

KUN 118/2022

4 November 2022

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

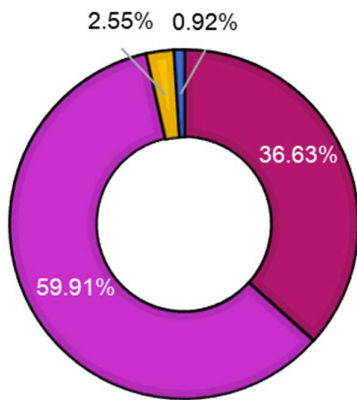
Attention: Directors and Managers of The Stock Exchange of Thailand

The performance of Villa Kunalai Public Company Limited (“KUN”) for the 3 month and 9 month period ended 30 September 2022 compared to the prior period are summarized as follows:

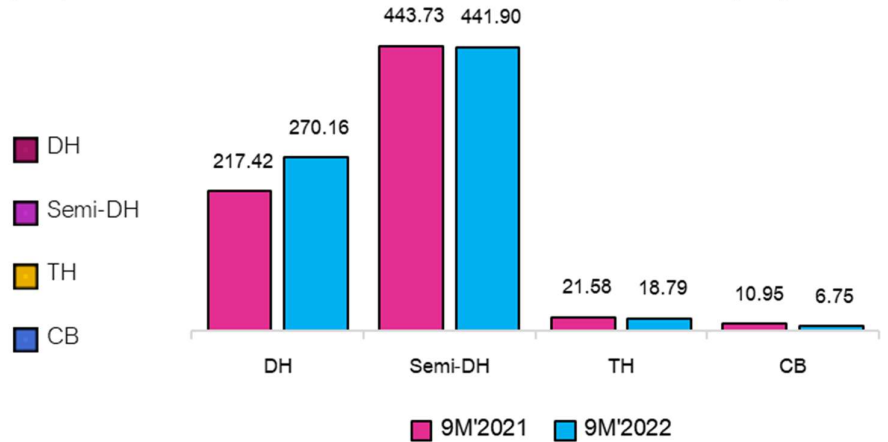
Income Statement (3 month)	Q3'2022		Q3'2021		Movment	
Revenue from sales of real estates	193.93	100.00%	249.71	100.00%	(55.78)	-22.34%
Cost of sales	(146.35)	-75.47%	(167.42)	-67.05%	21.07	-12.59%
Gross profit	47.58	24.53%	82.29	32.95%	(34.71)	-42.18%
Other income	0.82	0.42%	1.57	0.63%	(0.75)	-47.77%
Selling expenses	(14.17)	-7.31%	(17.02)	-6.82%	2.85	-16.75%
Administrative expenses	(13.97)	-7.20%	(13.99)	-5.60%	0.02	-0.14%
Finance costs	(0.03)	-0.02%	(0.03)	-0.01%	-	0.00%
Profit before income tax expense	20.23	10.43%	52.82	21.15%	(32.59)	-61.70%
Income tax expense	(4.12)	-2.12%	(10.73)	-4.30%	6.61	-61.60%
Profit for the period	16.11	8.31%	42.09	16.86%	(25.98)	-61.72%
Profit/(Loss) attributable to:						
Owners of the parent	16.08	8.29%	42.09	16.86%	(26.01)	-61.80%
Non-controlling interests	0.03	0.02%	(0.00)	0.00%	0.03	-1600.00%
	16.11	8.31%	42.09	16.85%	(25.98)	-61.72%
Basic earnings per share	0.02		0.06			

