

Executive Summary

In 2Q21, the coronavirus disease (COVID-19) situation improved in several countries due to vaccination roll-out resulting in an economic recovery in those countries. While Thai economy remained affected from the third wave of COVID-19 outbreak started from the beginning of April 2021 onwards. Hence, the public sector, together with private sector, commenced the vaccine roll-out plan to help businesses resume activities. On the other hand, Thailand's economic situation in 2Q21 was better than that of the previous year, which the country experienced nationwide lockdown for a certain period. Exports have recovered in line with the recovery of trading countries. However, tourism, the driving force of Thailand economy, was very much impacted by travel restriction. The government currently launch measure to relief foreign tourist restriction "Phuket Sandbox Scheme" during July 2021 allowing non-infected tourist to travel and launch campaigns to relief economic impact as well as stimulus measures to support certain COVID-19 impacted group. By having considered more infected cases, the Bank of Thailand lowered the Thai economy growth outlook in 2021, from an increase of 3.0% to an increase of 0.7% and maintain the policy rate at 0.5% to stimulate the economic momentum and stabilized financial system.

The performance of Central Pattana Public Company Limited ("The Company" or "Central Pattana") in 2Q21 shows total revenue of THB 6,364 mn, an increase of 34.5% YoY and net profit stood at THB 1,269 mn, an increase of 171.6% YoY (for the first six months of 2021, the Company reported total revenue of THB 15,893 mn, a decrease of 1.6% YoY, and net profit of THB 5,103 mn, an increase of 0.9% YoY. Excluding the non-recurring items and impact of financial reporting standards, total revenue stood at THB 5,933 mn and net profit stood at THB 629 mn (for the first six months of 2021, total revenue stood at THB 12,582 mn and net profit stood at THB 1,886 mn). The Company's rental and services revenue in this quarter was increased YoY mainly due to outbreak situation and government entering lockdown measure resulting a temporary close shopping malls during the same period of last year. For the six-month of 2021 performance, rental and services revenue significantly affected by COVID-19 third wave outbreak, the Company hence, implemented an effective cost saving initiatives as planned to minimize impact on business performance and protect interests of all stakeholders.

The Company was impacted by the third wave of COVID-19 outbreak during beginning of April 2021, shopping malls still operated as normal according to no announcement of lockdown restriction from the government sector. However, the Company still implement proactive measures to enhance cleanliness and highest safety to ensure customers to entire mall area. The Company has strictly concerned to all stakeholders and initiated the policy of efficiency management in terms of maximizing cost saving and resource allocation together with manage a cashflow adequacy to operate business during uncertainty circumstance. The Company currently manages 34 shopping malls with the net leasable area (NLA) of approximately 1.8 mn sqm. In 2Q21, the average occupancy rate for all domestic retail properties stood at 91%.

Major Events in 2Q21

Mitigation plan for businesses during COVID-19 pandemic situation

- **Maintain customers' confidence for their patronage and provide vaccination centers within shopping malls nationwide**

Overall shopping malls operated as normal during April-June 2021 by adjust operating hour of shopping malls including temporary close some certain business in shopping malls to comply with government provisions to control the outbreak. The dine-in restriction impacted approximately half month of 2Q21 which re-adopted in late June 2021 again. However, in 2Q21 overall traffic has a limit impacted particularly on shopping malls in upcountry as strong customer base supported and lower number of daily infected cases. The Company closely monitors situation and promptly adjust management strategy to operate shopping malls as well as encouraging marketing activities to attract domestic customers. In addition, the Company continue put in to practice the "Central's Hygiene and Safety Plan" to enhance cleanliness and highest safety measures including enhance stringent disinfect via UV-C in air condition system and sterilizing solution in shopping malls to minimize the risk and response for "New Normal" lifestyle. A practical measure as mentioned help the Company regain customer's confidence while tenant's sales in line with traffic level.

Furthermore, the Company collaborated with the public and private sectors to facilitate 23 shopping malls nationwide, accumulating to over 40,000 sq.m. of area, to act as vaccination centers for the citizens. The locations are deemed suitable to accommodate large volumes of staff and citizens with proper social distancing measures through the use of convention halls and large spaces, which in turn helps accelerate the distribution of vaccines to the general public in all regions as quickly as possible.

- **Continue to provide support for impacted tenants and business partners**

The Company continued tenant's relief measures by providing rent discount during an outbreak situation by considering a proper rent discount depending on how much of the impact. The relief measures are considered based on mall traffic recovery, impacted business type and sales performance. During lockdown, the Company provides rent waiver to tenants those who impact directly from unoperated their normal business then the Company will consider the rent discount after re-opening as mentioned earlier. Moreover, the relief measures were supported by company's omnichannel platform namely Chat & Shop, Drive-Thru and Delivery service, as well as marketing campaign to drive overall economy as well as assist SME.

- **Exercise rigid cost control measures to retain company's profitability and sufficient cashflow**

The Company remains variable cost reduction initiatives constituted utilities, outsource service as well as reduce unnecessary costs at organization levels to mitigate the impact on revenue and profitability as plan under the situation that has yet to fully recover to normal levels. Furthermore, in light of the COVID-19 situation, the Company has entirely prepared its cashflow sufficiency, maintain liquidity and proper capital structure amidst uncertainty circumstance.

Diversification into Mixed-use Development Projects

In 2Q21, the Company has developed totaling of 18 residential projects by emphasizing on development in area close to existing shopping mall which well received a good response in terms of booking. This enhances company's leadership in Mixed-used development to sustain its revenue growth. In addition, the Company continuously develops high potential low-rise projects to response customer's New Normal lifestyle given more personal space, locate in good location, close to shopping mall with full facilities. There was a plenty demand of customers to come and visit residential projects including online virtual tour. The Company lately is on process of developing NIRATI Donmueang which expects an opening for sales in 2H21 onwards.

