

ARIN 015/2021

 November 12th, 2021

 Subject: Management Discussion and Analysis for the 3rd 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 3rd quarter of 2021 as follows:

unit: Million Baht

For the 3 rd quarter period ended September 30 th						
Items	2021		2020		Changes	
	Amount	%	Amount	%	Amount	%
Revenues from sales of real estate	40.53	100.00	4.80	100.00	35.72	743.66
Cost of sales	29.75	73.40	3.45	71.78	26.30	762.70
Gross profit	10.78	26.60	1.36	28.22	9.42	695.21
Other income	1.09	2.70	0.42	8.83	0.67	157.75
Profit before expenses, financial cost, and taxes	11.87	29.29	1.78	37.05	10.09	567.08
Selling expenses	2.36	5.83	1.01	21.13	1.35	132.65
Administrative expenses	9.36	23.09	10.52	219.10	(1.17)	(11.08)
Profit (loss) before financial cost, and taxes	0.15	0.37	(9.76)	(203.18)	9.91	101.55
Financial costs	6.09	15.04	4.89	101.79	1.20	24.63
Profit (loss) before taxes	(5.94)	(14.66)	(14.65)	(304.97)	8.71	59.44
Tax expense (revenue)	0.06	0.16	(0.15)	(3.20)	0.22	141.07
Net profit (loss)	(6.01)	(14.82)	(14.50)	(301.77)	8.49	58.57

1. Total Revenues (For the 3rd quarter of 2021)

For the 3rd quarter of 2021, the Company had revenue from sales of real estate equal to Baht 40.53 million, increased in the amount of Baht 35.72 million, or 743.66% 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 3rd quarter of 2021, the Company had other incomes equal to Baht 1.09 million, increased in the amount of Baht 0.67 million or 157.75% compared with the same period of the previous year.

2. Cost of sales and expenses (For the 3rd quarter of 2021)

2.1 Cost of sales of real estate for the 3rd quarter of 2021 was equal to Baht 29.57 million, increased in the amount of Baht 26.30 million, or representing with 762.70% 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 3rd quarter of 2021 were equal to Baht 2.36 million, increased in the amount of Baht 1.35 million or representing with 132.65% compared to the previous year, mainly due to commission and special business tax.

6.1 Administrative expenses for the 3rd quarter of 2021 were equal to Baht 9.36 million, decreased in the amount of Baht 1.17 million or 11.08% compared with the same period of the previous year, mainly due to the decrease in salary and compensation and consultant fee.

3. Financial costs (For the 3rd quarter of 2021)

Financial costs for the 3rd quarter of 2021 were equal to Baht 6.09 million, increased in the amount of Baht 1.20 million, or 24.63% compared with the same period of the previous year.

4. Net profit (loss) (For the 3rd quarter of 2021)

For the 3rd quarter of 2021, the Company had a net loss amounted to Baht 6.01 million from the reasons mentioned above.

unit: Million Baht

For the first 9-months period of						
Items	9-months period of 2021		9-months period of 2020		Changes	
	Amount	%	Amount	%	Amount	%
Revenues from sales of real estate	135.34	100.00	50.46	100.00	84.88	168.21
Cost of sales	99.03	73.17	36.97	73.26	62.06	167.87
Gross profit	36.32	26.83	13.49	26.74	22.82	169.14
Other income	2.48	1.83	3.21	6.35	(0.73)	(22.72)
Profit before expenses, financial cost, and taxes	38.79	28.66	16.70	33.09	22.09	132.31
Selling expenses	7.81	5.77	4.41	8.74	3.40	77.05
Administrative expenses	26.15	19.32	29.22	57.90	(3.07)	(10.51)
Profit (loss) before financial cost, and taxes	4.84	3.57	(16.93)	(33.55)	21.77	128.58
Financial costs	17.32	12.80	11.47	22.74	5.84	50.93
Profit (loss) before taxes	(12.48)	(9.22)	(28.40)	(56.28)	15.92	56.06
Tax expense (revenue)	0.19	0.14	(0.05)	(0.10)	0.24	469.42
Net profit (loss)	(12.67)	(9.36)	(28.35)	(56.18)	15.68	55.31

