

ARIN 015/2021

 August 11th, 2021

 Subject: Management Discussion and Analysis for the 2nd quarter of 2021

 To: President
 The Stock Exchange of Thailand

 Arinsiri Land Public Company Limited (the "Company") would like to inform the Company's operating performance for the 2nd quarter of 2021 as follows:

unit: Million Baht

For the 2 nd quarter period ended June 30 th						
Items	2021		2020		Changes	
	Amount	%	Amount	%	Amount	%
Revenues from sales of real estate	78.57	100.00	18.52	100.00	60.05	324.31
Cost of sales	57.29	72.92	13.69	73.91	43.60	318.59
Gross profit	21.28	27.08	4.83	26.09	16.45	340.52
Other income	0.70	0.89	1.34	7.26	(0.65)	(48.01)
Profit before expenses, financial cost, and taxes	21.98	27.97	6.17	33.34	15.80	255.95
Selling expenses	3.98	5.06	1.43	7.74	2.55	177.66
Administrative expenses	8.60	10.95	8.61	46.52	(0.01)	(0.13)
Profit (loss) before financial cost, and taxes	9.40	11.96	(3.87)	(20.91)	13.27	342.68
Financial costs	5.90	7.51	3.90	21.04	2.01	51.48
Profit (loss) before taxes	3.49	4.45	(7.77)	(41.95)	11.26	144.97
Tax expense (revenue)	0.06	0.08	0.12	0.63	(0.05)	(45.67)
Net profit (loss)	3.43	4.37	(7.88)	(42.58)	11.31	143.51

1. **Total Revenues** (For the 2nd quarter of 2021)

For the 2nd quarter of 2021, the Company had revenue from sales of real estate equal to Baht 78.57 million, increased in the amount of Baht 60.65 million, or 324.31% compared with the same period of last year which generated from Arinsiri Sport Village, Arinsiri Country Hill and Arinsiri Privacy. However, the current real estate market situation has affected the decrease number of walk-in customers together with the effect from Bank of Thailand policy for housing loan which customers were in the process of requesting and considering loans from financial institutions including the ongoing pandemic of coronavirus disease 2019 (COVID-19) in the country causing the inability to transfer ownership as scheduled.

For the 2nd quarter of 2021, the Company had other incomes equal to Baht 0.70 million, decreased in the amount of Baht 0.65 million or 48.01% compared with the same period of the previous year due to the cancelation of lease agreement of the Club House building from the lessee.

2. **Cost of sales and expenses** (For the 2nd quarter of 2021)

2.1 Cost of sales of real estate for the 2nd quarter of 2021 was equal to Baht 57.29 million, increased in the amount of Baht 43.60 million, or representing with 318.59% compared to the same period of the previous year, due to increased income from the transfer of ownership. The cost of sales is increase directly according to the income.

2.2 Selling expenses for the 2nd quarter of 2021 were equal to Baht 3.98 million, increased in the amount of Baht 2.55 million or representing with 177.66% compared to the previous year, mainly due to commission and special business tax.

2.3 Administrative expenses for the 2nd quarter of 2021 were equal to Baht 8.60 million, slightly decreased in the amount of Baht 0.01 million or 0.13% compared with the same period of the previous year.

3. **Financial costs** (For the 2nd quarter of 2021)

Financial costs for the 2nd quarter of 2021 were equal to Baht 5.90 million, increased in the amount of Baht 2.01 million, or 51.48% compared with the same period of the previous year.

4. **Net profit (loss)** (For the 2nd quarter of 2021)

For the 2nd quarter of 2021, the Company had a net profit amounted to Baht 3.43 million from the reasons mentioned above.

unit: Million Baht

For the first 6-months period of						
Items	6-months period of 2021		6-months period of 2020		Changes	
	Amount	%	Amount	%	Amount	%
Revenues from sales of real estate	94.82	100.00	45.66	100.00	49.16	107.67
Cost of sales	69.28	73.07	33.52	73.42	35.76	106.68
Gross profit	25.54	26.93	12.14	26.58	13.40	110.40
Other income	1.38	1.46	2.78	6.09	(1.40)	(50.25)
Profit before expenses, financial cost, and taxes	26.92	28.39	14.92	32.68	12.00	80.45
Selling expenses	5.45	5.74	3.39	7.43	2.05	60.43
Administrative expenses	16.79	17.71	18.69	40.94	(1.90)	(10.18)
Profit (loss) before financial cost, and taxes	4.69	4.94	(7.17)	(15.70)	11.86	165.39
Financial costs	11.22	11.84	6.58	14.42	4.64	70.47
Profit (loss) before taxes	(6.54)	(6.89)	(13.75)	(30.12)	7.22	52.46
Tax expense (revenue)	0.13	0.13	0.10	0.22	0.02	23.25
Net profit (loss)	(6.66)	(7.03)	(13.86)	(30.35)	7.19	51.90