All 18 residential projects in 2Q21 comprise of;

- 6 Condominium projects completely transferred namely 1) ESCENT RAYONG 2) ESCENT CHIANGMAI 3) ESCENT KHONKAEN 4) ESCENT NAKHONRATCHASIMA 5) ESCENT VILLE CHIANGRAI and 6) ESCENT VILLE CHIANGMAI
- 5 Low-rise projects under selling and transfer process namely 1) ESCENT TOWN PHITSANULOK, townhome projects 2) NINYA KALLAPAPRUEK, twin home projects 3) NIRATI CHIANGRAI 4) NIRATI BANGNA 5) NIYHAM BOROMRATCHACHONNANI, which are single house projects. Each project is accumulated ample interest in terms of visitor number from potential customers both site visit and online format.
- 4 Condominium projects completely built and under transfer process namely 1) ESCENT UBONRATCHATHANI 2) ESCENT PARK VILLE CHIANGMAI 3) PHYLL PHAHOL 34 and 4) Belle Grand Rama 9
- 3 Condominium projects under construction namely 1) ESCENT KORAT 2) ESCENT RAYONG II and 3) ESCENT HATYAI which well received attentions and booking continue to increase.

Joint investment partnership for long-term growth contribution

On May 17, 2021, the Company announced the joint investment transaction of Mixed-use development project located on Wireless Road and Soi Somkid, Bangkok. The Company joint invested in Central and Hongkong Land Company Limited ("CHKL"), the joint venture company between CE Holding Company Limited ("CE Holding") and HKL (Thai Developments) Company Limited ("HKL (Thai Developments)"). The Company will be investing through CE Holding Company Limited (the joint venture company between the Company and Harng Central Department Store Company Limited ("HCDS"). Subsequently, the shareholding in CHKL will comprise of the Company, HCDS and HKL (Thai Developments) with the shareholding ratio of 25: 26: 49, respectively. The joint investment has the objective to develop the mixed-use project comprises 1 retail 8th floor with total NLA of 70,000 sq.m. and 2 offices 36th floor with total NLA of 140,000 sq.m. with total investment value of no more than THB 13,873 mn. The project is expected to be developed in 5 years and will be completed approximately by 2026. The joint investment with partners who has expertise could enhance assets potential and create long-term growth going forward.

Asset Enhancement Initiatives to enhance long-term competitiveness

The ex-ISETAN department store area at CentralwOrld is currently under the renovation process by developing to multi-destination zone format, comprising a mixture of anchor and retail tenants along with new magnet brands to capture all customer demands. The Company expects the renovation to be completed and ready to open by end of 2021 to serve demand from domestic and tourist customers. Currently is under the process of negotiation with tenants who potentially interested this area.

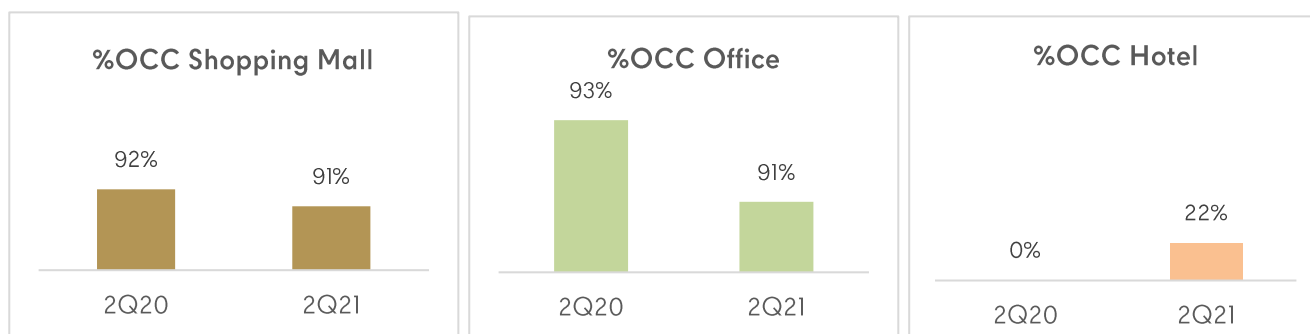
In addition, the Company continuously renovates existing shopping malls namely, Central Rama2 and Central Pattaya under "Destination Concept" including Food zone, Family zone, Sport zone, Fashion plus and arrange various interesting activities reflect customer's Center of Life by emphasizing new safety and hygiene experiences compatible with the "New Normal" lifestyle in current situation.

Financial and Operating Performance in 2Q21

	Number of projects and net leasable/salable area under CPN management as of 2Q 2021							
	Total		CPN		CPNREIT ⁽¹⁾		CPNCG ⁽²⁾	
	No.	sq.m.	No.	sq.m.	No.	sq.m.	No.	sq.m.
<i>Retail properties</i>								
Shopping malls - BMA	15	929,262	15	781,816	3	147,446		
Shopping malls - Provinces ⁽³⁾	18	793,009	18	694,976	4	98,033		
Total domestic retail properties	33	1,722,270	33	1,476,791	7	245,479		
Shopping malls - International	1	83,601	1	83,601				
Total retail properties	34	1,805,872	34	1,560,393	7	245,479		
<i>Non-core businesses</i>								
Office buildings	9	247,523	4	53,498	4	112,353	1	81,672
Hotels	2	563 rooms	1	257 rooms	1	306 rooms		
Residential (high rise)	9	5052 units	9	5052 units				
Residential (low rise)	5	865 units	5	865 units				
<i>Assets under GLAND</i>								
Office buildings	1	67,604	1	67,604				
Residential (high rise)	1	1991 units	1	1991 units				
Retail space in buildings		24,923		24,923				

Remarks

- (1) Assets under CPNREIT comprises 1) 7 shopping malls, namely 1) Central Rama 2, Central Rama 3, Central Pinklao, Central Chiangmai Airport and Central Pattaya; 2) 1 hotel, namely Hilton Pattaya and 3) 2 office buildings Pinklao Tower A & B and offices which under the management of GLAND, namely The Ninth Towers Grand Rama 9, Unilever House Grand Rama 9.
- (2) Assets under CPNCG comprises 1 office building, namely CENTRALWORLD OFFICES
- (3) Central Phuket, which consists of the Central Phuket Floresta and Central Phuket Festival, is counted as a single project



Overview

The Company has 4 business categories under management: 1) Shopping Center and office for rent; 2) Food center services; 3) Hotel; and 4) Residential for sale which includes the properties transferred to CPN Retail Growth Leasehold REIT ("CPNREIT") and CPN Commercial Growth Leasehold Property Fund ("CPNCG") as well as properties of Grand Canal Land PCL ("GLAND"), which is company's subsidiaries.

