

(Translation)

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10 November 2020

Subject: Management Discussion and Analysis for the Third Quarter of 2020

To: President

The Stock Exchange of Thailand

Grand Canal Land Public Company Limited and its subsidiaries (“the Company”) would like to inform the financial performance for the three-month and nine-month periods ending 30 September 2020 as follows.

Key Highlights for the Third Quarter of 2020

As COVID-19 situation in Thailand continues to improve with declining number of cases and the ease of lockdown measures, resulting in the resumption of people’s lifestyles close to normalcy, the consumer and business confidences are beginning to recover. Meanwhile, the overall shape of the Thai economy is impacted by the tourism sector due to international travel restrictions. In 2020, Thailand’s GDP is forecasted to decline slightly lower than previously anticipated, from 8.1% drop to approximately 7.8% drop YoY, according to the latest estimates by the Bank of Thailand.

The Company continues to manage its businesses with utmost prudence without easing its safety and hygiene practices to accommodate the visitors and customers for its projects, as well as employ effective cost control measures to be in-line with the current situation, which has not completely returned to normal. Most importantly, the Company continues to look after the best interest of its stakeholders, including tenants, shops, customers, business partners and shareholders. Key events during third quarter of 2020 are as follow:

Offices business: the office projects continues to operate as normal, similar to the previous quarter. Currently more than 90% of the employees for office tenants have returned to the offices with some employees have carried on with the work-from-home (WFH) program. In addition, the Company incorporated additional features to the projects’ common area and services to improve the ambience and convenience for the tenants and visitors.

Retail area leases business: the Company's retail area is operating as normal following the temporary closure during the previous quarter. It continues to support certain retail tenants that are affected by the COVID-19 situation, such as providing appropriate levels of rental discounts and support for marketing activities.

Real estate business: the Company continues to promote the sales of existing project, Belle Grand Rama 9, which garnered good interest from prospective customers. Hence, it expects sales and transfers of the remaining units going forward.

Summary of Financial Performance for the Third Quarter

For the three-month period

The Company reported net profit of 178 million Baht, an increase of 61 million Baht or 52% from the same period in the previous year. Excluding the non-recurring items, which includes change to the fair value of investment properties and one-time adjustments to its income and expenses, net profit increased by 27 million Baht or 35% from the same period in the previous year. The increase mainly comes from the cost saving initiatives to reduce operating costs in all businesses, the performance of which have exceeded the decrease in revenue as the situation have not completed returned to normal. Hence, the gross profit margin stood at 80.5%, higher than that of the same period in the previous year at 67.7%.

For the nine-month period

The Company reported net profit of 659 million Baht, an increase of 292 million Baht or 80% from the same period in the previous year. Excluding the non-recurring items, which includes 1) change to the fair value of investment properties and 2) gain on disposal of units invested in GLAND Office Leasehold REIT (GLANDRT) amounting to 200 million Baht, as well as one-time adjustments to its income and expenses, net profit increased by 26 million Baht or 8% from the same period in the previous year. The Company continues to demonstrate cost efficiencies for all businesses in-line with the decrease in interest revenue. Hence, the gross profit margin stood at 77.4%, higher than that of the same period in the previous year at 69.7%.

Please be informed accordingly.

Sincerely,

-Surakit Thantananont-

(Mr. Surakit Thantananont)

Senior Assistant Managing Director Supporting Workgroup

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