

KUN 066/2565

11 August 2022

Subject : Management Discussion and Analysis (MD&A) for the Second Quarter of 2022

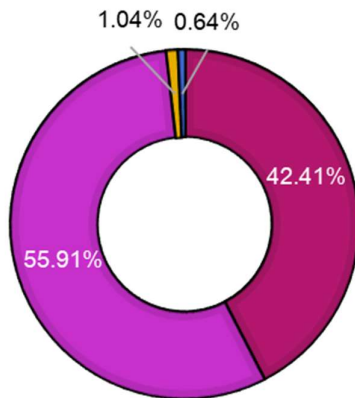
Attention: Directors and Managers of The Stock Exchange of Thailand

The performance of Villa Kunalai Public Company Limited (“KUN”) for the 3 month and 6 month period ended 30 June 2022 compared to the prior period are summarized as follows:

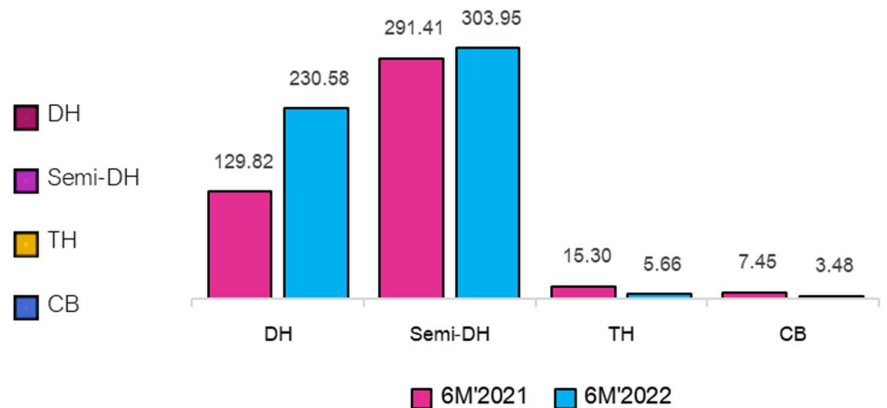
Income Statement (3 month)	Q2'2022		Q2'2021		Movment	
Revenue from sales of real estates	277.11	100.00%	254.24	100.00%	22.87	9.00%
Cost of sales	(197.51)	-71.27%	(172.20)	-67.73%	(25.31)	14.70%
Gross profit	79.60	28.73%	82.04	32.27%	(2.44)	-2.97%
Other income	0.86	0.31%	0.88	0.35%	(0.02)	-2.27%
Selling expenses	(17.87)	-6.45%	(17.33)	-6.82%	(0.54)	3.12%
Administrative expenses	(15.58)	-5.62%	(14.93)	-5.87%	(0.65)	4.35%
Finance costs	(0.35)	-0.13%	(0.04)	-0.02%	(0.31)	775.00%
Profit before income tax expense	46.66	16.84%	50.62	19.91%	(3.96)	-7.82%
Income tax expense	(9.43)	-3.40%	(9.52)	-3.74%	0.09	-0.95%
Profit for the period	37.23	13.44%	41.10	16.17%	(3.87)	-9.42%
Profit/(Loss) attributable to:						
Owners of the parent	37.15	13.41%	41.11	16.17%	(3.96)	-9.63%
Non-controlling interests	0.08	0.03%	(0.01)	0.00%	0.00	-29.28%
	37.23	13.44%	41.10	16.17%	26.84	176.08%
Basic earnings per share	0.05		0.06			

