or employees or for the benefit of related persons whether they are within the same family, friends or those in any other relationship.
- (2) Directly or indirectly offering a promise or bribing government officers or other private sector personnel on behalf of or for the benefit of the company.
- (3) Exercising authority in bad faith

This policy is considered a minimum standard applicable to anti-corruption and countering bribery practices. Higher standards may apply in case certain transactions in some jurisdictions are governed instead by their legal requirements. This however will also be subject to the company’s Code of Conduct.

Definitions of Corruption and Bribery

Corruption means the way power or responsibility is exercised in bad faith for the benefit of oneself or others. This includes giving bribes, extorting, committing fraud, deceiving, colluding, conspiring, embezzling, money laundering and other similar acts.

Bribe means any action committed with an intention to offer, promise, deliver, accept and demand to generate benefits in various forms, which in turn will induce violation of law or duties and responsibilities. Benefits in various forms shall include gift, service, cash or others that may be given directly or through other persons or for other persons. Any action that induces certain practices shall include an action committed to state and private sector officials.

Forms of corruption and bribes and other related policies

1. Political assistance

Political assistance carried out in compliance with the laws is allowed. However, this must be done with transparency and openness and it must be approved in principle by the Board of Directors or the Executive Board.

2. Charitable donation

Charitable donation is part of our corporate culture to help the less fortunate in the society to relieve the plight of victims from natural disasters or to promote quality of life now and in the future. However, the donation must be approved through a required process and is carried out with transparency and clear objectives. No donation is allowed to disguise corruption and bribery.

3. Financial support

Generally speaking, financial support is given to promote our corporate image or reputation and is usually carried out through various activities. Financial support must be given on the basis of decisions made transparently with contracts or evidences indicating that the money has been donated. It must also be approved by corporate processes. No financial support shall be carried out to disguise corruption and bribery.

4. Payment of tea money

Paying tea money for facilitating purpose is prohibited as it may lead to corruption.

5. Gifts, tips and other expenses

Gifts, tips and other expenses may lead to a risk of corruption. As a result, all directors and employees must not receive or give gifts or tips that are generally expected to lead to corruption. However, if such receiving of a gift and tip giving does not come with any attachment, nor does it create a responsibility that something must be given in return in a corrupted way and it is in compliance with normal practices, the action is permissible if it's found to be in alignment with criteria and the company's Code of Conduct.

6. An exercise of authority and power with bad faith

Exercising one's authority with bad faith such as extorting, committing fraud, deceiving, colluding, conspiring, embezzling, money laundering and other similar actions is illegal and therefore expressly prohibited under this Policy.

Anti-corruption and countering bribery measures

SCB Asset Management Co Ltd intends to implement effective anti-corruption and countering bribery measures, which must be approved by the Board of Directors and constantly communicated to all directors and employees as well as the third party. This is to nurture the corporate culture of saying absolutely no to corruption and bribery.

Scopes of the Policy

This policy applies to the company including all directors and employees and businesses relating to us. The policy also applies to agents, partners, suppliers and anyone relating to our business as extensively as possible.

Penalties

Violation or failure by a director or an employee to comply with the policy will subject the person to the company's disciplinary actions. The person can be warned, punished or has his/her

employment terminated. Legal action in civil and criminal proceedings may be pursued if the violation is found intentional.

Note: Announced on January 14, 2020. (<https://www.scbam.com/th/annouce/annouce-031214>)

The Business Principles for Countering Bribery, Transparency International, May, 2009

2) Future plan or 2020 Business plan of POPF

- On July 2, 2019, The Office of SEC issued a letter Ref. No. Jor Thor 3.140/2562 Re: Amending the fund's structure, which had previously been adopted by majority votes of unitholders attending the meeting with voting rights at the 2019 Annual General Meeting of Unitholders on April 29, 2019. The letter was to inform and have the fund acknowledge an amendment of its structure.
- On October 29, 2019, the fund signed an additional memorandum attached to the contract to appoint a property manager of Bangna Tower (Renewal #1) with Teo Hong Silom Co Ltd, who would manage the property invested by POPF. The contract to appoint the property manager still contains the same scopes of roles and responsibilities, remunerations and evaluation as stated in the contract dated October 27, 2014 and its additional memorandum. The term of the contract was extended to another five years starting from the expiration date of the original contract.

3) Key Audit Matters (KAM)

Starting in 2016, the Auditor's Report has added a new section called Key Audit Matters (KAM), which is part of new accounting standards No. 701, Communicating KAM in the auditor's report. KAM refers to key audit matters relating to circumstances in the current financial statements that the auditor is compelled to communicate to readers. They are also matters that the auditor has audited and collected supporting evidences to his/her satisfaction. The KAM reported by the auditor does not affect the auditor's opinion. Rather, it helps adding value to the auditor's report and allowing readers of financial statements to understand key matters in the business's financial statements, which will enable them to make a decision more confidently.

Key Audit Matters (KAM) during the past year referred to details in the financial statements as of end of December 31, 2019 and in the Auditor's Report of KPMG Phoomchai Audit Ltd, which highlighted the following: "Investment values in property and lease rights." Details are in Note 2 (b): Criteria for measurement, Note 2 (d): Exercise of discretion and estimate, Note 3 (a): Investment sum; and Note 5: Investment in properties. The auditor was of the view that these transactions were

critical to the fund's financial statements since the fair value of its investment in properties and lease rights was determined by an estimate of future cashflow. POPF meanwhile had appointed an independent appraiser to appraise the investment sum, where it exercised its discretion when making major assumptions that could jeopardize the investment sum in both properties and lease rights. This is what the auditor highlighted when auditing the fund's financial statements. Unitholders may find more details in the financial statements already posted by the Asset Management Company on the Stock Exchange of Thailand's website.

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(Mrs. Tipaphan Puttarawigorn)

Prime Office Leasehold Property Fund (POPF)

By SCB Asset Management Company