As of June 30, 2021 the Company managed 34 shopping centers (15 projects in Bangkok Metropolitan Area (BMA), 18 projects in the provinces, and 1 project overseas), 10 office towers, 30 food centers, 2 hotel properties namely Centara Hotel and Convention Centre Udon Thani, Hilton Pattaya and 18 residential projects consist of 13 high-rise projects and 5 low-rise projects.

As of June 30, 2021, the average occupancy rate of the Company's domestic shopping malls stood at 91%, slightly decreased from the same period of previous year at 92%. Most of the shopping malls maintained high level of occupancy rate despite most of tenants were impacted by COVID-19. The Company render an assistance to tenants

by implementing remedy measure so that they could re-operate their business which resulting in maintaining mall occupancy rate.

In 2Q21, same store rental revenue increased approximately 74% YoY (for the first six months of 2021, same store rental revenue growth stood at approximately 10%) mainly from COVID-19 impact by providing rent discount to tenants as well as lower marketing activities and temporary close shopping malls as mentioned above. The same store rental revenue excludes that of malls under renovation during 2020 and 2021, namely CentralwOrld, Central Ladprao, Central Chonburi, Central Chiangrai, Central Phuket Festival, Central Pattaya and Central Rama 2.

Non-recurring items

The Company has non-recurring items in 2Q21 and the first six months of 2021 compared to the previous year as follows;

- In 1Q21 The Company has completed the transaction of lease of assets to CPNREIT namely Central Marina with a lease tenure of 15 years ending 2035 and Central Lampang with a lease tenure of 22 years ending 2041. The Company has recognized the transaction in its consolidated financial statement as follows;
 - Revenue from assets injection to CPNREIT amounted THB 2,667 mn which recognized under other income and THB 533 mn of income tax expense on the revenue recognition.
 - Acquisition fee from CPNREIT amounted THB 84 mn, recognized under other income.
- In 2Q21 The Company received rental waiver of Hilton Pattaya from CPNREIT amount THB 115 mn which recognized in other income.

For the same period in the previous year, non-recurring items include:

- In 1Q20 GLAND Office Leasehold Real Estate Investment Trust (GLANDRT) was dissolved and delisted from Stock Exchange of Thailand (GLAND has 15% ownership stake in GLANDRT) by complete assets transferred of The Ninth Towers Grand Rama 9 and Unilever House Grand Rama 9 to CPNREIT. The Company has recognized the transaction in consolidate financial statement as follows:
 - Income from GLANDRT leasehold asset divestment amount THB 270 mn was recognized in share of profit from associated companies
 - GLANDRT dissolve expense amount THB 227 mn was recognized in administrative expenses
 - Tax on GLANDRT dividend received amount THB 62 mn, the final dividend payment before dissolution and delisting of the Trust
 - Commission fee on GLANDRT assets acquisition to CPNREIT amount THB 56 mn was recognized in management income.
- In 1Q20 The Company recognized revenue from financial lease, a one-time revenue complies with accounting standard amount THB 2,796 mn which recognized in other income and THB 559 mn tax is recognized in the income tax expense. The transaction does not affect the Company's cash flow.
- In 2Q20 The Company recognized an insurance claim on CentralwOrld fire, amount THB 280 mn.
- For the first six months of 2020 The Company recognized selling & administrative expense related to the settlement of financial instruments, which are non-recurring, amount THB 115 mn in 1Q20 and THB 124 mn in 2Q20 (for the first six months of 2020, the amount is approximately THB 239 mn)

Impact from the implementation of new financial reporting standards to company's financial statement

From 2020, the Company has adopted Thai Financial Reporting Standard (TFRS16) - Leases which impacted to the financial statement in terms of differences from actual performance. An impact to statement of comprehensive profit and loss in 2Q21 and the first six months of 2021 as follows;

- **Impact from COVID-19 situation** according to relief measure by providing rent discount to tenants as forecast, impacted directly to rental and services revenue which will be regularly recognized on straight-line amortization basis through contract remaining period amounted THB 316 mn and THB 63 mn of income tax expense on the rental revenue recognition (for the first six months of 2021, amounted THB 445 mn and THB 89 mn). The transaction does not affect the Company's cash flow. (see details in the Notes to Financial Statements No. 2 "Impact from COVID-19 outbreak")
- **Value adjustment of financial lease** The Company recognized lease receivable from financial lease with CPNREIT in 1Q20 which reflect present value at transaction date and will recognized receivable from financial lease until 2025 which will reflect the Company's cash flow that time. The Company recognized an interest income from Rama2 lease contract amounted THB 340 mn and recorded its deferred tax of THB 68 mn in this quarter (for the first six months of 2021, interest income was recorded at THB 661 mn and the tax at THB 132 mn).

Overall impact of non-recurring items and TFRS16 implementation to statement of comprehensive profit and loss in 2Q21 and 6M21 as follow;

(For the summary of impact in the same periods in the previous year, please see the appendix section of this document)

2Q21 Profit & Loss Statement reconciliation between F/S and core performance

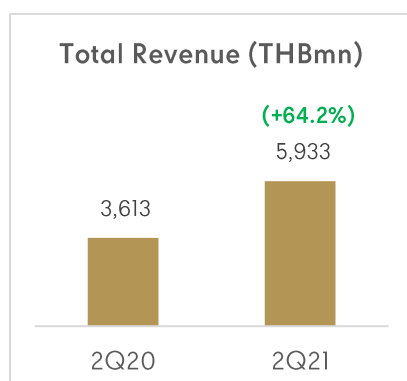
Unit: MTHB	Per F/S	Adj. non-recurring	Excl. non-recurring	TFRS16 Impact	Core performance (excl. non-recurring and TFRS16)
Revenue from rental and services	5,396		5,396	(316)	5,080
Revenue from other businesses	585		585		585
Other Income	383	(115)	268		268
Total income	6,364	(115)	6,249	(316)	5,933
Cost of rental & services	3,152		3,152		3,152
Cost of other businesses	422		422		422
Administrative expenses	1,326		1,326		1,326
Operating profit (loss)	1,464	(115)	1,349	(316)	1,033
(+)Share of profit from invested co.	152		152		152
(+)Investment income	360		360	(340)	20
(-)Interest expense	422		422		422
(-)Income tax expense	269		269	(131)	138
(-)Minority interest	16		16		16
Net profit to parent company	1,269	(115)	1,154	(525)	629

