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No. SPI 45/2563

August 14, 2020

Re: Management Discussion and Analysis for Q2/2020

To: 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 three-month performance of Q2/2020 of the Trust and its subsidiaries, reporting a net investment loss 103.51 million Baht. This represents a decrease of 120.07 million Baht in investment profit, or a decrease of 724.97 percent from Q2/2019 which reported a net investment income of 16.56 million Baht.

The key factors are as follows:

1. The Trust and its subsidiaries had a total income of 3.15 million Baht, decreased 99.75 million Baht or 96.93 percent compared to the same period of last year which had total income of 102.90 million Baht. The operating performance of the hotels were severely impacted by COVID-19, with government implemented lock-downs and restrictions on business, tourism and international and domestic flights making hospitality operations highly challenging in both Jakarta and Ho Chi Minh City. Given the Trust's hotels are highly dependent on foreign visitations and business mobility; the hotels will continue to face significant challenges in the near and medium term, with very limited visibility regarding financial performance. Main changes include:
 - During the three-months of Q2/2020 no rental income was received. Rental income decreased by 64.51 million Baht or 100 percent from the same period of the previous year which had a Rental income of 64.51 million Baht due to the pandemic situation of COVID-19 that directly affected the performance of the hotel. The Trust did not receive rental income from March 2020 until June 2020 from the hotels in Vietnam and rental income of April 2020 until June 2020 from the hotel in Indonesia.
 - Other income of 3.13 million Baht, decreased 35.22 million Baht or 91.84 percent compared to the same period of last year which had other income of 38.35 million Baht. For the three-month period from 1 April 2020 until 30 June 2020 the Trust was not eligible to

receive NOI support as the guarantee specifically excludes any period that is adversely impacted by special events including pandemics such as COVID-19.

- Interest income of 0.03 million Baht decreased by 0.01 million Baht or 38.39 percent from the same period of the previous year which had an interest income of 0.04 million Baht, due to decreasing cash at bank balances.
2. Total expenses of 106.67 million Baht, increased 20.33 million Baht or 23.55% compared to the same period of last year which had total expenses of 86.34 million Baht with the main causes as follow:
- Income tax expenses of 3.87 million Baht which increased 2.45 million Baht or 172.11 percent from the same period of last year which had income tax expense of 1.42 million Baht, due to a write off of unused deferred tax asset in Q2/2020 due to operating losses in Vietnam and with this deferred tax asset expiring within 2020.
 - Professional fees of 17.62 million Baht, increased 9.13 million Baht or 107.59 percent from the same period of last year which had professional fee of 8.49 million Baht due to current and legacy legal fees.
 - Other expenses of 16.91 million Baht, increased 7.59 million Baht or 81.43 percent from the same period of last year which had other expenses of 9.32 million Baht due to allowances for doubtful account of rental receivables of 12.43 million Baht, a special business tax from rental income in Indonesia decreased 4.45 million Baht, a non-cash unrealized loss on changes in the fair value of derivatives decreased 2.08 million Baht and other expenses increased 1.69 million Baht.
 - Non-cash accounting loss on exchange rate of 32 million Baht, increased 8.05 million Baht or 33.61 percent from the same period of last year which had a non-cash accounting loss on exchange rate of 23.95 million Baht.
 - Finance costs of 21.86 million Baht, decreased 6.53 million Baht or 23 percent from the same period of last year which had Finance cost of 28.39 million Baht due to changing in exchange rates.

Please be informed accordingly.

Yours Sincerely,

-Signed-

(Mr. Christophe Wybe Angelo Forsinetti)

Managing Director

Strategic Property Investors Company Limited

as the REIT Manager