

Management discussion and analysis for the period ended 30 September 2021

## Executive Summary

The performance of Villa Kunalai Public Company Limited (“KUN”) for the 3 month and 9 month period ended 30 September 2021 compared to the prior period are summarized as follows:

Income Statement (3 month)	Q3'2021		Q3'2020		Movment	
Revenue from sales of real estates	249.71	100.00%	170.20	100.00%	79.51	46.72%
Cost of sales	(167.42)	-67.05%	(125.41)	-73.68%	(42.01)	33.50%
<b>Gross profit</b>	<b>82.29</b>	<b>32.95%</b>	<b>44.79</b>	<b>26.32%</b>	<b>37.50</b>	<b>83.72%</b>
Other income	1.57	0.63%	0.50	0.29%	1.07	214.00%
Selling expenses	(17.01)	-6.81%	(12.04)	-7.07%	(4.97)	41.28%
Administrative expenses	(13.99)	-5.60%	(14.23)	-8.36%	0.24	-1.69%
Finance costs	(0.04)	-0.02%	(0.05)	-0.03%	0.01	-20.00%
<b>Profit before income tax expense</b>	<b>52.82</b>	<b>21.15%</b>	<b>18.97</b>	<b>11.15%</b>	<b>33.85</b>	<b>178.44%</b>
Income tax expense	(10.73)	-4.30%	(3.73)	-2.19%	(7.00)	187.67%
<b>Profit for the period</b>	<b>42.09</b>	<b>16.86%</b>	<b>15.24</b>	<b>8.95%</b>	<b>26.85</b>	<b>176.18%</b>
<b>Profit/(Loss) attributable to:</b>						
Owners of the parent	42.09	16.86%	15.25	8.96%	26.84	176.00%
Non-controlling interests	(0.00)	0.00%	(0.01)	0.00%	0.00	-57.90%
	42.09	16.85%	15.24	8.96%	26.84	176.08%
<b>Basic earnings per share</b>	<b>0.06</b>		<b>0.02</b>			

Income Statement (9 month)	Q3'2021		Q3'2020		Movment	
Revenue from sales of real estates	693.68	100.00%	496.16	100.00%	197.52	39.81%
Cost of sales	(468.41)	-67.53%	(366.70)	-73.91%	(101.71)	27.74%
<b>Gross profit</b>	<b>225.27</b>	<b>32.47%</b>	<b>129.46</b>	<b>26.09%</b>	<b>95.81</b>	<b>74.01%</b>
Other income	3.71	0.53%	1.58	0.32%	2.13	134.67%
Selling expenses	(48.17)	-6.94%	(35.75)	-7.21%	(12.42)	34.75%
Administrative expenses	(42.93)	-6.19%	(41.74)	-8.41%	(1.19)	2.85%
Finance costs	(0.12)	-0.02%	(0.22)	-0.04%	0.10	-44.25%
<b>Profit before income tax expense</b>	<b>137.76</b>	<b>19.86%</b>	<b>53.33</b>	<b>10.75%</b>	<b>84.43</b>	<b>158.31%</b>
Income tax expense	(27.17)	-3.92%	(10.72)	-2.16%	(16.45)	153.43%
<b>Profit for the period</b>	<b>110.58</b>	<b>15.94%</b>	<b>42.61</b>	<b>8.59%</b>	<b>67.97</b>	<b>159.54%</b>
<b>Profit/(Loss) attributable to:</b>						
Owners of the parent	109.62	15.80%	42.60	8.59%	67.02	157.30%
Non-controlling interests	(0.03)	0.00%	0.00	0.00%	(0.03)	-2159.70%
	109.59	15.80%	42.61	8.59%	66.99	157.22%
<b>Basic earnings per share</b>	<b>0.16</b>		<b>0.06</b>		<b>0.10</b>	

#### Revenue from sales of real estates

Revenue from sales of real estates for the 3 month period increased by THB 79.51 million or 46.72% compared to the same period last year, from THB 170.20 million to THB 249.71 million. Because the increasing demand for low-rise house from 5 our projects. Kunalai Perm project is the most sale proportion in Q3. For the 9 month accumulated revenue from sales of real estates increased from THB 496.16 million to THB 693.68 million baht, an increased of THB 197.52 million or 39.81% from the 9 month accumulated period of the previous year.

#### Cost of sales

Cost of sales for the 3 month period increased by THB 42.01 million or 33.50% compared to the same period last year from THB 125.41 million to THB 167.42 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. For the 9 month accumulated Cost of sales increased from THB 366.70 million to THB 468.41 million baht, an increased of THB 101.71 million or 27.74% from the 9 month accumulated period of the previous year.