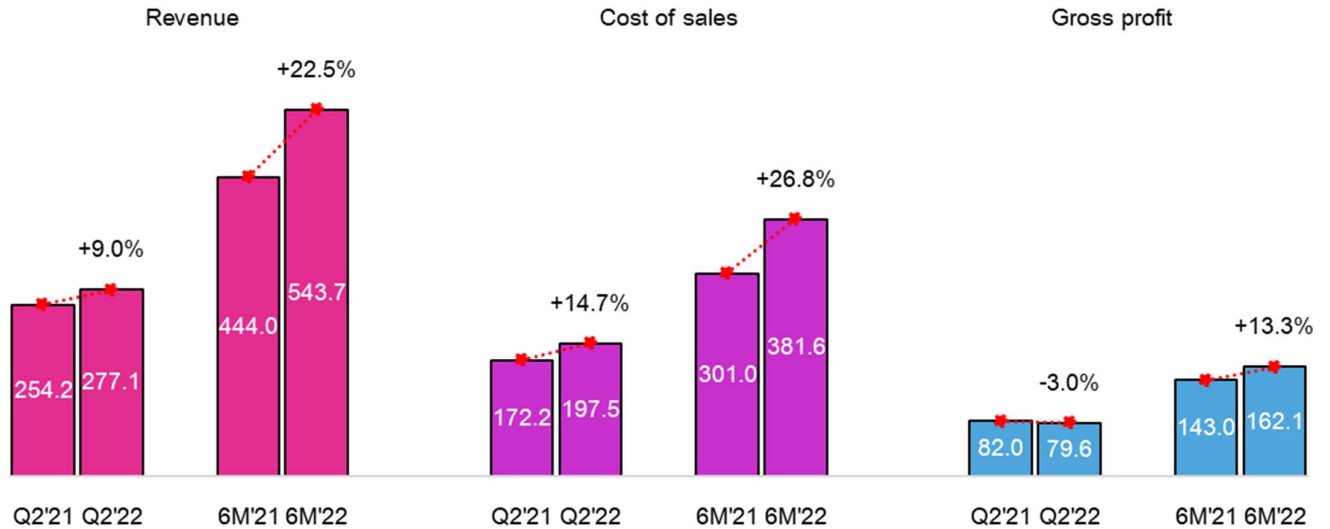
Income Statement (6 month)	6M'2022		6M'2021		Movment	
Revenue from sales of real estates	543.67	100.00%	443.97	100.00%	99.70	22.46%
Cost of sales	(381.62)	-70.19%	(300.99)	-67.80%	(80.63)	26.79%
Gross profit	162.05	29.81%	142.98	32.20%	19.07	13.34%
Other income	1.81	0.33%	2.14	0.48%	(0.33)	-15.42%
Selling expenses	(35.83)	-6.59%	(31.16)	-7.02%	(4.67)	14.99%
Administrative expenses	(31.49)	-5.79%	(28.94)	-6.52%	(2.55)	8.81%
Finance costs	(1.44)	-0.26%	(0.08)	-0.02%	(1.36)	1700.00%
Profit before income tax expense	95.10	17.49%	84.94	19.13%	10.16	11.96%
Income tax expense	(19.20)	-3.53%	(16.44)	-3.70%	(2.76)	16.79%
Profit for the period	75.90	13.96%	68.50	15.43%	7.40	10.80%
Profit/(Loss) attributable to:						
Owners of the parent	75.78	13.94%	67.54	15.21%	8.24	12.20%
Non-controlling interests	0.12	0.02%	(0.03)	-0.01%	0.15	-500.00%
	75.90	13.96%	67.51	15.21%	8.39	12.43%
Basic earnings per share	0.11		0.10			

TRANSFER BREAKDOWN BY PRODUCT (MB.)



TRANSFER BREAKDOWN BY PRODUCT (MB.)





Revenue from sales of real estates

In Q2'2022, revenue from sales of real estates increased by THB 22.87 million or 9.00% compared to the same period last year, from THB 254.24 million to THB 277.11 million. Because the increasing demand for low-rise house from 6 our projects. Housing loan is likely improve same as Q1/2565. For the 6 month accumulated revenue from sales of real estates increased from THB 443.97 million to THB 543.67 million baht, an increased of THB 99.70 million or 22.46% from the 6 month period of the previous year.

