

ARIN 014/2022

August 8, 2022

 Subject: Management Discussion and Analysis for the 2nd quarter of 2022

 Attention: President
 The Stock Exchange of Thailand

 Arinsiri Land Public Company Limited (the “Company”) would like to inform the Company’s operating performance for the 2nd quarter of 2022 as follows:

unit: Million Baht

For the 2 nd quarter period ended June 30 th						
Items	2022		2021		Changes	
	Amount	%	Amount	%	Amount	%
Revenues from sales	49.85	100.00	78.57	100.00	(28.71)	(36.55)
Cost of sales	34.18	68.56	57.29	72.92	(23.11)	(40.34)
Gross profit	15.68	31.44	21.28	27.08	(5.60)	(26.33)
Other income	0.03	0.06	0.70	0.89	(0.67)	(95.90)
Profit before expenses, financial cost, and taxes	15.70	31.50	21.98	27.97	(6.27)	(28.54)
Distribution costs	3.29	6.60	3.98	5.06	(0.69)	(17.26)
Administrative expenses	9.67	19.40	8.60	10.95	1.07	12.42
Profit (loss) before financial cost, and taxes	2.74	5.50	9.40	11.96	(6.65)	(70.81)
Financial costs	4.13	8.29	5.90	7.51	(1.77)	(30.02)
Profit (loss) before taxes	(1.39)	(2.78)	3.49	4.45	(4.88)	(139.74)
Tax expense (income)	0.00	0.00	0.06	0.08	(0.06)	(100.00)
Net profit (loss)	(1.39)	(2.78)	3.43	4.37	(4.82)	(140.47)

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1. Total Revenues (For the 2nd quarter of 2022)

For the 2nd quarter of 2022, the Company had revenue from sales of real estate equal to Baht 49.85 million, decreased in the amount of Baht 28.71 million, or 36.55% compared to the same period of 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 including the ongoing pandemic of coronavirus disease 2019 (COVID-19) in the country causing the inability to transfer ownership as scheduled.

For the 2nd quarter of 2022, the Company had other incomes equal to Baht 0.03 million, decreased in the amount of Baht 0.67 million or 95.90% compared to the same period of the previous year.

2. Cost of sales and expenses (For the 2nd quarter of 2022)

2.1 Cost of sales of real estate for the 2nd quarter of 2022 was equal to Baht 34.18 million, decreased in the amount of Baht 23.11 million, or representing with 40.34% compared to the same period of the previous year, due to decreased income from the transfer of ownership. The cost of sales is decrease directly according to the income.

2.2 Distribution costs for the 2nd quarter of 2022 were equal to Baht 3.29 million, decreased in the amount of Baht 0.69 million or representing with 17.26% compared to the same period of the previous year, mainly due to special business tax and advertising expenses.

2.3 Administrative expenses for the 2nd quarter of 2022 were equal to Baht 9.67 million, increased in the amount of Baht 1.07 million or 12.42% compared to the same period of the previous year, mainly due to the increase in employees and office expenses and land and building tax.

3. Financial costs (For the 2nd quarter of 2022)

Financial costs for the 2nd quarter of 2022 were equal to Baht 4.13 million, decreased in the amount of Baht 1.77 million, or 30.02% compared to the same period of the previous year.

4. Net profit (loss) (For the 2nd quarter of 2022)

For the 2nd quarter of 2022, the Company had a net loss amounted to Baht 1.39 million from the reasons mentioned above.

unit: Million Baht

For the first 6-months period of						
Items	6-months period of 2022		6-months period of 2021		Changes	
	Amount	%	Amount	%	Amount	%
Revenues from sales of real estate	79.48	100.00	94.82	100.00	(15.34)	(16.18)
Cost of sales	54.60	68.70	69.28	73.07	(14.68)	(21.19)
Gross profit	24.87	31.30	25.54	26.93	(0.67)	(2.61)
Other income	0.47	0.60	1.38	1.46	(0.91)	(65.77)
Income from the sale of land	98.68	124.17	-	-	98.68	100.00
Profit before expenses, financial cost, and taxes	124.03	156.06	26.92	28.39	97.11	360.70
Distribution costs	5.57	7.01	5.45	5.74	0.13	2.34
Cost of land distribution	99.43	125.11	-	-	99.43	100.00
Administrative expenses	18.50	23.27	16.79	17.71	1.71	10.18
Profit (loss) before financial cost, and taxes	0.53	0.66	4.69	4.94	(4.16)	(88.78)
Financial costs	8.64	10.87	11.22	11.84	(2.58)	(23.02)
Profit (loss) before taxes	(8.11)	(10.21)	(6.54)	(6.89)	(1.58)	(24.13)
Tax expense (revenue)	(0.03)	(0.04)	0.13	0.13	(0.16)	(124.93)
Net profit (loss)	(8.08)	(10.17)	(6.66)	(7.03)	(1.42)	(21.30)

