

(Translation)

Our Ref. G/018/2017

13 November 2017

Re: Management Discussion and Analysis

To: President  
The Stock Exchange of Thailand

Grand Canal Land Public Company Limited (“**the Company**”) would like to inform the financial performance of the Company and its subsidiaries for the three-month period ended 30 September 2017 that the Company has a net profit 60.79 Million Baht, decreased 298.91 Million Baht or 83.10 % compared with the same period of the previous year, which was mainly due to:

Since the Company thought there was an oversupply in the residential property project. Moreover the Company's 3 projects, Don Mueang, Local road and Phaholyothin, are in the good locations and close to the red line BTS. It's not convenience for customers to visit the projects as the red line BTS is currently under construction. In addition, a new town planning will be revised in 2018 and resulting to more FAR. So the residential property project has not been developed for sale in the near term.

For a rental project, there are usually two ways to earn the profit, rental revenue and gain on fair value.

- The rental revenue. It is a small income base but rather stable and consistent. Moreover, the land is still the Company's asset.
- Gain on fair value, the Company normally evaluates the fair value in the fourth quarter of each year (according to the accounting standard principle). However, it must be reappraised fair value if there's an item that affect the performance in such quarter, such as the second quarter of this year, the Company leased the office spaces to REIT, resulting in a gain on fair value 370 Million Baht. For the third quarter of last year, G Tower has been completed, therefore the Company gain on fair value in the third quarter of last year amounting to 315 Million Baht. (As a result, the profit for the third quarter of this year is lower than last year).

Please be informed accordingly.

Sincerely,

Miss Romani Boondicharern  
Deputy Managing Director  
Accounting & Finance Group