

Ref. ever/list 014/2022

November 11, 2022

 To: Director and Manager
 The Stock Exchange of Thailand

Subject: Management Discussion and Analysis third quarter of 2022 Ending 30 September 2022

Everland Public Company Limited (“the Company”) would like to clarify the change of operating results for the third quarter of 2022 more than 20 percent comparing to the third quarter of 2021 as follow;

The operating results according to the consolidated financial statements of the Company and its subsidiaries for the third quarter of 2022. The company had total revenue for the 3 months period of Baht 532.18 million. And had the loss of attributable to owner of the Parent of 2022 of Baht 47.29 million compared to net loss of Baht 23.11 million of 2021, The company the loss of increase by Baht 24.18 million or 104.63 %, The details are as follows:

Unit : Million

STATEMENTS OF PROFIT OR LOSS	CONSOLIDATED FINANCIAL STATEMENTS					
	As at September 30, 2022		As at September 30, 2021		Change	
	Amount (TB)	% To Revenue	Amount (TB)	% To Revenue	Amount (TB)	% To Revenue
Revenue from sales and revenue from services	531.22	99.82%	568.53	99.73%	(37.31)	-6.56%
Other income	0.96	0.18%	1.55	0.27%	(0.59)	-38.06%
Total Revenue	532.18	100.00%	570.08	100.00%	(37.90)	-6.65%
rendering of services	(437.84)	-82.27%	(448.52)	-78.68%	(10.68)	-2.38%
Gross profit	93.38	17.55%	120.01	21.05%	(26.63)	-22.19%
Distribution costs	(39.22)	-7.37%	(37.06)	-6.50%	2.16	5.83%
Administrative expenses	(76.71)	-14.41%	(65.89)	-11.56%	10.82	16.42%
Loss on lawsuit provision	0.62	0.12%	(0.65)	-0.11%	1.27	195.38%
Profit (loss) from operating activities	(20.97)	-3.94%	17.96	3.15%	(38.93)	-216.76%
Finance income	0.01	0.00%	0.00	0.00%	0.01	150.00%
Finance costs	(45.05)	-8.47%	(83.68)	-14.68%	(38.63)	-46.16%
financial instruments measured at amortized cost that has not resulted in derecognition	29.09	5.47%	58.09	10.19%	(29.00)	-49.92%
Reversal of (loss) on impairment determined in accordance with TFRS 9	(0.51)	-0.10%	(0.35)	-0.06%	0.16	45.71%
Loss before income tax	(37.44)	-7.04%	(7.98)	-1.40%	29.46	369.17%
Income tax income (expenses)	(9.46)	-1.78%	(18.22)	-3.20%	(8.76)	-48.08%
Loss for the periods	(46.90)	-8.81%	(26.20)	-4.60%	20.70	79.01%
Total comprehensive loss for the periods	(46.90)	-8.81%	(26.20)	-4.60%	20.70	79.01%
Loss for the periods attributable to Owners of the Company	(47.29)	-8.89%	(23.11)	-4.05%	24.18	104.63%

1.Revenues from sales or revenues from services

The third quarter 2022 revenues from sales or revenues from services of Baht 531.22 million, compared with Baht 568.53 million of the year 2021, which decreased by Baht 37.31 million or 6.56 %, The significant reasons were as follows:

1) Realrestate

- revenues from sales condominium, single house and townhome Baht 432 million, which decreased by Baht 63.90 million or 12.89 % at the same period of last yearly ending, As a result of the main reason is from the transfer of ownership in various projects of the decreased group company.

2) Hospital

- revenues from sales of Hospital with Baht 99.22 million, which increase Baht 26.59 million, or 36.61 % at the same period of last yearly ending As a result of examination and treatment for COVID-19 patients and social security patients.

2. Other income

The third quarter 2022, the company had other incomes of Baht 0.96 million, which decreased by Baht 0.59 million or 38.06 % compared to the same period last year. The main cause is the result of the contract change and clients seized money Due to the breach of the contract.

3. Costs of sales of goods and costs of rendering of services

The third quarter 2022 costs of sales of goods or costs of rendering of services of Baht 437.84 million, compared with Baht 272.80 million of the year 2021, which decreased Baht 10.68 million or 2.38 %, which was decreased in proportion of revenue as follows:

1) Realrestate

- costs of sales of goods or costs of rendering of services of Baht 353.61 million which decreased Baht 27.50 million or 7.22 % at the same period of last yearly ending, The main reason is the result of the transfer of ownership in various projects decreased, mainly in the horizontal segment - detached houses and townhomes, which was a decreased in the same direction as the decreased income.

2) Hospital

- costs of sales of goods or costs of rendering of services of Baht 84.23 million which increase Baht 16.28 million or 24.95 % at the same period of last yearly ending, As a result of the medical treatment of patients increase which is in the same direction with income.

Unit : Million

CONSOLIDATED FINANCIAL STATEMENTS

	Property development		Hospital and dental clinic		Total	
	2022	2021	2022	2021	2022	2021
Revenues from sales or revenues from services	432.00	495.90	99.22	72.63	531.22	568.53
rendering of services	(353.61)	(381.11)	(84.23)	(67.41)	(437.84)	(448.52)
Gross profit	78.38	114.79	15.00	5.22	93.38	120.01

4. Administrative expenses

The third quarter 2022 distribution costs of Baht 76.71 million, compared with Baht 65.89 million of the year 2021, which increase of Baht 10.82 million or 16.42 % at the same period of last yearly ending, The main reason for the increase was the property tax of approximately Baht 14 million. In 2022, the government kept the property tax rate at the same rate. But there is no waiver of 90% discount like in 2021.