5. Total Revenues (For the first 6-months period of 2021)

For the first 6-months period of 2021, the Company had revenue from sales of real estate equal to Baht 94.82 million, increased in the amount of Baht 49.16 million or 107.67% compared to the same period of the previous year. The Company had the other incomes equal to Baht 1.38 million, decreased in the amount of Baht 1.40 million or 50.25% compared to the same period of the previous year. The reasons are as mentioned in item 1.

6. Cost of sales and expenses (For the first 6-months period of 2021)

6.1 Cost of sales of real estate for the first 6-months period of 2021 was equal to Baht 69.28 million, increased in the amount of Baht 35.76 million, or representing with 106.68% compared to the same period of the previous year due to increased income from the transfer of ownership. The cost of sales is increase directly according to the income.

6.2 Selling expenses for the first 6-months period of 2021 was equal to Baht 5.45 million, increased in the amount of Baht 2.05 million or representing with 60.43% compared to the previous year, mainly due to commission and special business tax.

6.3 Administrative expenses for the first 6-months period of 2021 was equal to Baht 16.79 million, decreased in the amount of Baht 1.90 million or 10.18 compared to the same period of the previous year, mainly due to the decrease in salary and compensation, consultant fee, professional fee and bank fee.

7. Financial costs (For the first 6-months period of 2021)

Financial costs for the first 6-months period of 2021 was Baht 11.22 million, increasing by Baht 4.64 million, or 70.47% compared to the same period of the previous year.

8. Net profit (loss) (For the first 6-months period of 2021)

For the first 6-months period of 2021, the Company had a net loss amounted to Baht 6.66 million from the above-mentioned causes.

9. Statement of financial position

Items	As of 30 th June 2021	As of 31 st December 2020,	Changes	
	Million Baht	Million Baht	Million Baht	%
Trade and other current receivables	8.95	8.98	(0.03)	(0.35)
Inventories	803.76	815.16	(11.39)	(1.40)
Property, plant and equipment, net	14.47	15.19	(0.72)	(4.71)
Other assets	196.17	191.10	5.07	2.65
Bank overdrafts from the financial institution	9.01	10.92	(1.90)	(17.45)
Trade and other current payables	78.29	97.29	(19.01)	(19.53)
Current portion of long – term liabilities	332.23	341.88	(9.65)	(2.82)
Short – term borrowings	113.52	93.85	19.67	20.96
Short - term debentures	19.80	0.00	19.80	100.00
Long – term borrowings	6.84	17.55	(10.70)	(60.99)
Other liabilities	28.15	26.77	1.38	5.17
Total shareholders' equity	435.52	442.18	(6.66)	(1.51)

As of June 30th, 2021, the Company had trade and other current receivables slightly decreased in the amount of Baht 0.03 million or equal to 0.35% compared to the year-end 2020, mainly due to the decreased of prepaid expenses.

The Company had inventories decreased in the amount of Baht 11.39 million or equal to 1.40% compared to the year-end 2020, mainly due to the sales and units' ownership transferring.

The Company had a net of property, plant and equipment decreased in the amount of Baht 0.72 million or equal to 4.71% compared to the year-end 2020, mainly due to the increase of depreciation.

The Company had other assets increased in the amount of Baht 5.07 million or equal to 2.65% compared to the year-end 2020, mainly due to the increase of cash and cash equivalents.

The Company had bank overdrafts from financial institutions decreased in the amount of Baht 1.90 million or equal to 17.45% compared to the year-end 2020.

The Company had trade and other current payables decreased in the amount of Baht 19.01 million or equal to 19.53% compared to the year-end of 2020, mainly due to the decrease of the down payment from the customer and deferred utility revenue.

The Company had increased the current portion of long-term liabilities, short-term borrowings, short-term debentures, and long-term borrowings increased in the amount of Baht 19.12 million, mainly due to the borrowing from financial institutions, directors, and other person for project development and working capital.

The Company's Shareholders' equity has decreased when compared to the year-end of 2020 at the amount of Baht 6.66 million, which mainly due to the Company had a net loss from the reasons mentioned above.

Please be informed accordingly

Yours sincerely

ARINSIRI
Miss Wimonjit Arintamapong
Managing Director
RIGHT BY YOUR SIDE