



The summary of questions and answers from inquiries of Trust unitholders from the information provided in lieu of holding the Annual General Meeting for the year 2020

SCCP REIT Company Limited (“Company”) as the REIT Manager of Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust (“TPRIME”) had delivered of providing information in lieu of holding the Annual General Meeting for the year 2020 and the unitholder to submit the questions or inquiries to the company via www.tprimereit.com on the date between 21 April 2020 and 8 May 2020.

The company hereby informs that two trust unitholder and the Company has answered the questions as summarized below:

Questions: That for your retail tenants, what are the percentage of retail tenant that cannot operate currently, do you have any remedies for the tenants?

Answer: Most of tenants who have to temporarily closed their business due to an announcement of BMA are those who run the business of education, fitness, and services.

Questions: That for your office clients, I assume most are still paying rent as per usual? Has there been tenants that are requesting for reduction in rental rate/payment delays?

Answer: Most of tenants have paid on time. However, there have been some of tenants have made a late rent payment due to an error in transferring money from oversea.

Questions: That how much of the revenue is expected to be impacted in 2020?

Answer: We are currently focusing on reducing cost and expense to conform with the lower income. We, however, cannot disclose other information before verifying its correctness.

Questions: That If tenant decide to vacate the premise early, or their business is no longer viable (bankruptcy), could you please elaborate on the steps TPRIME would take after, lawsuit, compensation? Does the tenant have to pay penalty?

Answer: In the event that the tenant terminates the lease agreement prior to the expiration date, the tenant will be obligated to pay the rent for the remaining period until an expiry date and the security deposit provided by such tenant will be fully confiscated. Furthermore, the tenant has to restore the leased premises to the building’s standard on their own cost and expense.

Questions: That how much deposit do you take when a tenant decided to rent from you?

Answer: According to the lease agreement, tenant has to provide the security deposit equivalent to 3-6 months of the rental and service fee.

Questions: That how much cash on hand do you have, and also credit facilities with banks?

Answer: We have no Bank loan after bond issuance.

Questions: That please provide the breakdown of current tenants in terms of industry their business operates in?

Answer: For exchange Tower, most type of tenant's business are IT & Software, Manufacturing, and Financing, whilst the Mercury Tower are Electronic & IT, Law Firm, and Finance & Banking

Questions: For updating lease expiry profile for FY2020 and FY2021 for both retail and office, dividing by location

Answer:

Exchange Tower:

- 27.2 % of office's NLA will be expire in 2020
- 36.4 % of retail's NLA will be expire in 2020
- 42.2 % of office's NLA will be expire in 2021
- 54.4 % of retail's NLA will be expire in 2021

Mercury Tower:

- 9.6 % of office's NLA will be expire in 2020
- 32.5 % of retail's NLA will be expire in 2020
- 43.9 % of office's NLA will be expire in 2021
- 20.3 % of retail's NLA will be expire in 2021

For further details, we have published on TPRIME's website at www.tprimereit.com.

Questions: That how does the progress of contracts scheduled expire this year in term of retention rate and rental growth

Answer:

Exchange Tower:

- Office: - The retention rate in 2019 is approximately 98% and the renewal rental rate has been raised approximately 15%

- Retail: - The retention rate in 2019 is approximately 100% and the renewal rental rate has been raised approximately 11%

Mercury Tower:

- Office: - The retention rate in 2019 is approximately 98% and the renewal rental rate has been raised approximately 14%
- Retail: - The retention rate in 2019 is approximately 90% and the renewal rental rate has been raised approximately 11%

Questions: How does the progress of lease contracts up to expire in FY2020? Have you initial negotiated with those tenants? How do they feedback?

Answer: Most of tenants whose rental agreement due to expire at the end of 1Q2020 have already renewed the agreement.

Questions: That from the beginning of this year, do you have any tenants early-terminate contracts? Which sector of tenants and which location? And How much percentage of revenue or NLA does impact from this?

Answer: In the first quarter of the year 2020, there has not been any early-termination yet. However, there have been some tenants informed us verbally that they might request an early termination due to the impact on their businesses closing down and those who want such early termination must find a replacement tenant by their cost.

Questions: That which sector of such tenants? And how much percentage of revenue or NLA does impact from this?

Answer: The performance of 1Q2020 is currently on the process of auditing and getting the board approval. We will publish the detail on TPRIME's website thereafter.

Questions: To update the latest occupancy rate for both office and retail in both buildings.

Answer: In Q419, an occupancy rate for office and retail of Exchange tower was 99% and 100% respectively, while an occupancy for office and retail of Mercury tower was 99.3% and 93.9%, respectively. We have published further details on TPRIME's website at www.tprimereit.com.

Questions: That how do you provide any assistance to your tenants especially the business has been ordered to temporary close?

Answer: Initially, we focused on waiving the penalty of delayed payment if the tenants cannot make a payment on time, provided that there is no outstanding debt. However, we have now focused on reducing cost and expense.

Questions: To confirm my understanding that the rental has to pay as normal despite the closure of tenants are comply by the orders?

Answer: Referring to our previous answer “we were waiving the penalty of delayed payment if the tenants cannot make a payment on time”, means that according to the lease agreement, the tenants have to make a payment on time. However, we do not give waving to all tenants but we consider on a case by case basis.

Questions: That how many of tenants do ask for assistance i.e. rental waiver or deferment? How much percentage of portfolio revenue do you estimate the impact? Which sectors of tenant?

Answer: There have been some of tenants asked for rental waiver or discount, especially retail tenants and also few of office tenants. The impact of providing such assistance to the tenants does not start on the first quarter but the second quarter onward. In the meantime, we have tried our best to provide assistance with less impact to the Trust unitholders. We assist them under our reducing expenses budget for example; reducing unnecessary CAPEX except for security or urgently necessary expenses. Initially, we provide assistance by allowing them to make a late payment late within the end of month without penalty charge.

Questions: I understood that TPRIME has already provided some assistance to its tenants in term of rental waiver or discount. Could you explain more about the assistance i.e. how many months or percentage discount did you give them? How much percentage of portfolio revenue do you estimate the impact that you stated it will start in 2nd quarter onward? Which sectors of tenant do you provide the assistance?

Answer: As we have answered before, the impact is starting in second quarter onward. We, therefore, cannot give specific details on the impact of the portfolio revenue as your required. We have provided assistance, not by considering tenants’ business sector, but by considering on a case by case basis. The situation that may change from time to time will be handled differently and the aid measures can also be changed. The priority assistance, however, will be given to those who have severe financial impact first.



Questions: To update the situation in each building i.e. traffic, active tenants in the past few month

Answer: Most of retail tenants' business have temporarily closed according to BMA announcement.

Affected business sectors include education, fitness, and services. Whilst, some of office tenants have also imposed policies to allow its employees to worked form home.

Questions: That in your point of view, how many of tenants do you anticipate to ask for assistance or pre-termination? How much percentage it will impact to portfolio?

Answer: In our opinion, the reason for the tenants to close down their businesses depend on if they are in the business severely impacts by the outbreak situation such as business of hotel, travel agency, oil, and airline. If so, they are likely to ask for rental waving or discount. We, nevertheless, have only few tenants in those type of businesses. For further details of tenant mixed, we have published on TPRIME's website at www.tprimereit.com.

Questions: That going forward, how do you expect TPRIME's business in term of occupancy rate, rental growth in both short-term and long-term?

Answer: We expect to maintain our existing occupancy rate as best effort and rental growth in both short-term and long-term with the same as market growth rate.