Cost of sales

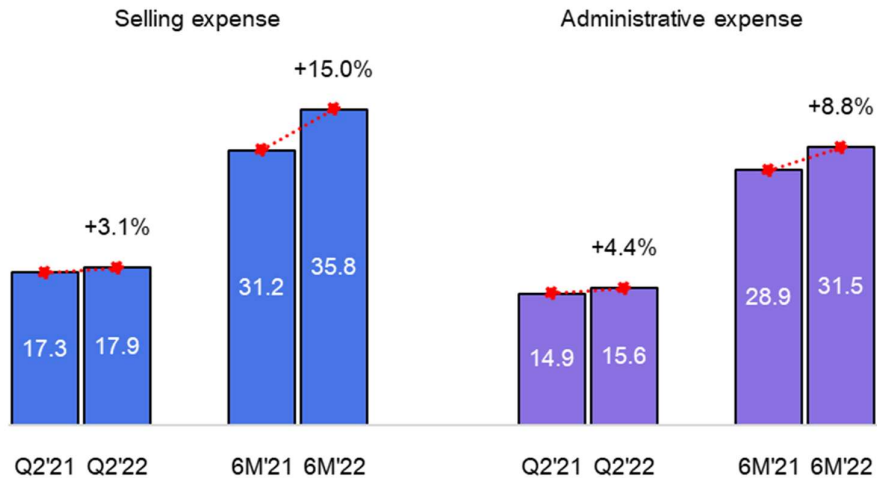
In Q2'2022, cost of sales increased by THB 25.31 million or 14.70% compared to the same period last year from THB 172.20 million to THB 197.51 million. Cost of sales increased, because of the proportion of revenue recognition from the Kunalai Preem decreased. Kunalai Preem is a project with a high gross margin. In addition, construction costs have increased. For the 6 month accumulated gross profit increased from THB 300.99 million to THB 381.62 million baht, increased of THB 80.63 million or 26.79% from the 6 month accumulated period of the previous year.

Gross Profit

In Q2'2022, gross profit decreased by THB 2.44 million or 2.97% compared to the same period last year from THB 82.04 million to THB 79.60 million. For the 6 month accumulated gross profit increased from THB 142.98 million to THB 162.05 million baht, increased of THB 19.07 million or 13.34% from the 6 month accumulated period of the previous year.

Other income

In Q2'2022, other income decreased by THB 0.02 million or 2.27% compared to the same period last year from THB 0.88 million to THB 0.86 million. For the 6 month accumulated other income decreased from THB 2.14 million to THB 1.81 million baht, an decreased of THB 0.33 million or 15.42% from the 6 month accumulated period of the previous year.



Selling expenses

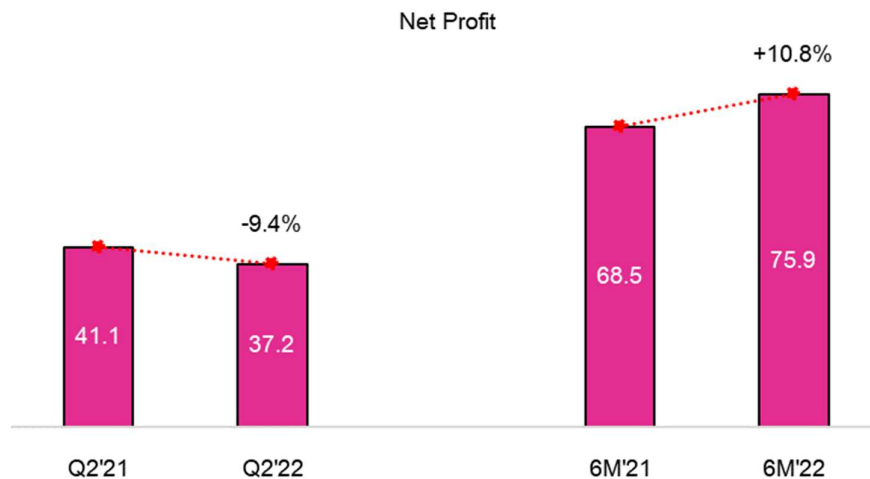
In Q2'2022, selling expenses increased by THB 0.54 million or 3.12% compared to the same period last year from THB 17.33 million to THB 17.87 million. Because higher sales caused proportionate increase in selling expense. For the 6 month accumulated selling expenses increased from THB 31.16 million to THB 35.83 million baht, an increased of THB 4.67 million or 14.99% from the 6 month accumulated period of the previous year.

