

Management discussion and analysis for the period ended 30 June 2021

Executive Summary

The performance of Villa Kunalai Public Company Limited (“KUN”) for the 3 month period ended 30 June 2021 compared to the prior period are summarized as follows:

Income Statement	Q2'2021		Q2'2020		Movment	
Revenue from sales of real estates	254.24	100.00%	164.11	100.00%	90.13	54.92%
Cost of sales	(172.20)	-67.73%	(118.60)	-72.27%	(53.60)	45.19%
Gross profit	82.04	32.27%	45.51	27.73%	36.53	80.27%
Other income	0.88	0.35%	0.37	0.23%	0.51	137.84%
Selling expenses	(17.33)	-6.82%	(11.66)	-7.10%	(5.67)	48.63%
Administrative expenses	(14.93)	-5.87%	(14.24)	-8.68%	(0.69)	4.85%
Finance costs	(0.04)	-0.02%	(0.06)	-0.04%	0.02	-33.33%
Profit before income tax expense	50.62	19.91%	19.92	12.14%	30.70	154.12%
Income tax expense	(9.52)	-3.74%	(4.07)	-2.48%	(5.45)	133.91%
Profit for the period	41.10	16.17%	15.85	9.66%	25.25	159.31%
Profit/(Loss) attributable to:						
Owners of the parent	41.11	16.17%	15.85	9.66%	25.26	159.37%
Non-controlling interests	(0.01)	0.00%	-	0.00%	(0.01)	100.00%
Earnings per share - owners of the Company						
Basic earnings per share	0.06		0.02		0.04	

Consolidated Financial Statement for the 3 month period ended 30 June 2021 compared to the prior period.

Total Revenue

Revenue from sales of real estates increased by THB 90.13 million or 54.92 percent from THB 164.11 million to THB 252.24 million. Because of total units sold increased from 48 units in Q2'2020 to 78 units in Q2'2021 and best selling project, Kunalai Preem able to delivered home on schedule and result of the company's pre-

sales increase continuously from last year. Total revenue increased to THB 255.12 million or 55.11 percent from THB 164.48 million.

Cost of sales

Cost of sales increased by THB 53.60 million or 45.19 percent from THB 118.60 million to THB 172.20 million. As the sale rise, cost of sales is proportionately increased. The company can control the cost of goods sold well. As a result, cost of goods sold ratio decrease.

Gross Profit

Gross profit increased by THB 36.53 million or 80.27 percent from THB 45.51 million to THB 82.04 million. Gross profit margin increased from 27.73 percent in Q2'2020 to 32.27 percent in Q2'2021 because company can control the cost of goods sold well and price of the products has been increasing since the beginning of 2021.

Other income

Other income increased by THB 0.51 million or 137.84 percent from THB 0.37 million to THB 0.88 million.

Selling expenses

Selling expenses increased by THB 5.67 million or 48.63 percent from THB 11.66 million to THB 17.33 million. Higher sales caused proportionate increase in selling expense.

Administrative expenses

Administrative expenses increased by THB 0.69 million or 4.85 percent from THB 14.24 million to THB 14.93 million.

Finance cost

Finance cost decreased by THB 0.02 million or 33.33 percent from THB 0.06 million to THB 0.04 million. Because most of the financial cost can be capitalized as real estate development cost.

Net profit

Overall performance of the Company for the 3 month period ended 30 June 2021 was net profit of THB 41.10 million, compared to net profit of THB 15.85 million, the company had growth of 159.31 percent

Statement of Financial Position	Q2'2021	2020	Movment	
Assets				
Current assets	1,010.03	815.39	194.64	23.87%
Non-current assets	228.61	219.59	9.02	4.11%
Total assets	1,238.63	1,034.98	203.65	19.68%
Liabilities and equity				
Current liabilities	371.39	385.74	(14.35)	-3.72%
Non-current liabilities	305.49	136.28	169.21	124.16%
Total liabilities	676.88	522.02	154.86	29.67%
Equity				
Issued and paid-up share capital	343.20	312.00	31.20	10.00%
Premium on paid-up capital	123.55	123.55	-	0.00%
Retained earnings				
Appropriated - Legal reserve	13.03	13.03	-	0.00%
Unappropriated	94.43	76.81	17.62	22.94%
Other components of equity	(13.67)	(13.67)	-	0.00%
Non-controlling interests	1.22	1.24	(0.02)	-1.61%
Total equity	561.75	512.96	48.79	9.51%
Total liabilities and equity	1,238.63	1,034.98	203.65	19.68%

Statement of Financial Position

Total Assets

Total assets increased by THB 203.65 million or 19.68 percent from THB 1,034.98 million to THB 1,238.63 million.

Cash and cash equivalents

Cash and cash equivalents decreased by THB 17.90 million or 20.08 percent from THB 89.14 million to 71.24 million because of investment in current projects and future projects.

Real estate development costs

Real estate development costs increased by THB 194.48 million or 27.85 percent from THB 698.28 million to THB 892.77 million because of the company recognized the cost of new project that will be launched during Q4'2021 and the next year. In addition the company increase investing current project.

Land awaiting for development

Land awaiting for development THB 98.97 million unchanged compared to Q4'2021 but decreased by THB 63.27 million or 39.00 percent from THB 162.24 million in Q1'2021 because some of the land awaiting for development was transferred to real estate development cost.

Total liabilities

Total liabilities increased by THB 154.86 million or 29.67 percent from THB 522.02 million to THB 676.81 million because of bond issue in Q2'2021 for future projects investment.

Total equity

Total equity increased by THB 48.79 million or 9.51 percent from THB 512.96 million to THB 561.75 million. Main reason for the rise of equity was net profit for the first half of THB 67.51 million.

Please be informed accordingly.

Mr. Suradech Prachubsirat

Chief Financial Officer