5. Total Revenues (For the first 6-months period of 2022)

For the first 6-months period of 2022, the Company had revenue from sales of real estate equal to Baht 79.48 million, decreased in the amount of Baht 15.34 million or 16.18% compared to the same period of the previous year. The Company had the other incomes equal to Baht 0.47 million, decreased in the amount of Baht 0.91 million or 65.77% compared to the same period of the previous year. The reasons are as mentioned in item 1. And the Company entered into a land purchase and sale agreement with an unrelated company. The total contract price is amounts of Baht 98.68 million and the ownership has been transferred on March 2022. The proceeds from sale of land were used to repay long-term borrowings from financial institution and used for working capital in business operations.

6. Cost of sales and expenses (For the first 6-months period of 2022)

6.1 Cost of sales of real estate for the first 6-months period of 2022 was equal to Baht 54.60 million, decreased in the amount of Baht 14.68 million, or representing with 21.19% compared to the same period of the previous year due to decreased income from the transfer of ownership. The cost of sales is decrease directly according to the income.

6.2 Distribution costs for the first 6-months period of 2022 was equal to Baht 5.57 million, increased in the amount of Baht 0.13 million or representing with 2.34% compared to the previous year, mainly due to the increase in salespersons expenses

6.3 Cost of land distribution for the first 6-months period of 2022 were equal to Baht 99.43 million.

6.4 Administrative expenses for the first 6-months period of 2022 were equal to Baht 18.50 million, increased in the amount of Baht 1.71 million or 10.18 compared to the same period of the previous year, mainly due to the increase in employees and office expenses and land and building tax and professional fee.

7. Financial costs (For the first 6-months period of 2022)

Financial costs for the first 6-months period of 2022 were Baht 8.64 million, decreasing by Baht 2.58 million, or 23.02% compared to the same period of the previous year.

8. Net profit (loss) (For the first 6-months period of 2022)

For the first 6-months period of 2022, the Company had a net loss amounted to Baht 8.08 million from the above-mentioned causes.

9. Statement of financial position

Items	As of June 30 th , 2022	As of December 31 st , 2021	Changes	
	Million Baht	Million Baht	Million Baht	%
Trade and other current receivables	7.39	5.64	1.75	31.04
Inventories	638.51	659.64	(21.14)	(3.20)
Real estate foreclosed	-	90.33	(90.33)	(100.00)
Property, plant and equipment, net	12.80	13.55	(0.74)	(5.50)
Other assets	185.52	186.23	(0.71)	(0.38)
Bank overdrafts from the financial institution	9.99	10.27	(0.28)	(2.75)
Trade and other current payables	74.24	83.39	(9.15)	(10.97)
Current portion of long – term liabilities	220.64	320.91	(100.26)	(31.24)
Short – term borrowings	121.63	115.06	6.57	5.71
Short - term debentures	20.00	19.96	0.04	0.21
Long – term borrowings	6.03	6.44	(0.41)	(6.42)
Other liabilities	8.90	8.49	0.41	4.83
Total shareholders' equity	382.79	390.88	(8.08)	(2.07)

As of June 30th, 2022, the Company had trade and other current receivables increased in the amount of Baht 1.75 million or equal to 31.04% compared to the year-end 2021, mainly due to the increase of withholding income tax.

The Company had inventories decreased in the amount of Baht 21.14 million or equal to 3.20% compared to the year-end 2021, mainly due to the sales and units' ownership transferring and the construction in the project for sale.

Property held for sales decreased in the amount of Baht 90.33 million or equal to 100.00% compared to the year-end 2021, mainly due to the sale of land.

The Company had a net of property, plant and equipment decreased in the amount of Baht 0.74 million or equal to 5.50% compared to the year-end 2021, mainly due to the increase of depreciation.

The Company had other assets decreased in the amount of Baht 0.71 million or equal to 0.38% compared to the year-end 2021, mainly due to the increase of depreciation of Investment property and right of use assets.

The Company had bank overdrafts from financial institutions decreased in the amount of Baht 0.28 million or equal to 2.75% compared to the year-end 2021.

The Company had trade and other current payables decreased in the amount of Baht 9.15 million or equal to 10.97% compared to the year-end of 2021, mainly due to the decrease of the down payment from the customer.

The Company had increased the current portion of long-term liabilities, short-term borrowings, short-term debentures, and long-term borrowings decreased in the amount of Baht 94.06 million or equal to 20.34% compared to the year-end of 2021, mainly due to the sales and units' ownership transferring. This caused the Company to be able to repay loans to the financial institutions according to the terms of the loan agreement which the repayment must be paid in the specific percentage of the sale price of each ownership transferred unit and the sale of land.

The Company's Shareholders' equity has decreased when compared to the year-end of 2021 at the amount of Baht 8.08 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

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