

13 November 2014

Subject: Management Discussion & Analysis of 2nd quarter 2014/2015 ended 30 September 2014

To: The President of the Stock Exchange of Thailand

Bangkok Land Plc. ("BLAND") would like to report on the statement of comprehensive income for the second quarter 2014/2015 ended 30 September 2014. BLAND and its subsidiaries reported a loss on the owners of the BLAND in the amount of 564 million baht as RMI Co., Ltd. ("RMI") which is a 100% subsidiary of BLAND, issued and offered for sale of trust units of IMPACT Growth Real Estate Investment Trust ("IMPACT REIT") for the amount of 1,482,500,000 units, with the offer price of 10.60 baht per unit. Total proceeds from such offering is Baht 15,714.50 million. After the issuing and offering of trust units and establishment of IMPACT REIT, RMI was appointed as the REIT Manager of IMPACT REIT. In the mean time, IMPACT Exhibition Management Co., Ltd. ("IMPACT"), which is another 100% subsidiary of BLAND and the previous owner of convention and exhibition assets located in Muang Thong Thani Project which was sold to IMPACT REIT in September 2014, was appointed as the Property Manager of IMPACT REIT. . IMPACT subscribed 741,250,000 units or 50% of total issued trust units of IMPACT REIT, at the price of Baht 10.60. Total subscription proceeds paid by IMPACT is Baht 7.857.25 million. . The Group incurred expenses related to issuance and offering of trust units of IMPACT REIT for the amount of 230 million baht.

RMI as the settlor and the REIT manager of IMPACT REIT, applied net proceeds from offering trust units of IMPACT REIT in conjunction with loans from financial institutions for the in the amount of 3,900 million baht to acquire IMPACT Arena, IMPACT Exhibition, IMPACT Forum and IMPACT Challenger, all of which are located in Impact Muang Thong Thani Project, from IMPACT for the amount of 19,556 million baht. Ownership transferal of such 4 convention and exhibition assets was registered with competent authorities in September 2014. Trading of trust units of IMPACT REIT on the SET commenced on 1 October 2014.



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In this regard, IMPACT record a gain on sale of assets in the amount of 909 million baht , against the book value of the assets and related expenses (gain on sale of asset approximately 1,597 million baht less deduct expenses approximately 688 million baht) and transferred surplus on revaluation of assets approximately 4,764 million baht to retained earnings. As of 30 September 2014, IMPACT had accumulated profit which could be used to make dividend payment for the amount of Baht 5,071 million.

In additional, the Group eliminated gain on assets of 1,597 million baht in the consolidated income statements and recorded relevant fee and expenses of 734 million baht and deferred tax asset in the amount of 328 million baht in the consolidated financial statements for the period ended September 30, 2014

Thus for second quarter of 2014/2015, after adjusted for the extraordinary transaction , the BLAND and its subsidiaries had unrealized gain in the amount of 1,269 million baht (1,597-328 million baht) and the BLAND and its subsidiaries would realize net profit for in the owners of the BLAND for 400 million baht (230+734-564 million baht) . Compared with the same period of last year, the BLAND and its subsidiaries reported net profit for in the owners of the BLAND for 698 million baht, net profit decrease for 298 million baht or 42.7% because of the following:

1. For second quarter 2014/2015 the BLAND recorded sales income in an amount of 77 million baht while the same period last year the BLAND recorded sales income in an amount of 32 million baht, increasing of 45 million baht or 140.6% from the increasing of right transferred condominium for 24 million baht and increasing in rental and service income for 21 million baht.
2. For second quarter 2014/2015 the BLAND recorded sale income gross profit margin of 66.2% while the same period last year the BLAND recorded sale income gross profit margin of 75.0%, decreasing of 11.7% from the worst sale income gross profit margin from higher right transfer of condominium and increasing in sale of condominium thus increasing sale income gross profit in an amount of 27 million baht.
3. For second quarter 2014/2015 the BLAND recorded rental and service income in an amount of 628 million baht while the same period last year the BLAND recorded rental and service income in an amount of 598 million baht, increasing of 30 million baht or 5.0%. The BLAND main revenues come from 4 units: Exhibition space & hall Rental, Food & Beverage, Hotel business and other facilities service.

