



Date 11 November 2022

Re: Management Discussion & Analysis for the nine-months period ended 30 September 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 nine months period ended 30 September 2022 as follows:

Financial Performance

For nine months period ended	30 September 2022		30 September 2021		Change	
	Millions of THB	%	Millions of THB	%	Millions of THB	%
Revenue from sales of real estate	806.2	77.8%	813.5	87.5%	(7.2)	(0.9%)
Revenue from construction	77.4	7.5%	74.7	8.0%	2.7	3.6%
Revenue from services	98.6	9.5%	34.9	3.7%	63.8	183.0%
Revenue from sales of goods	54.0	5.2%	6.8	0.7%	47.1	688.9%
Total Revenues	1,036.2	100.0%	929.8	100.0%	106.4	11.4%
Cost from sales of real estate	(504.0)	(48.6%)	(475.0)	(51.1%)	29.0	6.1%
Cost of construction	(75.4)	(7.3%)	(73.7)	(7.9%)	1.6	2.2%
Cost of services	(86.8)	(8.4%)	(21.7)	(2.3%)	65.1	300.8%
Cost of goods sold	(49.3)	(4.8%)	(12.6)	(1.4%)	36.7	291.5%
Total costs	(715.4)	(69.0%)	(583.0)	(62.7%)	132.5	22.7%
Gross Profit	320.8	31.0%	346.8	37.3%	(26.1)	(7.5%)
Other income	5.9	0.6%	12.9	1.4%	(7.0)	(54.4%)
Selling expenses	(109.9)	(10.6%)	(114.2)	(12.3%)	(4.3)	(3.8%)
Administrative expenses	(129.2)	(12.5%)	(119.4)	(12.8%)	9.8	8.2%
Profit before finance costs and income tax benefit (expense)	87.5	8.4%	126.1	13.6%	(38.6)	(30.6%)
Financing cost	(108.3)	(10.5%)	(67.6)	(7.3%)	40.7	60.2%
Profit (loss) before income tax benefit (expense)	(20.8)	(2.0%)	58.5	6.3%	(79.3)	(135.6%)
Income tax benefit (expense)	0.6	0.1%	(2.0)	(0.2%)	(2.6)	(130.7%)
Net profit (loss) for the period	(20.2)	(1.9%)	56.5	6.1%	(76.7)	(135.7%)



Performance Overview

For the 9 months 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 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 last quarter is still at risk of slowing again due to the volatility of world oil prices and the Thai baht plunged to 38 against US dollar for the first time in 16 years causing inflation to rise steadily. As a result, prices of products in all sectors have increased significantly. Therefore, the company focus on cost management and cash flow management to prepare for the impact that might occur from inflation and rising interest rates.

Three-month results of the third quarter of 2022, Total revenue has grown by 31.5% or 105.5 million baht. Total revenue increased from 335.2 million baht in the second quarter to 440.7 million baht in the third 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 make profit around 5.1 million whereas the second quarter can make a profit only 2.8 million baht because of the continuous increase in revenue from sale of real estate throughout the year.

- Total revenue for the 9 months of 2022 was Baht 1,036.2 million or increased by 11.4% compared to the same period of last year, divided into the revenue from sales of real estate was Baht 806.2 million decreased by 0.9% from same period of last year. Moreover, the other revenue from construction, services and goods sold was Baht 230.0 million combined, which increased by 97.6% compared to the same period of last year.
- Total Gross Profit for the 9 months of 2022 was Baht 320.8 million decreased by Baht 26.1 million compared to the same period of last year. Gross profit margin of the company decreased by 6.3% from 37.3% in the third quarter last year to 26.1% in the third quarter this year due to proportion of the revenue from real estate business per total revenue has decreased. Moreover, gross profit margin of the real estate business itself has been decreased as well.
- Selling and marketing expenses was managed well for the past nine months which slightly higher by 2.4% compared to the same period of last year. Selling and marketing expenses were Baht 239.1 million and Baht 233.6 million for the 9 months period of the year 2022 and 2021, respectively. Earnings before interest and tax were Baht 87.5 million and 126.1 million for the 9 months period of the year 2022 and 2021.
- Net Profit (Loss) was Baht (20.2) million decreased by Baht 76.7 million compared to the same period last year mainly due to reductions in gross profit and increased financial cost.



Financial Performance

Financial Position as of	30 September 2022		31 December 2021		Change	
	Millions of THB	%	Millions of THB	%	Millions of THB	%
Cash and cash equivalents	451.4	7.7%	292.2	5.2%	159.2	54.5%
Real estate projects under development	2,288.1	39.3%	2,347.1	42.1%	(59.0)	(2.5%)
Real estate projects held for development	1,353.5	23.2%	1,353.5	24.3%	0.0	-
Property, plant and equipment	986.5	16.9%	955.6	17.1%	30.9	3.2%
Total assets	5,827.4	100.0%	5,577.1	100.0%	250.3	4.5%
Interest-bearing debt	2,893.8	49.7%	2,610.9	46.8%	282.9	10.8%
Total liabilities	3,202.5	55.0%	2,893.3	51.9%	309.2	10.7%
Total equity	2,624.9	45.0%	2,683.8	48.1%	(58.9)	(2.2%)

As 30 September 2022, the Company had total assets of 5,827.4 million baht, an increase of 250.3 million baht or 4.5% from the end of 2021. Those increase mainly come from the cash and cash equivalents of 159.2 million baht and property, plant and equipment 30.9 million baht whereas real estate under development decreased by 59.0 million baht from sale of property. The company had total liabilities of 3,202.5 million baht, an increase of 309.2 million baht or 10.7% 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 2,624.9 million baht, a decrease of 58.9 million baht from operating results during the period of 20.2 million baht and dividend payment during the period of 41.1 million baht.

Conclusion

As 30 September 2022, the Company backlog was Baht 2,471.8 million and the company's have available ready to move and under construction was Baht 3,961.2 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