



Date 9 August 2022

Re: Management Discussion & Analysis for the six-months period ended 30 June 2022
 To The President of the Stock Exchange of Thailand (SET)

CHAOPRAYAMAHANAKORN PUBLIC COMPANY LIMITED (“The Company”) would like to provide an explanation regarding our financial performance for the six-month period ended 30 June 2022 as follows:

Financial Performance

For six months period ended	30 June 2022		30 June 2021		Change	
	Millions of THB	%	Millions of THB	%	Millions of THB	%
Revenue from sales of real estate	420.3	70.2%	634.8	86.4%	(214.5)	(33.8%)
Revenue from construction	59.7	10.0%	63.9	8.7%	(4.2)	(6.6%)
Revenue from services	71.8	12.0%	22.0	3.0%	49.8	226.9%
Revenue from sales of goods	43.7	7.3%	7.0	1.0%	36.7	522.6%
Total Revenues	595.5	99.4%	727.7	99.0%	(132.2)	(18.2%)
Cost from sales of real estate	(252.5)	(42.1%)	(374.8)	(51.0%)	(122.3)	(32.6%)
Cost of construction	(59.2)	(9.9%)	(60.7)	(8.3%)	(1.6)	(2.6%)
Cost of services	(58.3)	(9.7%)	(11.6)	(1.6%)	46.7	400.8%
Cost of goods sold	(38.8)	(6.5%)	(10.9)	(1.5%)	27.9	255.8%
Total costs	(408.7)	(68.2%)	(458.1)	(62.3%)	(49.4)	(10.8%)
Gross Profit	186.8	31.2%	269.6	36.7%	(82.8)	(30.7%)
Other income	3.7	0.6%	7.2	1.0%	(3.5)	(49.1%)
Selling expenses	(64.1)	(10.7%)	(85.3)	(11.6%)	(21.2)	(24.8%)
Administrative expenses	(81.7)	(13.6%)	(74.6)	(10.2%)	7.1	9.5%
Profit before finance costs and income tax benefit (expense)	44.6	7.4%	116.9	15.9%	(72.3)	(61.9%)
Financing cost	(69.7)	(11.6%)	(35.9)	(4.9%)	33.8	94.1%
Profit (loss) before income tax benefit (expense)	(25.1)	(4.2%)	81.0	11.0%	(106.1)	(131.0%)
Income tax benefit (expense)	(0.2)	(0.0%)	(2.0)	(0.3%)	(1.9)	(90.7%)
Net profit (loss) for the period	(25.3)	(4.2%)	78.9	10.7%	(104.2)	(132.0%)



Performance Overview

In the first half of the year, the economy tended to recover continuously from effected by the epidemic of COVID-19 which directly impact the real estate sector. The result of the epidemic led to slowdown in consumer purchasing decision causing from uncertainty in the economic situation. However, the epidemic situation in first half of the year seems to be controllable which result to more foreign tourist coming into the country. Therefore, the overall economic situation seemed to be more easing. Nonetheless, the economic situation in the second half of the year is still at risk of slowing again due to the volatility of world oil prices affected by the Russia-Ukraine War causing global inflation to rise steadily. As a result, prices of products in all sectors have increased significantly. From such inflation causing many central banks led by the United States have raised interest rates. Thus, the Bank of Thailand has signaled that it will raise interest rates in the second half of the year. Therefore, the company focus on cost management and cash flow management to prepare for the impact that will occur from inflation and rising interest rates.

Three-month results of the second quarter of 2022, **Total revenue** has grown by 28.1% or 73.7 million baht. Total revenue increased from 262.7 million baht in the first quarter to 336.4 million baht in the second quarter. The growth was from the real estate business which is the core business of the Group. speaking of **Net profit** of the Group for three-months period, the company can turn around to make profit around 2.8 million baht from the loss in the first quarter worth 28.1 million baht as a result of the continuous increase in revenue and control of selling and administrative expenses throughout the second quarter of this year.

- Total revenue for the first half of 2022 was Baht 599.1 million or decreased by 18.5% compared to the same period of last year, divided into the revenue from sales of real estate was Baht 420.3 million decreased by 33.8% from same period of last year. Moreover, the other revenue from construction, services and goods sold was Baht 175.2 million combined, which increased by 88.7% compared to the same period of last year.
- Total Gross Profit for the first half of 2022 was Baht 186.8 million decreased by Baht 82.8 million compared to the same period of last year, driven by sales shortfall from Real Estate business and partially compensated by the Gross Profit from other business. In term of total gross profit margin, while the real estate business maintained gross profit margin at 40.0% but other business (despite the high growth) delivered slightly lower gross profit margin than real estate business, resulting to total Gross profit margin slightly lower than the same period of last year.
- Selling and marketing expenses was managed to be lower by 8.8% compared to the same period of last year. Selling and marketing expenses were Baht 145.8 million and Baht 159.9 million for the first half of 2022 and 2021, respectively. Earnings before interest and tax were Baht 44.6 million and 116.9 million for the first half of 2022 and 2021.
- Net Profit (Loss) was Baht (25.3) million decreased by Baht 104.2 million compared to the same period last year mainly due to reductions in sales of real estate.



Financial Performance

Financial Position as of	30 June 2022		31 ธันวาคม 2564		การเปลี่ยนแปลง	
	Millions of THB	%	Millions of THB	%	Millions of THB	%
Cash and cash equivalents	408.2	7.0%	292.2	5.2%	116.0	39.7%
Real estate projects under development	2,419.9	41.2%	2,347.1	42.1%	72.7	3.1%
Real estate projects held for development	1,353.5	23.0%	1,353.5	24.3%	0.0	-
Property, plant and equipment	972.7	16.6%	955.6	17.1%	17.2	1.8%
Total assets	5,872.8	100.0%	5,577.1	100.0%	295.7	5.3%
Interest-bearing debt	2,977.6	50.7%	2,610.9	46.8%	366.7	14.0%
Total liabilities	3,255.5	55.4%	2,893.3	51.9%	362.2	12.5%
Total equity	2,617.3	44.6%	2,683.8	48.1%	(66.4)	(2.5%)

As 30 June 2022, the Company 2022, had **total assets** of 5,872.8 million baht, an increase of 295.7 million baht or 5.3% from the end of 2021. Those increase mainly come from the cash and cash equivalents of 116 million baht and properties under development for sale 72.7 million baht which was caused by the purchase of a ready-to-move-in unit in The Excel Ratchada 18 project in the middle of the second quarter. The company had **total liabilities** of 3,255.5 million baht, an increase of 362.2 million baht or 12.5% from the end of the year 2021, mainly due to the issuance of debentures of 485.2 million baht in second quarter. **Total shareholders' equity** was 2,617.3 million baht, a decrease of 66.4 million baht from operating results during the period of 25.3 million baht and dividend payment during the period of 41.1 million baht.

Conclusion

As 30 June 2022, the Company backlog was Baht 2,347.4 million and the company's inventory was Baht 4,056.0 million including 6 projects under construction which are currently on presale and expected to complete in 2022 – 2024. Thus, there is 1 project out of 6 as mentioned earlier is expected to complete within 2022 including Kasa Deva Sathorn-Wongwaen Phase 3. Moreover, there are several new projects planned to open shortly.

Please be informed accordingly.

Yours truly,

- Ms.Songthip Kotaravibul-

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Chief Financial Officer