6M21 Profit & Loss Statement reconciliation between F/S and core performance

Unit: MTHB	Per F/S	Adj. non-recurring	Excl. non-recurring	TFRS16 Impact	Core performance (excl. non-recurring and TFRS16)
Revenue from rental and services	11,374		11,374	(445)	10,929
Revenue from other businesses	1,118		1,118		1,118
Other Income	3,401	(2,866)	535		535
Total income	15,893	(2,866)	13,027	(445)	12,582
Cost of rental & services	6,327		6,327		6,327
Cost of other businesses	776		776		776
Administrative expenses	2,590		2,590		2,590
Operating profit (loss)	6,199	(2,866)	3,333	(445)	2,888
(+)Share of profit from invested co.	319		319		319
(+)Investment income	691		691	(661)	30
(-)Interest expense	814		814		814
(-)Income tax expense	1,273	(533)	739	(221)	518
(-)Minority interest	19		19		19
Net profit to parent company	5,103	(2,333)	2,771	(885)	1,886

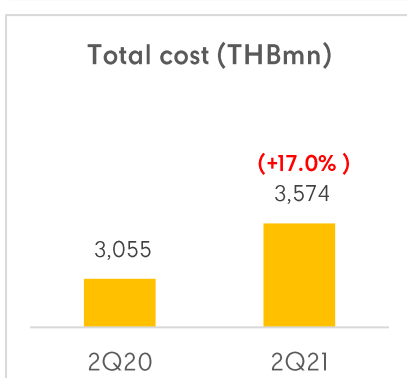
Overall Business Performance

The following management discussion excludes an impact of non-recurring items and new accounting standard (TFRS16) applied as mentioned above to the Company's best ability to reflect the financial performance based on actual business events, which may differ from the financial statements reviewed and/or audited by the auditors authorized by the Securities and Exchange Commission of Thailand (SEC).



Total Revenue

In 2Q21, the Company reported total revenue of THB 5,933 mn, an increase of 64.2% YoY (for the first six months of 2021, the Company reported total revenue of THB 12,582 mn, an increase of 3.3% YoY) mainly from the Company provided rent waiver and rent discount to tenants who impacted from temporary close shopping malls during the same period of last year while fully operated this year.

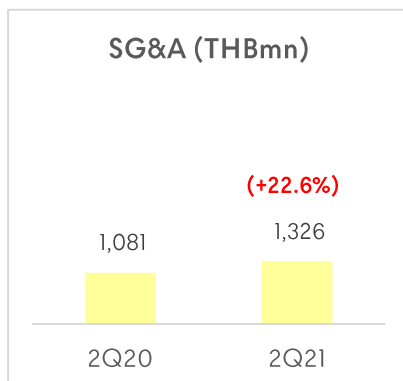


Total Costs

In 2Q21, the Company reported total costs of THB 3,574 mn, an increase of 17.0% YoY (for the first six months of 2021, the Company reported total cost of THB 7,104 mn, an increase of 0.1% YoY) mainly from cost occurred due to normal operations of shopping malls however, the Company still effectively manage a cost reduction to be in lined with revenue.

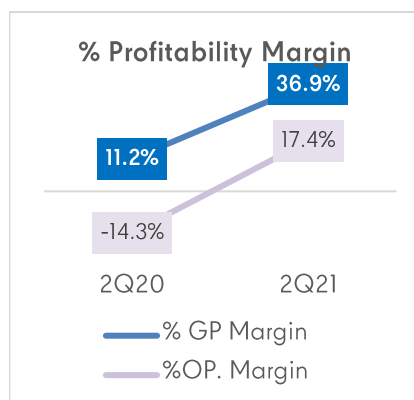
Administrative Expenses

Total administrative expenses constituted expenses on personnel, marketing & promotion, rental expense of Hilton Pattaya Hotel based on the sublet agreement with CPNREIT, office supplies, professional fees, and depreciation and amortization of office equipment and hotel properties.

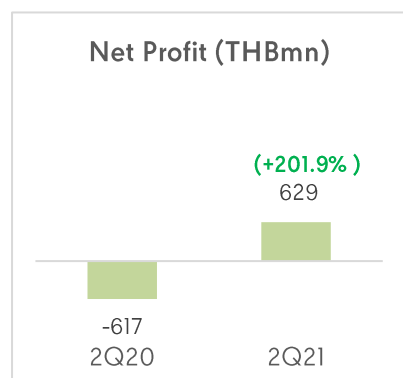


In 2Q21, the Company reported total administrative expenses at THB 1,326 mn, an increase of 22.6% YoY (for the first six months of 2021, administrative expenses at THB 2,590 mn, an increase of 5.2% YoY) mainly attributed by marketing & promotion expenses regarding to marketing activities occurred in line with shopping mall operation level if compared to the same period of previous year. However, the Company demonstrated prudent cost control measures to be in-line with revenue to retain business normalcy in current situation. The administrative expenses to total revenue ratio stood at 22.3% decreased from 29.9% in the same period of previous year (for the first six months of 2021, the ratio stood at 20.6%, a slight increase from the previous year at 20.4%), mainly from a decrease of revenue more than a decrease of administrative expenses.

Gross Profit Ratio & Operating Profit Ratio



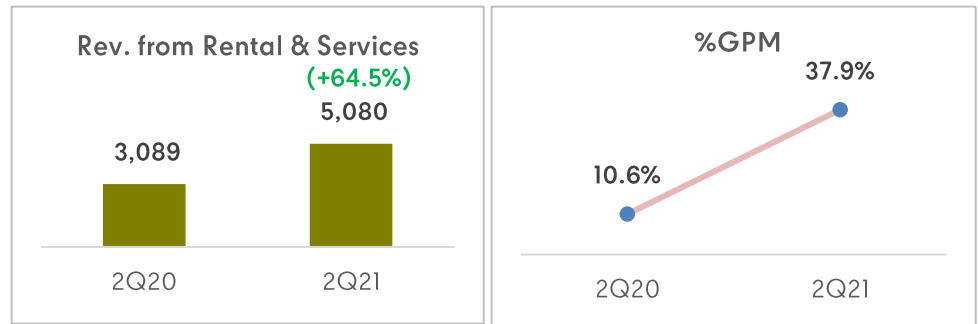
In 2Q21, the gross profit ratio excluding other income, increased to 36.9% from 11.2% in the same period of previous year (the first six months of 2021, increased to 41.0% compared to the previous year at 39.1%). Whilst operating profit ratio increased proportionately to 17.4% from -14.3% in the same period of previous year (the first six months of 2021, increased to 22.9% compared to the previous year at 21.4%) mainly from COVID-19 outbreak impact on revenue side lower than the same period of last year while continuously encouraging cost saving and lower administrative expense.