Administrative expenses

In Q2'2022, administrative expenses increased by THB 0.65 million or 4.35% compared to the same period last year from THB 14.93 million to THB 15.58 million. For the 6 month accumulated administrative expenses increased from THB 28.94 million to THB 31.49 million baht, an increased of THB 2.55 million or 8.81% from the 6 month accumulated period of the previous year.

Finance cost

In Q2'2022, finance cost increased by THB 0.31 million or 775.00% compared to the same period last year from THB 0.05 million to THB 0.35 million. Because most of the financial cost can be capitalized as real estate development cost. For the 6 month accumulated finance cost increased from THB 0.08 million to THB 1.44 million baht, increased of THB 1.36 million or 1,700.00% from the 6 month accumulated period of the previous year.

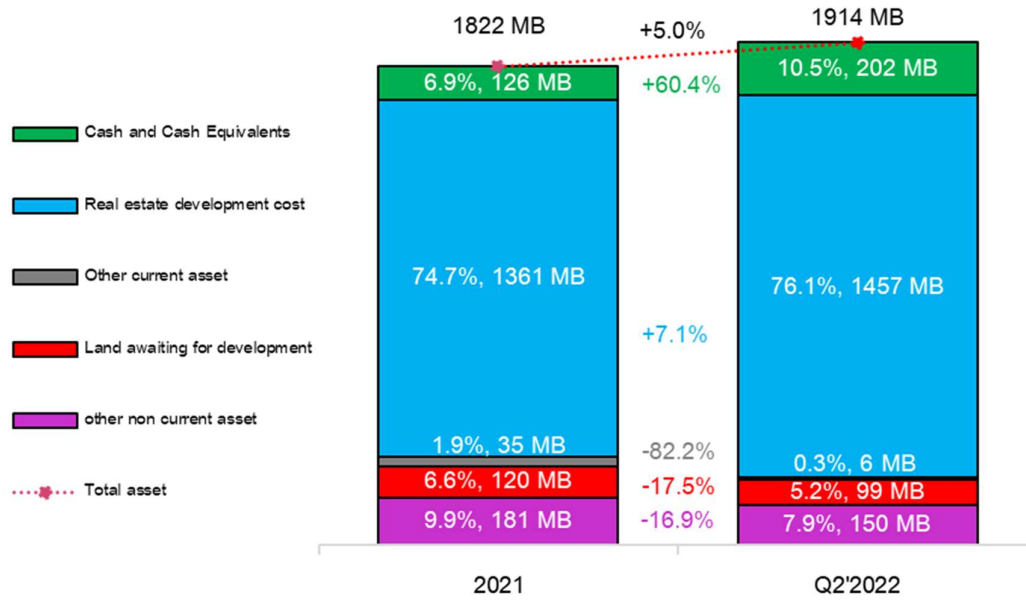


Net profit

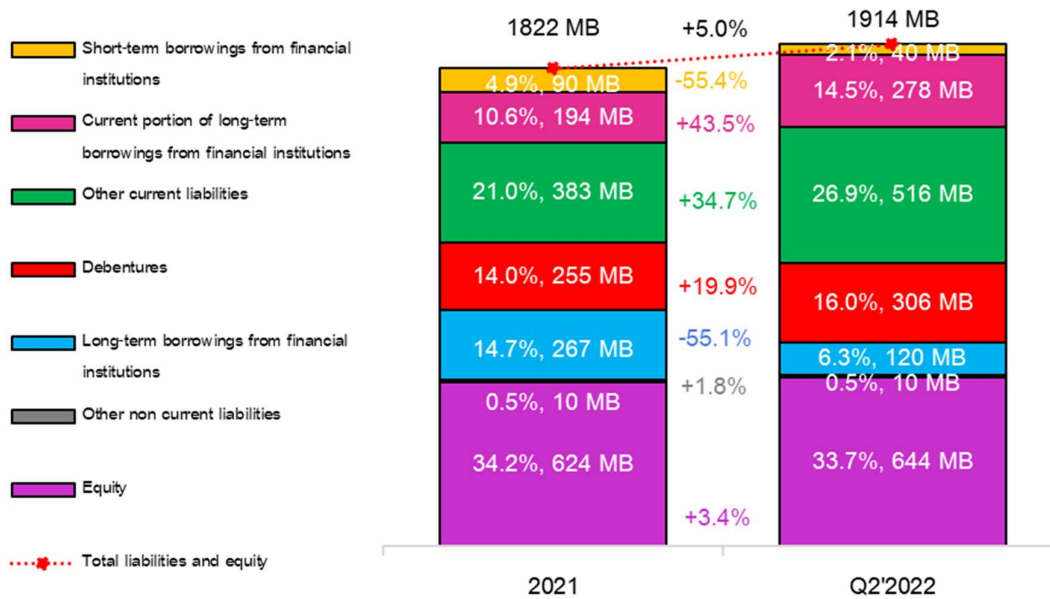
Overall performance of the Company for the 3 month period ended 30 June 2022 was net profit of THB 37.23 million, compared to net profit of THB 41.10 million, the company had decreased of 9.42% compared to the same period last year. For the 6 month accumulated net profit increased from THB 68.50 million to THB 75.90 million baht, an increased of THB 7.40 million or 10.80% from the 6 month accumulated period of the previous year.

Statement of Financial Position	Q2'2022	2021	Movment	
Assets				
Current assets	1,665.02	1,521.58	143.44	9.43%
Non-current assets	249.30	300.89	(51.59)	-17.15%
Total assets	1,914.32	1,822.47	91.85	5.04%
Liabilities and equity				
Current liabilities	833.87	666.47	167.40	25.12%
Non-current liabilities	435.96	532.50	(96.54)	-18.13%
Total liabilities	1,269.83	1,198.97	70.86	5.91%
Equity				
Issued and paid-up share capital	343.20	343.20	-	0.00%
Premium on paid-up capital	123.55	123.55	-	0.00%
