

No. SPI 117/2562

13 November 2019

Subject : Management Discussion and Analysis for Q3/2019

Attention : President
The Stock Exchange of Thailand

Strategic Property Investors Company Limited as the REIT manager of Strategic Hospitality Extendable Freehold and Leasehold Real Estate Investment Trust or SHREIT (the "Trust") would like to clarify the performance of Q3/2019 as The Trust and its subsidiaries reported net investment income for 3 months 73.54 million Baht, increased 32.36 million Baht or 78.61 percent compared to Q3/2018 which reported net investment income of 41.18 million Baht from the key factors as follows:

1. The Trust and its subsidiaries had total income of 133.12 million Baht, increased 23.39 million Baht or 21.32 percent compared to the same period of last year which had total income of 109.73 million Baht from the main causes as follows:
 - Gain on exchange rate 56.43 million Baht from Long-term loans from financial institution in Euro which Euro depreciated against US Dollar.
 - Rental income of 62.96 million Baht, decreased 6.02 million Baht or 8.73 percent compared to the same period of previous year which had Rental income of 68.98 million Baht.
 - Other income of 13.72 million Baht, decreased 26.91 million Baht or 66.24 percent compared to the same period of last year which had Other income of 40.63 million Baht. The main reason is decreasing in NOI support because the same period of last year was the first quarter which started receiving NOI support for the performance of hotel in Indonesia. Then recording NOI support from net operating income of Jan to Sep 2018, while in Q3/2019 recording NOI support from net operating income of Jul to Sep 2019 only 3 months.
2. Total expenses of 59.58 million Baht, decreased 8.98 million Baht or 13.09% compared to the same period of last year which had total expenses of 68.56 million Baht with the main causes as follow :
 - Professional fees of 3.30 million Baht, decreased 2.12 million Baht or 39.13 percent from the same period of last year which had Professional fees of 5.43 million Baht. Since last year there was an expense from the establishment of a new subsidiary to support the acquisition of additional assets.

- Other expenses of 18.80 million Baht, increased 5.98 million Baht or 46.66 percent compared to the same period of previous year which had Other Expenses of 12.82 million Baht, as in this quarter there was Derivative contract (EUR/USD Call Spread contract) loss from fair value revaluation because Euro depreciated against US Dollar and had other expensed increased.
- No loss on exchange rate while in the same period of previous year had loss on exchange rate of 10.60 million Baht.

Please be informed accordingly,

Best regards,

-Signed-

(Mr.Christophe Forsinetti)

Managing Director

Strategic Property Investors Company Limited

as the REIT manager