

No. CHEWA 22-05/01

February 17th, 2022

Subject: Explanation and analysis of the management for the three months ending March 31st, 2022.

Attention: Directors and Managers
Stock Exchange of Thailand

Performance result overview

The overview of the Stock Exchange of Thailand in the 1st quarter of 2022 saw constant impacts from the COVID-19 pandemic situation, causing a decline in the growth of the stock exchange and a halt in the economy of all sectors. The company adjusted the business plans to the situation, such as the marketing plan to stimulate the sales revenue, clear the stocks as much as possible by adding online sales channels and focus on cost-effectiveness and efficiency management.

In the 1st quarter of 2022, the company and its subsidiaries had a total sales revenue of 298.67 million baht, which was 318.58 million baht or 51.61% lower than the same quarter of last year. In the 1st quarter of 2022, the company gained a condominium ownership transfer revenue lower than last year by 60.12%. As a result, the company and its subsidiaries gained 0.08 million baht in net profit or 30.03 million baht lower than last quarter when they gained 30.11 million baht. The profit rate was 0.03%.

Performance comparison chart between the three months ending March 31st, 2022, and 2021.

Unit: Million Baht

Profit & Loss Statement	Year			
	Q1'2022	Q1'2021	Discrepancy	%
Income				
Real estate sales revenue	298.67	617.25	(318.58)	(51.61)
Other revenue	8.04	9.00	(0.96)	(10.67)
Total Income	306.71	626.25	(319.54)	(51.02)
Expense				
Real estate sales cost	208.01	459.42	(251.41)	(54.72)
Cost of sales	46.88	50.82	(3.94)	(7.76)
Administrative expenses	43.98	57.18	(13.20)	(23.09)
Total Expense	298.87	567.43	(268.56)	(47.33)
Profit before share of profit (loss) from investment in joint ventures and associates, financial cost, and income tax	7.84	58.82	(50.98)	(86.67)
Share of profit (loss) from investment in joint ventures	(1.41)	(1.91)	(0.50)	(26.14)
Share of profit (loss) from investment in associates	(0.97)	(1.00)	(1.97)	(197.39)
Profit before financial cost and income tax	5.46	55.91	(50.45)	(90.24)
Financial cost	(9.75)	(17.55)	(27.31)	(155.58)
Profit before income tax	(4.30)	38.36	(42.66)	(111.20)
Income tax	0.28	(8.25)	8.54	103.44
Operating net profit (loss)	(4.01)	30.11	(34.12)	(113.33)
Other profit (loss) for the cycle	4.09	-	4.09	100.00
Net profit (loss) of the cycle	0.08	30.11	(30.03)	(99.73)
Gross profit from real estate sales	30.36%	25.57%		
Net profit	0.03%	4.81%		

Operating Income

1. Real estate sales revenue

In the 1st quarter of 2022, the company gained a real estate sales revenue of 298.67 million baht or 97.38% of the total income, which was 318.58 million baht or 51.61% lower than the same quarter last year. The summary is as below.

- The condominium revenue was 191.97 million baht or 64% of the total real estate sales revenue, which was 289.42 million baht or 60.12% lower than the same quarter last year. And the company had no revenue recognition for new high-rise projects this quarter.
- The revenue from the low-rise projects was 106.70 million baht or 36% of the total real estate sales revenue, which was 29.36 million baht or 21.57% lower than the same quarter last year. And the company had no revenue recognition for new low-rise projects in the first quarter of 2022.

2. Other Income

The company gained 8.04 million baht of other income or 2.62% of the total income. Other income consists of managing associated companies, interest credit, etc. Other income of the company in the 1st quarter of 2022 was 0.96 million baht or 10.67% lower than the same quarter last year.

Cost of sales and gross profit

In the 1st quarter of 2022, the company had a real estate sales cost of 208.01 million baht, which was 251.41 million baht or 54.72% lower than last quarter. The gross profit from the real estate sales increased from 25.57% to 30.36% when compared with the same quarter last year.

Sales and administrative expenses

In the 1st quarter of 2022, the company had sales and administrative expenses of 90.86 million baht in total which was 17.14 million baht or 30.85% lower than the same quarter last year. The company's Sales, General, and Administrative (SG&A) increased from 17.25% to 29.62% compared with the same quarter last year.

Share profit (loss) from investment in joint ventures and associates

The shared profit (Loss) from investment in joint ventures was shared profit (loss) recognition from Chewathai Hup Soon Co., Ltd. (“CTHS”), where the company holds 50% of the shares, and Chewa Heart Co., Ltd. (“CWH”) where the company holds 70% of the shares. As a result, the company had recognized a shared profit (loss) from investment in joint ventures of 1.41 million baht.

The shared profit (loss) from investment in associated companies was shared profit (loss) recognition from investment in Kamala Senior Living Co., Ltd where the company holds 25% of the shares in the joint venture agreement. As a result, the company had recognized shared profit (loss) from investment in associated companies of 0.97 million baht.

Net profit (loss)

The performance result in the 1st quarter of 2022 recorded an operating profit of 0.08 million baht for the cycle, which was 30.03 million baht or 99.73% lower than the same quarter last year. The net profit was 0.03% lower than the same quarter last year.

Financial status analysis as of March 31st, 2022 in comparison with December 31st, 2021

Unit: million baht

Financial Statement	Mar 31 2022	Dec 31 2021	Discrepancy	%
Total Asset	6,570.21	6,760.27	(190.06)	(2.81)
Total Payables	4,665.76	4,855.90	(190.14)	(3.92)
Shareholder's Equity	1,904.45	1,904.37	0.08	0.00

Total Asset

As of March 31st, 2022, the company had a total asset of 6,570.21 million baht, which was 190.06 million baht or 2.81% lower than the previous year. The discrepancy was caused by the following. The change was due to cash and cash equivalents, a decrease of 481 million baht due to repayment of debentures due in the period and long-term loans from financial institutions. But there are increasing parts such as land and real estate development costs. Increased from the end of last year by 170 million baht from the acceleration of construction of Chewathai Pinklao project, long-term loans to related parties increased by 66 million baht and other current assets increased by 55 million baht, resulting in total assets decreased by 190 million baht

Total Payables

As of March 31st, 2022, the company had total payables of 4,665.76 million baht, which was 190.14 million baht or 3.92% lower than the previous year due to the company repaying long-term loans to financial institutions and issued debenture stocks for investments and project developments.

Shareholder's Equity

The shareholder's equity as of March 31st, 2022 was 1,904.45 million baht, which was 0.08 million baht or 0.004% higher than the previous year due to the company's net profit in the first quarter of 2022.

For your information.

Best regards,

Signature
(Mr. Boon Chun Kiat)