### Gross Profit

Gross profit for the 3 month period increased by THB 37.50 million or 83.72% compared to the same period last year from THB 44.79 million to THB 82.29 million. Gross profit margin increased from 26.32 percent in Q3'2020 to 32.95 percent in Q3'2021 because company can control the cost of goods sold well and price of the products has been increasing since the beginning of 2021. For the 9 month accumulated gross profit increased from THB 129.46 million to THB 225.27 million baht, an increased of THB 95.81 million or 74.01% from the 9 month accumulated period of the previous year.

### Other income

Other income for the 3 month period increased by THB 1.07 million or 214.00% compared to the same period last year from THB 0.50 million to THB 1.57 million. For the 9 month accumulated other income increased from THB 1.58 million to THB 3.71 million baht, an increased of THB 2.13 million or 134.67% from the 9 month accumulated period of the previous year.

### Selling expenses

Selling expenses for the 3 month period increased by THB 4.97 million or 41.28% compared to the same period last year from THB 12.04 million to THB 17.01 million. Because increased sales of real estates ,selling expense increased accordingly. For the 9 month accumulated selling expenses increased from THB 35.75 million to THB 48.17 million baht, an increased of THB 12.42 million or 34.75% from the 9 month accumulated period of the previous year.

### Administrative expenses

Administrative expenses for the 3 month period decreased by THB 0.24 million or 1.69% compared to the same period last year from THB 14.23 million to THB 13.99 million. For the 9 month accumulated administrative expenses increased from THB 41.74 million to THB 42.93 million baht, an increased of THB 1.19 million or 2.85% from the 9 month accumulated period of the previous year.

### Finance cost

Finance cost for the 3 month period decreased by THB 0.01 million or 20.00% compared to the same period last year from THB 0.05 million to THB 0.04 million. Because most of the financial cost can be capitalized as real estate development cost. For the 9 month accumulated finance cost decreased from THB 0.22 million to THB 0.12 million baht, decreased of THB 0.10 million or 44.25% from the 9 month accumulated period of the previous year.

## Net profit

Overall performance of the Company for the 3 month period ended 30 September 2021 was net profit of THB 42.09 million, compared to net profit of THB 15.24 million, the company had growth of 176.18% compared to the same period last year. For the 9 month accumulated net profit increased from THB 42.61 million to THB 110.58 million baht, an increased of THB 67.97 million or 159.54% from the 9 month accumulated period of the previous year.

Statement of Financial Position	Q3'2021	2020	Movment	
<b>Assets</b>				
Current assets	1,102.28	815.39	286.89	35.18%
Non-current assets	261.64	219.59	42.05	19.15%
<b>Total assets</b>	<b>1,363.92</b>	<b>1,034.98</b>	<b>328.94</b>	<b>31.78%</b>
<b>Liabilities and equity</b>				
Current liabilities	442.28	385.74	56.54	14.66%
Non-current liabilities	352.12	136.28	215.84	158.38%
<b>Total liabilities</b>	<b>794.40</b>	<b>522.02</b>	<b>272.38</b>	<b>52.18%</b>
<b>Equity</b>				
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	16.57	13.03	3.54	27.17%
Unappropriated	98.66	76.81	21.85	28.45%
Other components of equity	(13.67)	(13.67)	-	0.00%
Non-controlling interests	1.21	1.24	(0.03)	-2.42%
<b>Total equity</b>	<b>569.52</b>	<b>512.96</b>	<b>56.56</b>	<b>11.03%</b>
<b>Total liabilities and equity</b>	<b>1,363.92</b>	<b>1,034.98</b>	<b>328.94</b>	<b>31.78%</b>

## Statement of Financial Position

### Total Assets

Total assets increased by THB 328.94 million or 31.78 percent from THB 1,034.98 million to THB 1,363.92 million.

### Cash and cash equivalents

Cash and cash equivalents decreased by THB 7.03 million or 7.89% from THB 89.14 million to 82.11 million because the company has invested in the current project and plan for future projects.

### Real estate development costs

Real estate development costs increased by THB 240.58 million or 34.45% from THB 698.28 million to THB 938.86 million because of the company buy new land for future development projects and more invest in real estate development to prepare for home delivery in quarter 4 of 2021.

### Land awaiting for development

Land awaiting for development THB 98.97 million unchanged compared to Q4'2020 and Q2'2021

### Total liabilities

Total liabilities increased by THB 272.38 million or 52.18% from THB 522.02 million to THB 794.40 million. Because of the company offered debentures in the second quarter of 2021 amounting to 150 million baht and increased drawdown from project loans.

### Total equity

Total equity increased by THB 56.56 million or 11.03% from THB 512.96 million to THB 569.52 million. Main reason for the rise of equity was net profit for the nine month period of THB 109.59 million.

Please be informed accordingly.

Mr. Suradech Prachubsirat

Chief Financial Officer