5. Distribution costs

The third quarter 2022 distribution costs of Baht 39.22 million, which increase Baht 2.16 million or 5.83 %, at the same period of last yearly ending, This was mainly due to the Company's projects being completed and ready for sale. And the project has organized sales promotions and various advertising media stimulate sales and speed up the transfers of ownership. Therefore, the cost of distribution increase.

6. Loss on lawsuit provision

1) Realrestate

The third quarter 2022, the company loss from provisioning for losses from litigation. of Baht 0.65 million, which increase Baht 0.65 million or 100 % compared to the same period of the previous year. Which is mainly due to on December 28, 2020, a subsidiary had received civil court judgment ordering the subsidiary to comply with such arbitration award. Managements of the subsidiary requested an appeal for such judgment. However, the Group has recognized provision for such dispute, including interest payable. Lawsuit provision on February 25, 2021, a subsidiary appealed against the judgment of the Civil Court to the Supreme Court and the constructor filed an appealed against on May 27, 2021. Consequently, on June 23, 2021, a subsidiary submitted a request for suspension of judgment execution which is in the proceeding of the Supreme Court. However, On November 16, 2021, the subsidiary received the Notification letter regarding the seizure of the condominium units of the subsidiary from the Legal Execution Department. On December 15, 2021, the subsidiary filed the request for protection of benefits during the legal execution and the request for withdrawal of the legal execution. On February 7, 2022, the Civil Court dismisses the request for protection of benefits during the legal execution and send the request for enforcement benefits protection to the Supreme Court. As at December 31, 2021, the Group has recognized provision of compensation for construction fee according to such dispute, including interest payable of Baht 34.34 million. On February 21, 2022, the subsidiary filed the request for withdrawal of the legal execution and paid court guarantee deposit in amount of Baht 56.89 million to the Civil Court. On February 23, 2022, the subsidiary filed the request to cease the legal execution and to withdraw the legal execution. The subsidiary has been notified of the cancellation of the execution according to the order of withdrawal of the execution dated March 23, 2022. On August 30, 2022, a subsidiary had received a verdict from the Supreme Court ordering the subsidiary to comply with such arbitration award. The subsidiary paid compensation for the construction fee in accordance with the aforementioned dispute, including interest at the rate and for the period specified by the court and returned the retention payable in the totaling amount of Baht 54.98 million. The subsidiary recorded the remaining court guarantee deposit after payment of compensation for construction fee and interest in amount of Baht 1.91 million as part of other non-current assets as at September 30, 2022. The Group recognized loss (reversal) on lawsuit provision in the consolidated statements of profit or loss and other comprehensive income for three-month and nine-month periods ended September 30, 2022, in amount of Baht (0.62) million and 0.66 million, respectively.

2) Hospital

On July 8, 2022, a patient filed a lawsuit in the Civil Court, through the Thailand Consumers Council, for damages caused by hospitalization, which is a hospital of an indirect subsidiary of the group by demanding compensation for damages in amount of Baht 16.33 million with interest rate 5.00% per annum. Currently, the case is under the court consideration. The Group did not record provision for such lawsuits because the Group believes that the subsidiary has no obligation to pay for such damages.

7. Finance costs

The third quarter 2022, the Company and its subsidiaries initially had financial cost of Baht 45.05 million which decreased by Baht 38.63 million or 46.16 %, this is the result of the interest cost of the project that is completed and ready for transfer The Company has to recognize the interest incurred as the financial cost of the income statement and net of lower interest expenses due to loan repayment during the period as follows:

1) Realrestate

- Finance costs of Baht 44.78 million which decreased by Baht 38.53 million or 46.25 % at the same period of last yearly ending, this is the result of the interest cost of the project that is completed and ready for transfer The Company has to recognize the interest incurred as the financial cost of the income statement and net of lower interest expenses due to loan repayment during the period.

2) Hospital

- Finance costs of Baht 0.27 million which decreased by Baht 0.10 million or 27.03 % at the same period of last yearly ending.

Unit : Million

CONSOLIDATED FINANCIAL STATEMENTS

	Property development		Hospital and dental clinic		Total	
	2022	2021	2022	2021	2022	2021
Finance costs	(44.78)	(83.31)	(0.27)	(0.37)	(45.05)	(83.68)

8. (Gain) loss arising from the modification of financial instruments measured at amortized cost that has not resulted in derecognition

The third quarter 2021, the Company (Gain) loss arising from the modification of financial instruments measured at amortized cost that has not resulted in derecognition of Baht 29.09 million which decreased of Baht 29.09 million or 49.92 % at the same period of last yearly ending, This was mainly due to the extension of the loan repayment period from the original schedule for another 2 years. Therefore, short-term loans from related parties were classified as long-term loans from related parties. It is also due to the fact that the interest rate on loans in 2022 is still the same rate of the previous year that interest rates have not decreased when compared to loans in 2021 that have been requested to extend the repayment period. including requesting a reduction in interest rates.

Please be informed accordingly

Yours Sincerely,

(Mr. Swechak Lochaya)
Chairman of the board