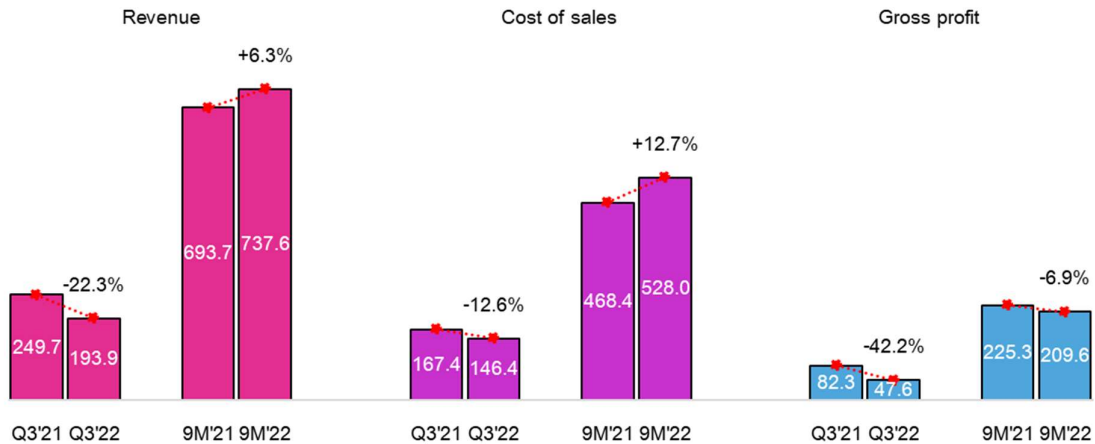
Income Statement (9 month)	9M'2022		9M'2021		Movment	
Revenue from sales of real estates	737.59	100.00%	693.68	100.00%	43.91	6.33%
Cost of sales	(527.97)	-71.58%	(468.41)	-67.53%	(59.56)	12.72%
Gross profit	209.62	28.42%	225.27	32.47%	(15.65)	-6.95%
Other income	2.64	0.36%	3.71	0.53%	(1.07)	-28.84%
Selling expenses	(50.00)	-6.78%	(48.17)	-6.94%	(1.83)	3.80%
Administrative expenses	(45.46)	-6.16%	(42.93)	-6.19%	(2.53)	5.89%
Finance costs	(1.47)	-0.20%	(0.12)	-0.02%	(1.35)	1125.00%
Profit before income tax expense	115.33	15.64%	137.76	19.86%	(22.43)	-16.28%
Income tax expense	(23.32)	-3.16%	(27.18)	-3.92%	3.86	-14.20%
Profit for the period	92.01	12.47%	110.58	15.94%	(18.57)	-16.79%
Profit/(Loss) attributable to:						
Owners of the parent	91.86	12.45%	109.62	15.80%	(17.76)	-16.20%
Non-controlling interests	0.14	0.02%	(0.03)	0.00%	0.17	-566.67%
	92.00	12.47%	109.59	15.80%	(17.59)	-16.05%
Basic earnings per share	0.13		0.16			

TRANSFER BREAKDOWN BY PRODUCT (MB.)



TRANSFER BREAKDOWN BY PRODUCT (MB.)





Revenue from sales of real estates

In Q3'2022, revenue from sales of real estates decreased by THB 55.78 million or 22.34% compared to the same period last year, from THB 249.71 million to THB 193.93 million. Because the company faced a shortage of construction materials, therefore unable to deliver the house on time. For the 9 month accumulated revenue from sales of real estates increased from THB 693.68 million to THB 737.59 million baht, an increased of THB 43.91 million or 6.33% from the 9 month period of the previous year.

Cost of sales

In Q3'2022, cost of sales decreased by THB 21.07 million or 12.59% compared to the same period last year from THB 167.42 million to THB 146.35 million. As the sale fall, cost of sales is proportionately decreased. For the 9 month accumulated gross profit increased from THB 468.41 million to THB 527.97 million baht, increased of THB 59.56 million or 12.72% from the 9 month accumulated period of the previous year.

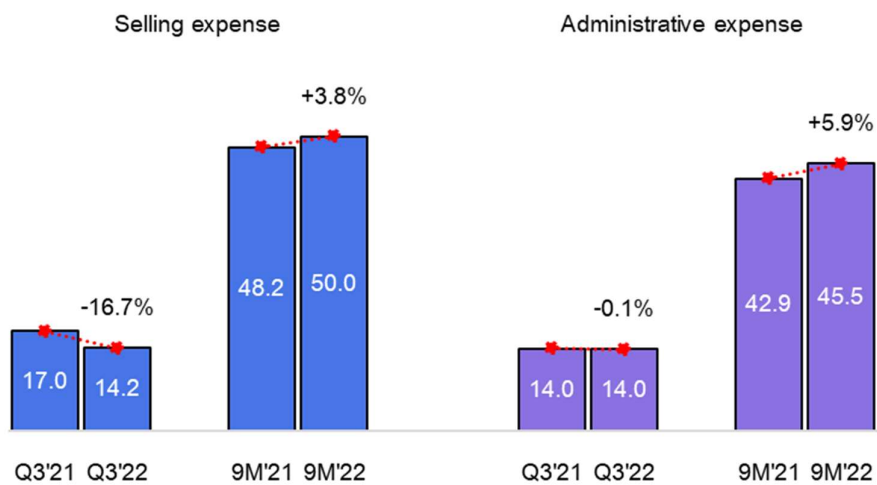
Gross Profit

In Q3' 2022, gross profit decreased by THB 34.71 million or 42.18% compared to the same period last year from THB 82.29 million to THB 47.58 million. For the 9 month accumulated gross profit decreased from

THB 225.27 million to THB 209.62 million baht, decreased of THB 15.65 million or 6.95% from the 9 month accumulated period of the previous year.

