

Management Discussion and Analysis for the Second Quarter of Fiscal Year 2021

Fraser's Property (Thailand) Public Company Limited and its Subsidiaries ("the Company") would like to report the financial results of the Company for the second quarter of FY2021 ended 31 March 2021 to the Stock Exchange of Thailand (SET).

Over the second quarter of 2021, the Company recognized **total revenue** of THB 4,282.2 million, a drop of 16.9% Y-o-Y or THB 872.7 million from the second quarter of FY2020. The Company's consolidated **net profit** was THB 510.3 million, decreasing by 40.1% Y-o-Y or THB 342.1 million. The changes were summarized as follows;

- Revenue from sales of real estate recorded a drop of THB 457.6 million or 12.6% Y-o-Y as the economic slowdown adversely impacted the property sector with higher rejection rate for housing loans. Homebuyers has also taken cautious decisions from softened purchasing power. Over the period, the Company moved forward its marketing outreach strategy by launching new residential projects to tap new target group with a thorough screening process for quality customers, leading to improved sales and visitor traffic from previous quarter.
- Rental and related service revenue decreased by THB 147.7 million or 21.4% Y-o-Y, primarily due to the adoption of Thai Financial Reporting Standard 16 - Leases ("TFRS 16") which led to the absence of revenue from unearned leasehold rights associated with land sub-lease contracts amounting to THB 90 million per quarter. Rental income from commercial office slightly dropped from Golden Land Building with the approaching expiration date of land lease agreement, while rental income from factory and warehouse posted a dip from industrial assets recycling to Fraser's Property Thailand Industrial Freehold & Leasehold REIT ("FTREIT") during September 2020 to February 2021.
- Hotel business reported a decline in revenue by THB 74.4 million or 66.1% Y-o-Y due to an ongoing impact from COVID-19 further softened hotel occupancy performance. However, the revenue from hotel business contributed only 0.9% of total revenue in 2Q 2021, down from 2.2% over the same quarter of previous year.
- The Company recorded a THB 253.5 million gain on sales of investment properties this quarter from the recycling of investment properties to FTREIT, while during the same period last year the Company recognized one-off gain on sales of investment in associates by THB 384.1 million from divestment of FTREIT units.

The Company incurred total costs and expenses of THB 3,761.8 million, lower by THB 481.2 million or 11.3% Y-o-Y mainly attributed to efficient operating cost reductions, which comprise cost of sales of real estate, cost of rental and related services, cost of hotel business and cost of management income, altogether led to gross profit margin maintained at 33.1%. Moreover, the company successfully implemented a control measure over its distribution costs and administrative expenses, while undertaking a disciplined capital management to keep finance costs down from last year.

In addition, the Company realized gain on fair value measurement related to the investment transfer from joint venture into subsidiary, following the incremental share purchase in Wangnoi Logistics Park Company Limited which effectively raised the Group's interest to 100%. Consequently, the acquired control brought about fair value measurement of the former 51% equity stake of the Group company in investee, leading to a THB 93.4 million gain recorded this quarter.

As a result of the stated changes in revenues and expenses, Fraser Property (Thailand) recorded a consolidated **net profit** for the second quarter of 2021 at THB 510.3 million, representing a decrease of 40.1% Y-o-Y or THB 342.1 million. The **profit attributable to owner of the Company** decreased by THB 322.5 million to THB 516.0 million or a decrease of 38.5% Y-o-Y. **Basic earnings per share** attributable to owner of the Company for the second quarter of 2021 was THB 0.22 per share, decreased by 47.0% Y-o-Y from THB 0.42 in the same quarter of previous year.

2Q 2021 Financial Performance

Unit: THB Million	2Q 2020	2Q 2021	% of total revenue	%Y-o-Y
Revenue from sales of real estate	3,620	3,163	73.9%	-12.6%
Rental and related service revenue	691	543	12.7%	-21.4%
Revenue from hotel business	113	38	0.9%	-66.1%
Management fee income	147	174	4.1%	18.5%
Total operating revenue	4,571	3,918	91.5%	-14.3%
Gain on sales of investment properties	30	254	5.9%	742.8%
Gain on sales of investment in associates	384	-	-	-
Others	170	110	2.6%	-35.0%
Total revenues	5,155	4,282	100.0%	-16.9%
Total operating costs	3,074	2,620	61.2%	-14.8%
Distribution costs and administrative expenses	880	873	20.4%	-0.8%
Finance costs	288	269	6.3%	-6.7%
Total expenses	4,243	3,762	87.8%	-11.3%
Profit for the period	852	510	11.9%	-40.1%
Profit attributable to owner of the Company	838	516	12.1%	-38.5%
Basic earnings per share (THB)	0.42	0.22		-47.0%

Financial Position as at 31 March 2021

Unit: THB Million	30 Sep 2020	31 Mar 2021	%Y-o-Y
Cash, cash equivalents and fixed deposits	2,582	1,229	-52.4%
Real estate development for sales	32,878	33,282	1.2%
Investments in associates, joint ventures, and other investment	14,327	16,511	15.2%
Investment properties	34,364	33,918	-1.3%
Property, plant and equipment	2,546	2,951	15.9%
Total assets	93,186	92,242	-1.0%
Interest-bearing liabilities	47,055	50,416	7.1%
Total liabilities	61,053	58,693	-3.9%
Total equity	32,133	33,549	4.4%

From 1 October 2020, the Company has initially adopted the new Thai Financial Reporting Standard 9 - Financial Instruments (TFRS 9) which brought about changes to the classification and measurement of financial instruments that represent the true and fair view of financial position and performance of the entity. In addition, the Company has adopted Thai Financial Reporting Standard 16 - Leases (TFRS 16) which impacted the Company accounting treatment for operating leases to appropriately reflect the financial risks of the Company. The adoption of new accounting standards caused significant changes to the Company's statement of financial position for the first quarter of 2021. Please refer to the notes to financial statements 3: Changes in accounting policies for further details.

As of 31 March 2021, the Company's statement of financial position has already reflected the adoption of such reporting standards. Furthermore, over the past six months, the Company engaged in various investment activities such as the subscription to a capital increase of FTREIT by THB 2,248 million, the incremental joint investment in STT GDC (Thailand) Company Limited by THB 434 million, the incorporation of New Motion Industrial Company Limited for development of industrial estate business in Vietnam, and the incorporation of Baan Mae Phim Company Limited as a joint venture with investment value at THB 182 million. These transactions caused a drop in cash and cash equivalents, while substantially increasing investments in associates and joint ventures.

In conclusion, the Company's **total assets** as of 31 March 2021 stood at THB 92,241.8 million, a decrease of THB 943.8 million or 1.0%, as compared to 30 September 2020. **Total liabilities** ended at THB 58,692.6 million, decreased by THB 2,360.0 million or 3.9% from 30 September 2020. **Total equity** was THB 33,549.2 million, increased by THB 1,416.2 million or 4.4%.

As at 31 March 2021, the Company had total interest-bearing liabilities of THB 50,415.7 million. Interest-bearing debt to equity ratio stood at 1.50 times, marginally rose from 1.46 times at the end of September 2020.

Yours faithfully,

Fraser's Property (Thailand) Public Company Limited

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Mr. Somboon Wasinchutchawal

Chief Financial Officer