Net Profit

In 2Q21, the Company reported a net profit of THB 629 mn, an increase of 201.9% YoY (for the first six months of 2021, the figure stood at THB 1,866 mn, an increase of 3.9% YoY) mainly from impact of COVID-19 on revenue of each business category lower than last year. Nonetheless, the Company significantly implemented cost effective management to retain normal business operation by considering all stakeholders and retain return to shareholders.

Performance of rental and services business



Revenue from rental and services

In 2Q21, the Company recorded revenue from rental and services at THB 5,080 mn, an increase of 64.5% YoY. (for the first six months of 2021, reported revenue of THB 10,929 mn, an increase of 3.4% YoY). An increase was mainly attributed from shopping malls open as usual if compared to the same period of previous year which operated under restriction. In addition, a higher revenue derived from certain events and marketing activities in line with mall operations.

Cost of rent and services

Costs of rent and services constituted utilities, security & cleaning services, on-site personnel, land rental, depreciation & amortization, repair & maintenance costs and insurance premium and property tax of properties owned for rental.

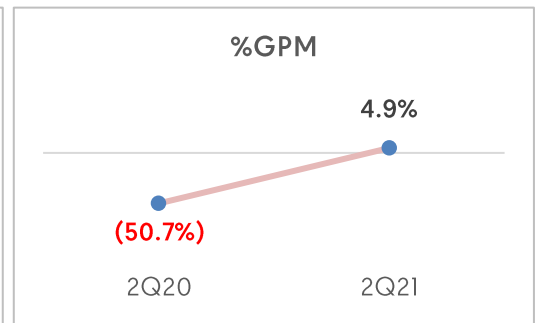
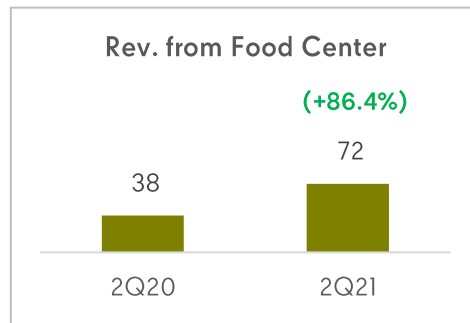
In 2Q21, the Company reported cost of rent and services at THB 3,152 mn, an increase of 14.1% YoY (for the first six months of 2021, reported cost of THB 6,327 mn, a decrease of 1.0% YoY) due to the following factors:

- Utility costs, a major component (accounts for approximately 30% of cost of rent and services) for shopping mall operations, decreased from the same period a year earlier mainly from the continuity of business operations in the current year compared to a partial period of lockdown in the previous year. Nonetheless, the Company continues to emphasize on prudent cost management and presses on its effort to conserve energy and utilities in operations.
- Lower repair and maintenance and certain outsourced services costs in-line with the cost control initiatives.

Gross profit of rental and services business

The gross profit ratio for the rental and services business, which is the Company's core business, stood at 37.9% increased from 10.6% in the same period of previous year (the first six months of 2021, stood at 42.1% increased from 39.5% in the same period of previous year) mainly from an increase in revenue proportion higher than an increase in cost. Nevertheless, the Company continues to implement effective and cost management and prudent cost control measures to maintain its profitability and ongoing to recover.

Performance of food center services business



Revenue from food center services

In 2Q21, the Company recorded revenue from food center services at THB 72 mn, an increase of 86.4% YoY (for the first six months of 2021, reported revenue of THB 166 mn, a decrease of 16.2% YoY) in line with direction of the shopping mall business. However, the first six-month of 2021 revenue partially impacted by the dine-in restriction as part of the effort to combat the COVID-19 situation.

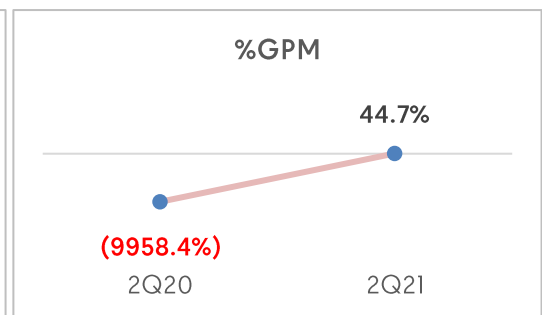
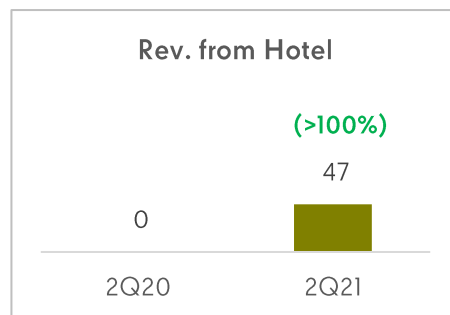
Cost of food center services

In 2Q21, the Company reported costs of food center services at THB 68 mn, an increase of 17.7% YoY (for the first six months of 2021, reported cost of THB 139 mn, a decrease of 6.5% YoY) in line with revenue from food center services performance.

Gross profit of food center services business

The gross profit ratio for the food center services business stood at 4.9% increased from -50.7% in the same period of previous year (the first six months of 2021 at 16.2% decreased from 24.9% in the same period of previous year). The quarter profitability performance was mainly attributed by an increase in revenue proportion higher than an increase in cost while revenue in the same period of previous year was unable to cover fixed cost. For the six-month of 2021, profitability performance decreased from the same period of previous year due to lessen impact from outbreak in 1Q20.

Performance of hotel business



Revenue from hotel operations

Hotel operations are considered as a non-core business. In 2Q21, revenue from hotel operations was THB 47 mn, an increase of more than 100% YoY (for the first six months of 2021, reported revenue of THB 100 mn, a decrease of 51.8% YoY). The quarter performance was increased from hotel fully operated compared to temporary close resulting in lack of revenue stream during the same period of previous year. Nonetheless, foreign tourists still unrecovered due to travel restriction from COVID-19 outbreak. The six-month of 2021 performance on the other hand revenue lower than the same period of previous year due to lessen impact of outbreak in 1Q20 which allowed foreign travelling.