5. Total Revenues (For the first 9-months period of 2021)

For the first 9-months period of 2021, the Company had revenue from sales of real estate equal to Baht 135.34 million, increased in the amount of Baht 84.88 million or 168.21% compared to the same period of the previous year. The Company had the other incomes equal to Baht 2.48 million, decreased in the amount of Baht 0.73 million or 22.72% compared to the same period of the previous year due to the cancelation of lease agreement of the Club House building from the lessee from 1 August 2020 onwards.

6. Cost of sales and expenses (For the first 9-months period of 2021)

6.1 Cost of sales of real estate for the first 9-months period of 2021 was equal to Baht 99.03 million, increased in the amount of Baht 62.06 million, or representing with 167.87% 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 9-months period of 2021 was equal to Baht 7.81 million, increased in the amount of Baht 3.40 million or representing with 77.05% compared to the previous year, mainly due to commission, special business tax and advertising expenses.

6.3 Administrative expenses for the first 9-months period of 2021 was equal to Baht 26.15 million, decreased in the amount of Baht 3.07 million or 10.51 compared to the same period of the previous year, mainly due to the decrease in salary and compensation, consultant fee and bank fee.

7. Financial costs (For the first 9-months period of 2021)

Financial costs for the first 9-months period of 2021 was Baht 17.32 million, increasing by Baht 5.84 million, or 50.93% compared to the same period of the previous year.

8. Net profit (loss) (For the first 9-months period of 2021)

For the first 9-months period of 2021, the Company had a net loss amounted to Baht 12.67 million from the above-mentioned causes.

9. Statement of financial position

Items	As of 30 th	As of 31 st	Changes	
	September 2021	December 2020,	Million Baht	%
	Million Baht	Million Baht	Million Baht	
Trade and other current receivables	8.86	8.98	(0.12)	(1.31)
Inventories	796.51	815.16	(18.65)	(2.29)
Property, plant and equipment, net	13.93	15.19	(1.26)	(8.26)
Other assets	184.93	191.10	(6.17)	(3.23)
Bank overdrafts from the financial institution	11.99	10.92	1.07	9.84
Trade and other current payables	71.23	97.29	(26.06)	(26.79)
Current portion of long – term liabilities	322.12	341.88	(19.76)	(5.78)
Short – term borrowings	114.29	93.85	20.44	21.78
Short - term debentures	19.88	0.00	19.88	100.00
Long – term borrowings	6.71	17.55	(10.84)	(61.77)
Other liabilities	28.50	26.77	1.74	6.49
Total shareholders' equity	429.51	442.18	(12.67)	(2.87)

As of September 30th, 2021, the Company had trade and other current receivables slightly decreased in the amount of Baht 0.12 million or equal to 1.31% compared to the year-end 2020, mainly due to the decreased of prepaid expenses.

The Company had inventories decreased in the amount of Baht 18.65 million or equal to 2.29% 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 1.26 million or equal to 8.26% compared to the year-end 2020, mainly due to the increase of depreciation.

The Company had other assets decreased in the amount of Baht 6.17 million or equal to 3.23% compared to the year-end 2020, mainly due to the decrease of cash and cash equivalents and increase of depreciation of Investment property.

The Company had bank overdrafts from financial institutions increased in the amount of Baht 1.07 million or equal to 9.84% compared to the year-end 2020.

The Company had trade and other current payables decreased in the amount of Baht 26.06 million or equal to 26.79% 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 9.73 million or equal to 2.15% compared to the year-end of 2020, 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 12.67 million, which mainly due to the Company had a net loss from the reasons mentioned above.

Please be informed accordingly

Yours sincerely

Miss Wimonjit Arintamapong
Managing Director