Convertible Debentures - equity portion	2.03	2.03	-	0.00%
Warrants	6.79	6.79	-	0.00%
Retained earnings				
Appropriated - Legal reserve	21.02	21.02	-	0.00%
Unappropriated	160.25	139.38	20.87	14.97%
Other components of equity	(13.67)	(13.67)	-	0.00%
Non-controlling interests	1.32	1.20	0.12	10.00%
Total equity	644.49	623.50	20.99	3.37%
Total liabilities and equity	1,914.32	1,822.47	91.85	5.04%

Asset



Liabilities & Equity



Statement of Financial Position

Total Assets

Total assets increased by THB 91.85 million or 5.04 percent from THB 1,822.47 million to THB 1,914.32 million.

Cash and cash equivalents

Cash and cash equivalents increased by THB 75.90 million or 60.40% from THB 125.66 million to 201.56 million

Real estate development costs

Real estate development costs increased by THB 96.57 million or 7.10% from THB 1,360.59 million to THB 1,457.16 million because of the company buy new land for future development projects and more invest in real estate development to prepare for home delivery in second half of 2022

Land awaiting for development

Land awaiting for development decreased by THB 21.00 million or 17.50 percent from THB 119.97 million to THB 98.97 million. because of the company transferred some of the land to real estate development costs.

Total liabilities

Total liabilities increased by THB 70.86 million or 5.91% from THB 1,198.97 million to THB 1,269.83 million. Because of the company offered debentures in the second quarter of 2022 amounting to 200 million baht but borrowings from financial institutes were repaid from operating income.

Total equity

Total equity increased by THB 20.99 million or 3.37% from THB 623.50 million to THB 644.49 million. Main reason for the rise of equity was net profit for the six month period of THB 75.90 million.

Please be informed accordingly.

Mr. Suradech Prachubsirat

Chief Financial Officer