The average room occupancy at Hilton Pattaya Hotel stood at 25.0% while occupancy rate of Centara Hotel and Convention Center Udon Thani stood at 19.2% higher than the same period of previous year due to temporary close hotel operations.

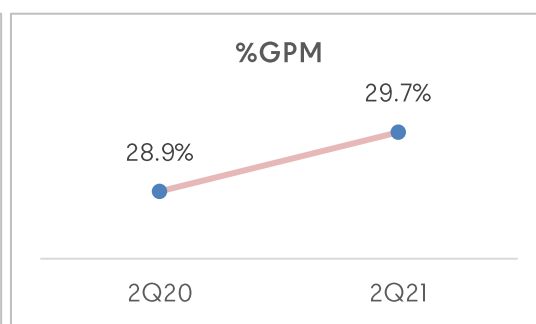
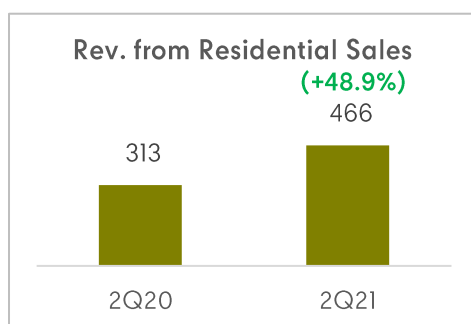
Cost of hotel operations

In 2Q21, the Company reported costs of hotel operations at THB 26 mn, an increase of 92.6% YoY (for the first six months of 2021, reported cost of THB 53 mn, a decrease of 39.9% YoY) due to fully operated of hotel operations occurred both fixed and variable costs. In the meantime, both hotels maintain an effective cost control conform the changing situation.

Gross profit of hotel operations

The gross profit ratio for the hotel business stood at 44.7%, an increase from -9,958.4% in the same period of previous year (the first six months of 2021 stood at 46.5%, a decrease from 57.1% in the same period of previous year) in line with revenue and cost performance.

Performance of real estate business



Revenue from sales

In 2Q21, the Company recorded revenue from sales at THB 466 mn, an increase of 48.9% YoY (for the first six months of 2021, reported revenue of THB 851 mn, an increase of 28.3% YoY) due to higher transferred of both low-rise and condominium projects if compared to the same period of previous year, namely NIYHAM BOROMRATCHACHONNANI, ESCENT TOWN PHITSANULOK, NINYA KALLAPAPRUEK, NIRATI CHIANGRAI and NIRATI BANGNA, Phyll Pahol 34, ESCENT Ubonratchathani, ESCENT PARK VILLE Chiangmai and Belle Grand Rama 9 in BKK which completely transferred as Company's target.

Cost of sales

In 2Q21, the Company reported costs of sales at THB 328 mn, an increase of 47.3% YoY (for the first six months of 2020, reported cost of THB 584 mn, an increase of 26.5% YoY). The cost reduction in line with its revenue performance increased.

Gross profit of real estate business

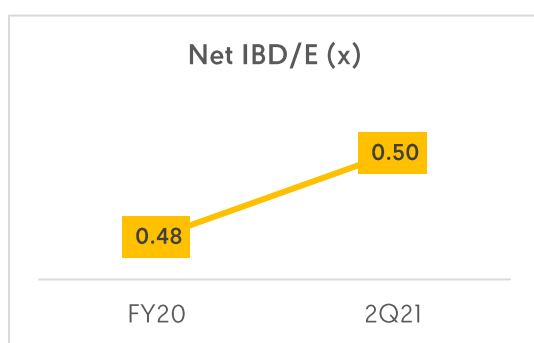
The gross profit ratio for residential business stood at 29.7%, increased from 28.9% in the same period of previous year (the first six months of 2021 stood at 31.5% increased from 30.5% in the same period of previous year) mainly from the transfer attributed mostly new development in standalone land plot or projects outside of existing land bank including some discount offered to encouraging sales which achieved as plan.

Table 2: Summary of Profit & Loss Statement

Unit: million THB	2Q 2020	1Q 2021	2Q 2021	YoY (%)	QoQ (%)	6M 2020	6M 2021	YoY (%)
Revenue from rent and services	3,928	5,978	5,396	37%	(10%)	11,410	11,374	(0%)
Retail	3,667	5,654	5,100	39%	(10%)	10,803	10,754	(0%)
Office	261	324	296	14%	(9%)	607	620	2%
Revenue from hotel operations	0	53	47	>100%	(11%)	207	100	(52%)
Revenue from food center services	38	95	72	86%	(24%)	198	166	(16%)
Revenue from real estate sales	313	385	466	49%	21%	664	851	28%
Other income	452	3,017	383	(15%)	(87%)	3,675	3,401	(7%)
Total revenues	4,732	9,528	6,364	35%	(33%)	16,154	15,893	(2%)
<i>Excluding non-recurring items</i>	3,613	6,648	5,933	64%	(11%)	12,183	12,582	3%
Cost of rent and services	2,761	3,175	3,152	14%	(1%)	6,394	6,327	(1%)
Retail	2,697	3,093	3,070	14%	(1%)	6,233	6,163	(1%)
Office	65	82	82	26%	(1%)	161	164	2%
Cost of hotel operations	14	27	26	93%	(5%)	89	53	(40%)
Cost of food center services	58	71	68	18%	(5%)	149	139	(6%)
Cost of real estate sales	223	256	328	47%	28%	461	584	26%
Total cost of operations	3,055	3,529	3,574	17%	1%	7,093	7,104	0%
<i>Excluding non-recurring items</i>	3,055	3,529	3,574	17%	1%	7,093	7,104	0%
Selling, general and admin expense	1,205	1,264	1,326	10%	5%	2,929	2,590	(12%)
Operating profits	471	4,734	1,464	211%	(69%)	6,132	6,199	1%
<i>Excluding non-recurring items</i>	(524)	1,854	1,033	(297%)	(44%)	2,627	2,888	10%
Net finance cost/income tax/others	4	900	196	4912%	(78%)	1,073	1,096	2%
Net profit	467	3,835	1,269	172%	(67%)	5,059	5,103	1%
<i>Excluding non-recurring items</i>	(617)	1,257	629	(202%)	(50%)	1,816	1,886	4%
Earnings per basic share (THB)	0.10	0.85	0.28	172%	(67%)	1.13	1.14	1%
<i>Excluding non-recurring items</i>	(0.14)	0.28	0.14	202%	(50%)	0.40	0.42	4%

Capital Structure

As of June 30, 2020, the Company reported total interest-bearing debt of THB 46,228 mn, an increase from the balance as of December 31, 2020 of THB 45,535 mn, mainly due to long-term borrowings from financial institutions and debenture issuance. Meanwhile, the weighted average financing cost as of June 30, 2021 stood at 2.00%, close to 2.03% as of December 31, 2020. Fixed interest rates debt comprises 52% of total interest-bearing debt, floating interest rates make up 48%.