Other income

In Q3'2022, other income decreased by THB 0.75 million or 47.77% compared to the same period last year from THB 1.57 million to THB 0.82 million. For the 9 month accumulated other income decreased from THB 3.71 million to THB 2.64 million baht, an decreased of THB 1.07 million or 28.84% from the 9 month accumulated period of the previous year.



Selling expenses

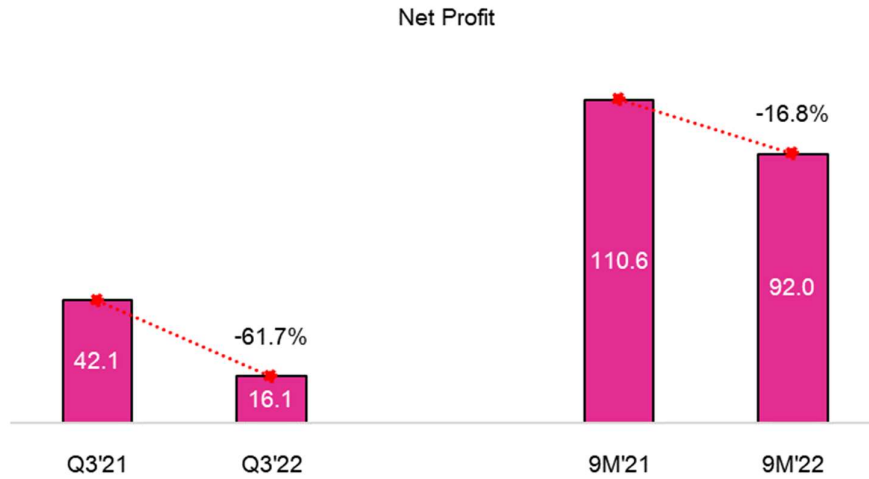
In Q3'2022, selling expenses decreased by THB 2.85 million or 16.75% compared to the same period last year from THB 17.02 million to THB 14.17 million. Because lower sales caused proportionate decrease in selling expense. For the 9 month accumulated selling expenses increased from THB 48.17 million to THB 50.00 million baht, an increased of THB 1.83 million or 3.80% from the 9 month accumulated period of the previous year.

Administrative expenses

In Q3'2022, administrative expenses decreased by THB 0.02 million or 0.14% compared to the same period last year from THB 13.99 million to THB 13.97 million. For the 9 month accumulated administrative expenses increased from THB 42.93 million to THB 45.46 million baht, an increased of THB 2.53 million or 5.89% from the 9 month accumulated period of the previous year.

Finance cost

In Q2'2022, finance cost THB 0.03 million. Most of the financial cost can be capitalized as real estate development cost. For the 9 month accumulated finance cost increased from THB 0.12 million to THB 1.47 million baht, increased of THB 1.35 million or 1,125.00% from the 9 month accumulated period of the previous year.