4. For second quarter 2014/2015 the BLAND recorded rental & service income gross profit margin of 34.2%% while the same period last year the BLAND recorded rental and service income gross profit margin of 39% decreasing of 12.3% from the increasing of expense thus decreasing in rental and service income gross profit in an amount of 18 million baht.
5. For second quarter 2014/2015 the BLAND recorded gain on exchange rate, net of 169 million baht while the same period last year the BLAND recorded loss from exchange rate of 138 million baht
6. For second quarter 2014/2015 the BLAND has not recorded reversal of accrued interest while the same period last year the BLAND recorded reversal of accrued interest in the amount of 496 million baht
7. For second quarter 2014/2015 the BLAND recorded gain on repurchase on exchangeable note in the amount of 43 million baht while the same period last year the BLAND recorded gain on repurchase on exchangeable note in the amount of 228million baht, decreasing 185 million baht.
8. For second quarter 2014/2015 the BLAND recorded the administrative expense in the amount of 392 million baht while the same period last year the BLAND recorded the administrative expense in the amount of 226 million baht, increasing of 166 million baht.

In the 6 months of 2014/2015, after adjusted the extraordinary transaction, the BLAND and its subsidiaries recorded the net profit of the owners of the BLAND in the amount of 800 million baht (230+734-164 million baht) while the same period last year the BLAND recorded the net profit in the owners of the BLAND in the amount of 1,071 million baht, the decreasing of 271 million baht or 25.3% because of the following :

1. For the 6 months of 2014/2015, BLAND recorded sales income in an amount of 167 million baht while the same period last year the BLAND recorded sales income in an amount of 59 million baht, increasing of 108 million baht or 183.5% from the increasing of right transferred condominium in the amount of 79 million baht and increasing in rental and service income in the amount of 30 million baht.
2. For the 6 months of 2014/2015 the BLAND recorded sale income gross profit margin of 58.7% while the same period last year the BLAND recorded sale income gross profit margin of 81.4%, decreasing of 27.9% from the worst sale income gross profit margin from higher right transfer of condominium and increasing in sale of condominium thus increasing sale income gross profit in an amount of 50 million baht.

3. For the 6 months of 2014/2015 the BLAND recorded rental and service income in an amount of 1,235 million baht while the same period last year the BLAND recorded rental and service income in an amount of 1,252 million baht, decreasing of 17 million baht or 1.4%. The BLAND main revenues come from 4 units: Exhibition space & hall Rental, Food & Beverage, Hotel business and other facilities service.
4. For the 6 months of 2014/2015 the BLAND recorded rental & service income gross profit margin of 36.6% while the same period last year the BLAND recorded rental and service income gross profit margin of 44.2% decreasing of 17.2% from the increasing of expense thus decreasing in rental and service income gross profit in an amount of 102 million baht.
5. For the 6 months of 2014/2015 the BLAND recorded gain in exchange rate of 180 million baht while the same period last year the BLAND recorded loss from exchange rate of 379 million baht
6. For the 6 months of 2014/2015 the BLAND recorded gain on reversal of long outstanding account payable in the amount of 185 million baht while there was no such transaction occurred in the same period last year.
7. For the 6 months of 2014/2015 the BLAND has not recorded reversal of accrued interest while the same period last year the BLAND recorded reversal of accrued interest in the amount of 496 million baht
8. For the 6 months of 2014/2015 the BLAND recorded gain from revaluation of investment property in the amount of 142 million baht while the same period last year the BLAND recorded gain from revaluation of investment property in the amount of 634 million baht, decreasing of 492 million baht .
9. For the 6 months of 2014/2015 the BLAND recorded gain on repurchase on exchangeable note in the amount of 43 million baht while the same period last year the BLAND recorded gain on repurchase on exchangeable note in the amount of 228 million baht, increasing of 185 million baht.
10. For the 6 months of 2014/2015 the BLAND recorded the administrative expense in the amount of 617 million baht while the same period last year the BLAND recorded the administrative expense in the amount of 447million baht, increasing of 170 million baht.
11. For the 6 months of 2014/2015 the BLAND recorded the income tax expense after adjusted extraordinary transaction in the amount of 170 million baht while the same period last year the BLAND recorded the income tax expense in the amount of 196million baht, decreasing of 26 million baht.

Please be informed accordingly.

Yours sincerely,

A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke at the end.

Anant Kanjanapas

Chairman