Net interest-bearing debt to equity ratio stood at 0.50x, increased from the ratio at the end of 2020 at 0.48x. The ratio does not exceed policy level at 1 time and debt covenant at 1.75 times. The Company has a lower interest-bearing debt while emphasizes on the importance of effective management of its capital structure to be resilient towards the volatile money market and capital market, as well as maintain its financing cost at an optimum level for its businesses going forward.

Table 3: Summary of Financial Position

<i>Unit: million THB</i>	End of FY 2020	End of 2Q 2021	YTD (%)
<i>Current assets</i>			
Cash and current investments	9,225	8,062	(13%)
Other current assets	14,661	15,803	8%
Total current assets	23,886	23,865	(0%)
<i>Non-current assets</i>			
Investment properties ⁽¹⁾	159,983	157,691	(1%)
Property & equipment (PP&E)	3,242	3,127	(4%)
Other non-current assets	34,664	38,726	12%
Total non-current assets	197,888	199,543	1%
Total assets	221,774	223,408	1%
<i>Current liabilities</i>			
Interest-bearing debt - 1 year	18,131	13,408	(26%)
Other current liabilities	12,423	12,425	0%
Total current liabilities	30,554	25,832	(15%)
<i>Non-current liabilities</i>			
Interest-bearing debt	28,355	34,003	20%
Other non-current liabilities	85,741	84,281	(2%)
Total non-current liabilities	114,096	118,284	4%
Total liabilities	144,650	144,117	(0%)
<i>Shareholders' equity</i>			
Retained earnings - unappropriated	58,782	60,666	3%
Other shareholders' equity	18,341	18,626	2%
Total shareholders' equity	77,123	79,292	3%

(1) Investment Properties are booked at cost and depreciated with the straight-line basis over the life of the assets. The estimated fair value as of December 31, 2020 is THB 350,420 mn (THB 252,051 mn as of December 31, 2019), as stated in the disclosure notes to the main financial statements no. 12 under "Investment Properties".

Table 4: Key Financial Ratios

	2Q 2020	1Q 2021	2Q 2021	YoY (%)	QoQ (%)	6M 2020	6M 2021	YoY (%)
Profitability Ratio								
Gross profit margin (%)	29%	46%	40%	12%	(6%)	43%	43%	(0%)
<i>Rent and services</i>	30%	47%	42%	12%	(5%)	44%	44%	0%
<i>Hotel operations</i>	(9958%)	48%	45%	10003%	(3%)	57%	47%	(11%)
<i>Food center services</i>	(51%)	25%	5%	56%	(20%)	25%	16%	(9%)
<i>Real estate sales</i>	29%	34%	30%	1%	(4%)	30%	31%	1%
Operating profit margin (%)	10%	50%	23%	13%	(27%)	38%	39%	1%
<i>Excluding non-recurring items</i>	(15%)	28%	17%	32%	(10%)	22%	23%	1%
Net profit margin (%)	10%	40%	20%	10%	(20%)	31%	32%	1%
<i>Excluding non-recurring items</i>	(17%)	19%	11%	28%	(8%)	15%	15%	0%
Return on equity ⁽¹⁾ (%)	16%	11%	13%	(3%)	1%	16%	13%	(3%)
<i>Excluding non-recurring items</i>	11%	6%	7%	(4%)	2%	11%	7%	(4%)
Efficiency Ratio								
Return on assets ⁽¹⁾ (%)	6%	4%	4%	(2%)	0%	6%	4%	(2%)

	End of FY 2020	2Q 2021	YTD (Unit)
Liquidity Ratio			
Current ratio (times)	0.78	0.92	0.14
Quick ratio (times)	0.30	0.31	0.01
Financial Policy Ratio			
Liabilities to equity ratio (times)	1.88	1.82	-0.06
Net interest-bearing debt to equity ratio ⁽²⁾ (times)	0.48	0.50	0.02

(1) Return on assets and return on equity are calculated based on net profit in the last twelve months

(2) Interest bearing debt to equity net of cash and cash equivalent and short-term investments

Business Plan

Outlook for 2021 Performance

For the first half of the year, the COVID-19 outbreak situation is the major external factor that impacted the Company's business and financial performances. With the best interest of its shareholders as priority, the Company has consistently adjusted its business plan and strategy according to the changing circumstances. By July 2021, the COVID-19 situation continues to persist and intensify throughout various regions of Thailand, prompting the government to announce more stringent restrictive measures, especially in the provinces with high magnitudes of outbreak. As a result, the Company's shopping mall business at certain locations undergo temporary closure in compliance with the measures whilst only essential services are allowed to remain open, such as supermarkets, pharmacies and vaccination centers. As there is still much uncertainty surrounding the COVID-19 situation as of present, the Company will closely monitor the situation and assess its impact to the business outlook in both near-term and long-term. Hence, the Company maintains utmost readiness to adapt its business plan to the changing business and economic environment, with particular attention to cost efficiencies and perpetual review and calibrate its investment plan to maintain its cash flow and liquidity at sufficient levels to combat the COVID-19 situation whilst maintain the best interest of the stakeholders as consistently practiced.

Five-Year Business Plan

The Company has set its 5-year (2021-2025) investment plan and business objectives with the aim of preserving average revenue growth per year (CAGR) at around 10% as originally planned, primarily driven by new mixed-use development projects, enhancement of existing shopping malls, and development of new residential projects, hotels and offices, both announced and unannounced. Furthermore, the Company prepares adequate levels of cash flow and liquidity under challenging circumstance of COVID-19 outbreak to meet its near-term and long-term objectives. Nonetheless, the Company maintains its confidence in its growth strategy under the vision of the "Center of Life", such that its business operations will continue to be the center of happiness, create new experiences, and become the safe and health-conscious place for people in multiple communities and lifestyle preferences. The Company is studying potential new concepts to accommodate the lifestyle needs of customers and the more dynamic operations by tenants as they embrace living under the New Normal.