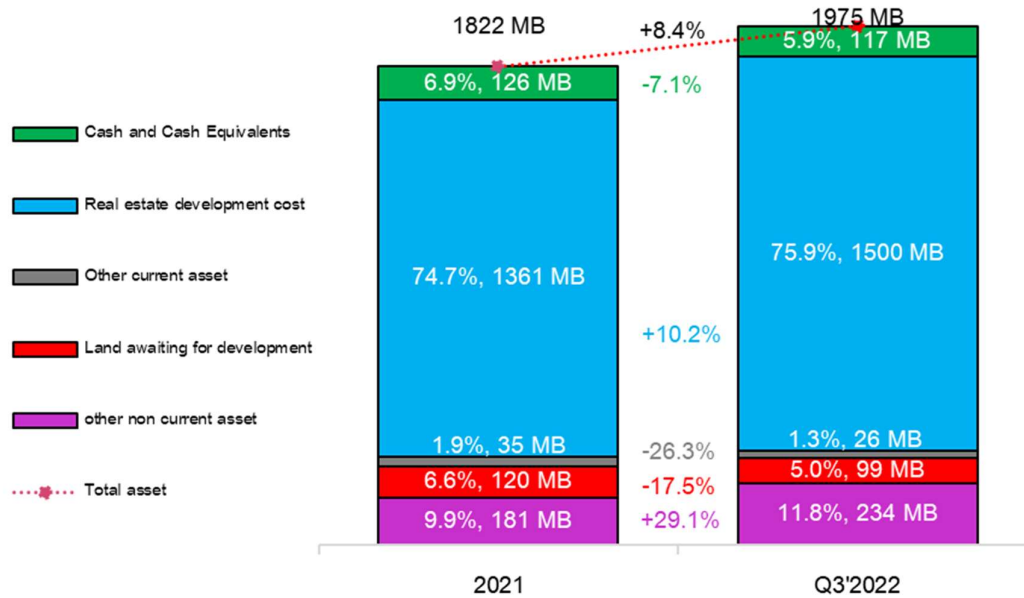


Net profit

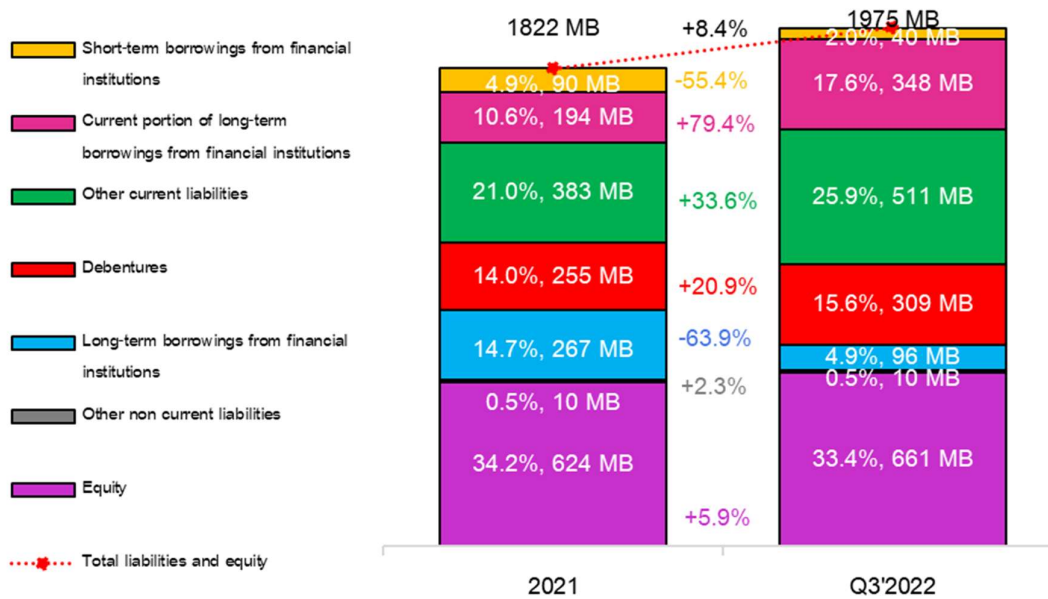
Overall performance of the Company for the 3 month period ended 30 September 2022 was net profit of THB 16.11 million, compared to net profit of THB 42.09 million, the company had decreased of 61.72% compared to the same period last year. For the 9 month accumulated net profit decreased from THB 110.58 million to THB 92.01 million baht, an decreased of THB 18.57 million or 16.79% from the 9 month accumulated period of the previous year.

Statement of Financial Position	Q3'2022	2021	Movment	
Assets				
Current assets	1,642.44	1,521.58	120.86	7.94%
Non-current assets	332.49	300.89	31.60	10.50%
Total assets	1,974.93	1,822.47	152.46	8.37%
Liabilities and equity				
Current liabilities	899.20	666.47	232.73	34.92%
Non-current liabilities	415.14	532.50	(117.36)	-22.04%
Total liabilities	1,314.34	1,198.97	115.37	9.62%
Equity				
Issued and paid-up share capital	343.20	343.20	(0.00)	0.00%
Premium on paid-up capital	123.55	123.55	(0.00)	0.00%
Convertible Debentures - equity portion	2.03	2.03	(0.00)	-0.08%
Warrants	6.79	6.79	0.00	0.06%
Retained earnings				
Appropriated - Legal reserve	21.02	21.02	0.00	0.01%
Unappropriated	176.33	139.38	36.95	26.51%
Other components of equity	(13.67)	(13.67)	(0.00)	0.01%
Non-controlling interests	1.34	1.20	0.14	11.56%
Total equity	660.59	623.50	37.09	5.95%
Total liabilities and equity	1,974.93	1,822.47	152.46	8.37%

Asset



Liabilities & Equity



Statement of Financial Position

Total Assets

Total assets increased by THB 152.46 million or 8.37 percent from THB 1,822.47 million to THB 1,974.93 million.

Cash and cash equivalents

Cash and cash equivalents decreased by THB 8.87 million or 7.06% from THB 125.66 million to 116.79 million

Real estate development costs

Real estate development costs increased by THB 139.03 million or 10.21% from THB 1,360.59 million to THB 1,499.62 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 next year.

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 115.37 million or 9.62% from THB 1,198.97 million to THB 1,314.34 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 37.09 million or 5.95% from THB 623.50 million to THB 660.59 million. Main reason for the rise of equity was net profit for the nine month period of THB 92.01 million.

Please be informed accordingly.

Mr. Suradech Prachubsirat

Chief Financial Officer