

(Translation)

Our Ref. G/010/2018

8 August 2018

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 June 2018 that the Company has a net profit 22.01 Million Baht, decreased 283.01 Million Baht or 92.78% 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 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 urban plan 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 standards principle). However, it must be reappraised fair value if there's an item that affect the performance in such quarter. The second quarter of last year, the Company leased the office spaces to REIT, resulting in a gain on fair value 370 Million Baht. (As a result, the profit for the second quarter of this year is lower than last year).

Please be informed accordingly.

Sincerely,

Mr. Yotin Boondicharem
Chief Executive Officer