The Company recognizes the potential to develop mixed-use projects in the shopping mall area by utilizing the existing vacant plots of land adjacent to the shopping malls, thus enhancing the value of investments in the form of residential development, office buildings and hotels, to name a few. The Company announced development plan of new projects namely **Central Ayutthaya** (targeted opening in 2021), **Central Si Racha** (targeted opening in 2021) and **Central Chanthaburi** (targeted opening in 2022) and **Dusit Central Park** (phasal opening from 2023-24 onwards).

Furthermore, the Company continuously plan for **asset enhancements** and **studies new development platform of unannounced assets** including undeveloped land under GLAND. The Company straight forward to develop projects such as **office, hotel, residential projects** under the concept of "Center of Life" to strengthen its core business. Moreover, the Company studied the **M&A opportunities** to invest in high growth potential assets and good return on investment as well as **expand its business the Southeast Asian countries**, especially Malaysia and Vietnam to access new revenue stream and accommodate its sustainable growth aspiration.

Shares acquisition of Siam Future Development Public Company Limited

In July 2021, the Company entered into an agreement to purchase of common shares in Siam Future Development Public Company Limited ("SF") from Major Cineplex Group Public Company Limited and a group of major shareholders at the purchase price of THB 12.00 per share, amounting to THB 13,341 mn in total. The transactions are expected to be done within August 30, 2021, following which the Company is expected to assume share ownership in SF at 54.52% of the total outstanding shares. After the completion of the transactions, the Company plans to proceed with a tender offer for the remaining shares in SF with an approximate amount of THB 11,708 mn. The transactions were announced to the Stock Exchange of Thailand on July 5 and 27 respectively.

Table 5: Progress of Future Projects

Project	Area	Complete by	2021				2022			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<i>Domestic - Provinces</i>										
Central Ayutthaya	TBC	2021	In the process of development				★ Expected opening			
Central Si Racha	TBC	2021					★ Expected opening			
Central Chanthaburi	TBC	2022					★ Expected opening			
<u>Residential - High-rise</u>										
<i>Domestic - BMA</i>										
PHYLL PHAHOL 34	358	4/2019	Pre-sales ~48% Transferred 46%							
<i>Domestic - Provinces</i>										
ESCENT UBONRATCHATHANI	395	3/2020	Pre-sales 95% Transferred 91%							
ESCENT PARK VILLE CHIANGMAI	450	3/2020	Pre-sales > 60% Transferred 54%							
ESCENT VILLE CHIANGMAI	450	2022-23	Pre-sales 30% ; in the process of development							
ESCENT UBONRATCHATHANI	395	2022-23	Pre-sales 50% ; in the process of development							
ESCENT PARK VILLE CHIANGMAI	450	2022-23	Pre-sales 90% ; in the process of development							
<u>Residential - Low-rise</u>										
<i>Domestic - BMA</i>										
NIYHAM BOROMRATCHACHONNANI	71	4/2018	Transferred 15 units							
ESCENT TOWN PHITSANULOK	311	1/2020	Transferred 46 units							
NINYA KALLAPAPRUEK	144	1/2020	Transferred 41 units							
NIRATI CHIANGRAI	183	4/2020	Transferred 17 units							
NIRATI BANGNA	156	4/2020	Transferred 17 units							
<u>Joint Mixed-use Development</u>										
<i>Domestic - BMA</i>										
Dusit Central Park *		2023-24	In the process of prepare building foundation, share facility construction and reviewing the investment plan							

* Joint venture project with Dusit Thani Public Company Limited on a 23-rai land at the corner of Silom Road - Rama 4 Road and comprises:

- 1.) Central Park : a retail property with a total of 80,000 sq.m. leasable area in which the Company has 85% stake in the project.
- 2.) Central Park Offices : an office building with a total of 90,000 sq.m. leasable area in which the Company has 100% stake in the project.
- 3.) Dusit Thani Hotel Bangkok : a 250-room hotel in which the Company has 40% stake in the project.
- 4.) Residential project under the names "Dusit Residences" and "Dusit Parkside" : a combined total of 389 units in which the Company has 40% stake in the project.

Appendix:

Summary of non-recurring items and impact of financial reporting standards to the statement of comprehensive profit and loss for the same period in the previous year (2Q20 and 6M20)

2Q20 Profit & Loss Statement reconciliation between F/S and core performance

Unit: MTHB	Per F/S	Adj. non-recurring	Excl. non-recurring	TFRS16 Impact	Core performance (excl. non-recurring and TFRS16)
Revenue from rental and services	3,928		3,928	(839)	3,089
Revenue from other businesses	352		352		352
Other Income	452	(280)	172		172
Total income	4,732	(280)	4,452	(839)	3,613
Cost of rental & services	2,761		2,761		2,761
Cost of other businesses	294		294		294
Administrative expenses	1,205	(124)	1,081		1,081
Operating profit (loss)	471	(156)	315	(839)	(524)
(+)Share of profit from invested co.	104		104		104
(+)Investment income	370		370	(321)	49
(-)Interest expense	490		490		490
(-)Income tax expense	20		20	(232)	(212)
(-)Minority interest	(32)		(32)		(32)
Net profit to parent company	467	(156)	311	(928)	(617)

6M20 Profit & Loss Statement reconciliation between F/S and core performance

Unit: MTHB	Per F/S	Adj. non-recurring	Excl. non-recurring	TFRS16 Impact	Core performance (excl. non-recurring and TFRS16)
Revenue from rental and services	11,410		11,410	(839)	10,571
Revenue from other businesses	1,069		1,069		1,069
Other Income	3,675	(3,132)	543		543
Total income	16,154	(3,132)	13,022	(839)	12,183
Cost of rental & services	6,394		6,394		6,394
Cost of other businesses	699		699		699
Administrative expenses	2,929	(466)	2,463		2,463
Operating profit (loss)	6,132	(2,666)	3,466	(839)	2,627
(+)Share of profit from invested co.	685	(270)	415		415
(+)Investment income	405		405	(321)	84
(-)Interest expense	971		971		971
(-)Income tax expense	1,197	(621)	576	(232)	344
(-)Minority interest	(4)		(4)		(4)
Net profit to parent company	5,059	(2,315)	2,744	(928)	1,816