

ARIN 004/2022

February 24<sup>th</sup>, 2022

Subject: Management Discussion and Analysis for the year ended 31 December 2021, which had changed more than 20% of the previous year.

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 year 2021 as follows:

unit: Million Baht

For the year ended 31 December						
Items	2021		2020		Changes	
	Amount	%	Amount	%	Amount	%
Revenues from sales of real estate	183.33	100.00	70.05	100.00	113.27	161.70
Cost of sales	135.15	73.72	50.38	71.92	84.76	168.24
Gross profit	48.18	26.28	19.67	28.08	28.51	144.94
Other income	3.18	1.74	3.86	5.51	(0.68)	(17.65)
Profit before expenses, financial cost, and taxes	51.36	28.02	23.53	33.59	27.83	118.25
Selling expenses	11.62	6.34	6.05	8.63	5.58	92.19
Administrative expenses	69.47	37.90	38.39	54.80	31.09	80.99
Profit (loss) before financial cost, and taxes	(29.74)	(16.22)	(20.90)	(29.84)	(8.84)	42.27
Financial costs	24.04	13.11	16.41	23.43	7.63	46.49
Profit (loss) before taxes	(53.78)	(29.33)	(37.31)	(53.26)	(16.47)	44.13
Tax expense (revenue)	0.89	0.48	0.01	0.02	0.87	5,818.20
Net profit (loss)	(54.66)	(29.82)	(37.33)	(53.29)	(17.34)	46.44

## 1. Total Revenues

For the year 2021, the Company had revenue from sales of real estate equal to Baht 183.33 million, increased in the amount of Baht 113.27 million, or 161.70% compared to the previous 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 year 2021, the Company had other incomes equal to Baht 3.18 million, decreased in the amount of Baht 0.68 million or 17.65% compared to the previous year.

## 2. Cost of sales and expenses

2.1 Cost of sales of real estate for the year 2021 was equal to Baht 135.15 million, increased in the amount of Baht 84.76 million, or representing with 168.24% compared to 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 year 2021 were equal to Baht 11.62 million, increased in the amount of Baht 5.58 million or representing with 92.29% compared to the previous year, mainly due to commission and special business tax and advertising expenses.

2.3 Administrative expenses for the year 2021 were equal to Baht 69.47 million, increased in the amount of Baht 31.09 million or 80.99% compared to the previous year, mainly due to the increase in Utilities Expenses. On January 2022, the Company entered into a land purchase and sale agreement with an unrelated company. The total contract price is Baht 98.68 million, Considered the expected recoverable value of property held for sales, found that the book value is higher sale price under contract less cost of sales. The Company therefore recognizes an allowance for loss from sales of immovable properties for sale amounting to Baht 29.26 million in the statement of comprehensive income for the year 2021. The proceeds from sale of land were used to repay long-term borrowings from financial institution, unrelated company and used for working capital in business operations.

## 3. Financial costs

Financial costs for the year 2021 were equal to Baht 24.04 million, increased in the amount of Baht 7.63 million, or 46.49% compared to the previous year.

## 4. Net profit (loss)

For the year 2021, the Company had a net loss amounted to Baht 54.66 million from the reasons mentioned above.

5. Statement of financial position

Items	As of 31 <sup>st</sup> December 2021	As of 31 <sup>st</sup> December 2020	Changes	
	Million Baht	Million Baht	Million Baht	%
Trade and other current receivables	7.44	7.17	0.26	3.69
Inventories	659.64	815.16	(155.52)	(19.08)
Real estate foreclosed	90.33	-	90.33	100.00
Property, plant and equipment, net	13.55	15.19	(1.64)	(10.80)
Other assets	184.43	192.91	(8.47)	(4.39)
Bank overdrafts from the financial institution	10.27	10.92	(0.64)	(5.91)
Trade and other current payables	65.54	97.29	(31.76)	(32.64)
Current portion of long – term liabilities	320.91	341.88	(20.97)	(6.13)
Short – term borrowings	115.06	93.85	21.21	22.60
Short - term debentures	19.96	-	19.96	100.00
Long – term borrowings	6.44	17.55	(11.11)	(63.29)
Other liabilities	26.34	26.77	(0.42)	(1.58)
Total shareholders' equity	390.88	442.18	(51.30)	(11.60)

As of December 31<sup>st</sup>, 2021, the Company had trade and other current receivables slightly increased in the amount of Baht 0.26 million or equal to 3.69% compared to the year-end 2020.

The Company had inventories decreased in the amount of Baht 155.52 million or equal to 19.08% compared to the year-end 2020, mainly due to the sales and units' ownership transferring and some are classified as real estate foreclosed.

The Company had a net of property, plant and equipment decreased in the amount of Baht 1.64 million or equal to 10.80% compared to the year-end 2020, mainly due to the increase of depreciation.

The Company had other assets decreased in the amount of Baht 8.47 million or equal to 4.39% 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 decreased in the amount of Baht 0.64 million or equal to 5.91% compared to the year-end 2020.

The Company had trade and other current payables decreased in the amount of Baht 31.76 million or equal to 32.64% compared to the year-end of 2020, mainly due to the decrease of the down payment from the customer and account payables.

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 9.09 million or equal to 2.01% 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 51.30 million, which mainly due to the Company had a net loss from the reasons mentioned above.

Please be informed accordingly

Yours sincerely

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Miss Wimonjit Arintamapong

Managing Director