

Ref : SREIT/006/2021

February 25, 2021

Re: Clarification of the changes in operation results for the year ended on December 31, 2020 of S Prime Growth Leasehold Real Estate Investment Trust

To: The President
The Stock Exchange of Thailand

S REIT Management Company Limited (“Company”) – a REIT manager of S Prime Growth Leasehold Real Estate Investment Trust (“SPRIME”), would like to clarify the reviewed financial operating result for the year ended on December 31, 2020 (“the year ended”) compared with the operating results from the previous year as follows:

With regard to the 2020 operating result of the Sun Towers (“Core Property”), SPRIME maintained its occupancy rate at 87.3% and an average rental rate of 588 baht/ sq.m./ month. The total investment income, mainly represented rentals and service income, totaling 518.91 million baht was decreased by 4.87 baht million or 0.9% from 2019, as a result of tenants effected from the COVID-19 pandemic and provided rental discounts provided to tenants who effected from the pandemic. Nonetheless, the situation regarding to this matter is during a recovery and an process of consideration an prospect tenants.

SPRIME had total expense at 245.21 million baht, increased by 9.94 million baht or 4.2% from 2019, mainly resulted from a rise of rentals and service costs by 17.99 million baht or 14.5% from the building renovation to increase building efficiency and safety and to align with a new normal lifestyle. Nonetheless, in 2020 SPRIME was benefited from the government’s COVID-19 relief measure in Land and Building Taxes reduction to alleviate tax burdens for landlords with 90% reduction of the amount calculated. In addition, financial cost was also decreased by 7.70 million or 14.5% due to a decrease in the commercial banks’ lending interest rate.

In summary, the net increase in net assets from operations equaled to 477.57 million baht, increased by 580.43 million baht or 564.3% from 2019 due to the increase in fair value of investments. The fair valuation of 5,495 million baht which increased by 203.00 million baht or 3.8% from the fair valuation as of December 31, 2019, was the independent appraiser, with consideration on a 28.05 years leasehold right period and forecast on increases in occupancy rate and average rental rate in the future.

Net increase in net assets from operations (Unit: Baht)	The Year Ended		Change	
	2020	2019	Amount	%
Total Investment Income	518.91	523.78	(4.87)	(0.9)
Total Expensed	245.21	235.27	9.94	4.2
Net investment income	273.69	288.51	(14.82)	(5.1)
Net gain from change in fair value of investments	203.87	(391.38)	595.26	152.1
Net increase in net assets from operations	477.57	(102.86)	580.43	564.3

Your kind acknowledgement is much appreciated.

Yours faithfully,

S REIT Management Company Limited

- Mr.Ketkorn Kematorn -

Mr.Ketkorn Kematorn

Managing Director