



Ref SVR 66/011

7 February 2023

Subject.: Clarification of the third quarter of 2022 operating result

To : President

The Stock Exchange of Thailand

Sivarom Real Estate Public Company Limited and its subsidiaries (the "Company") would like to clarify the Company's operating results for the quarter ended September 30, 2022 as follows:

In the third quarter of 2022, the Company had a total revenue of Baht 236.42 Million, an increase of 103.05 percent or Baht 119.99 Million from Baht 116.23 Million in the third quarter of 2021 as a result of an increase in revenue from real estate sales of Baht 52.39 Million and revenue from land sales of Baht 67.80 Million. For the third quarter of 2022, the net profit was Baht 11.82 Million, a slight decrease of 7.73 percent or Baht 0.99 Million compared to the net profit of Baht 12.81 Million in the same period last year. As a result, the net profit margin dropped to 5.00 percent this quarter, compared to 11.00 percent in the third quarter of 2021.

Total revenue for the nine-month of 2022 amounted to Baht 532.45 Million, an increase of 47.73 percent or Baht 172.03 Million from Baht 360.42 Million for the nine-month of 2021. However, net profit for the nine-month of 2022 amounted to Baht 35.99 Million. Outstanding growth of 66.25 percent or Baht 14.34 Million from Baht 21.65 Million in the nine-month of 2021, resulted in the net profit margin for the nine-month of 2022 increasing from 6.01 percent in the previous year to 6.75 percent.

Revenues from sales

Revenue from properties for sale in the third quarter of 2022, the third quarter of 2021, the nine-month of 2022 and 2021 could be divided by project as follows:

Project Name	Q3-2022		Q3-2021		9M2022		9M2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sivarom Park (Sukhumvit - Bangpu)	-	-	4.43	3.81	16.28	3.51	64.72	18.26
Sivarom City (Nikom Phatthana - Rayong)	4.02	2.38	6.93	5.96	17.02	3.67	21.34	6.02
Sivarom Nature Plus (Sukhumvit-Bangpu)	-	-	4.93	4.24	-	-	171.46	48.37
Sivarom Grand (Sukhumvit - Bangpu)	77.45	45.93	72.20	62.12	211.90	45.71	72.20	20.37



Project Name	Q3-2022		Q3-2021		9M2022		9M2021	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sivarom Village (Sukhumvit - Thepharak)	61.13	36.25	27.74	23.87	192.37	41.50	24.74	6.98
Sivarom Nature Plus (Assumption-Sriracha)	26.02	15.43	-	-	26.02	5.61	-	-
Total Revenues from Sales	168.62	100.00	116.23	100.00	463.59	100.00	354.46	100.00

Revenue from properties for sale in the third quarter of 2022 amounted to Baht 168.62 Million, an increase of 45.08 percent or Baht 52.39 Million from Baht 116.23 Million in the third quarter of 2021, mainly due to a gain in revenue from properties for sale of all types of projects, detached houses, twin house and townhome. It recognizes revenue from 5 projects, namely Sivarom Park (Sukhumvit - Bangpu), Sivarom City (Nikom Phatthana - Rayong), Sivarom Grand (Sukhumvit - Bangpu), Sivarom Village (Sukhumvit - Thepharak) and Sivarom Nature Plus (Assumption - Sriracha).

For the nine-month of 2022, the Company had income from sales of single-detached houses, twin houses and townhomes. Revenue from projects for sale increased by 30.78 percent from the previous year at Baht 463.59 Million which mainly from Sivarom Grand (Sukhumvit - Bangpu) in the amount of Baht 211.90 Million and Sivarom Village (Sukhumvit - Thepharak) in the amount of Baht 192.97 Million.

Cost of Sales and Operating Expenses

Cost of Sales

For the third quarter of 2022, the cost of projects for sale amounted to Baht 112.64 Million which increase of 48.98 percent or Baht 37.03 Million compared to the third quarter of 2021. While the cost of projects for sale in the nine-month of 2022 increased by 20.66 percent compared to the same period of the previous year according to an increase in revenue from project sales in that period. However, the gross profit margin from the revenue from property development for sale in the third quarter of 2022 is at 33.20 percent which decreases from 34.95 percent in the third quarter of 2021. While the gross profit margin for the nine-month of 2022 increased to 33.60 percent from 28.32 percent in the same period of the previous year.

For the third quarter of 2022, the cost of land sales is equal to Baht 63.56 Million increase from the third quarter of 2021. However, the gross profit margin of revenue from land sales in the third quarter of 2022 was 6.25 percent.



Selling and Administrative Expenses

Selling and administrative expenses in the third quarter of 2022 were Baht 39.04 Million, an increase from the previous year with selling and administrative expenses of Baht 27.56 Million. However, selling and administrative expenses to total revenue decreased from 16.51 percent for the third quarter of 2021 to 23.72 percent in this quarter. Selling expenses in this quarter amounted to Baht 21.39 Million, representing 9.05 percent of total revenue decrease from 10.99 percent in the third quarter of 2021. While administrative expenses amounted to Baht 17.65 Million, representing 7.46 percent of total revenue, a decrease from 12.72 percent in the third quarter of 2021

For the nine-month of 2022, selling and administrative expenses amounted to Baht 100.72 Million, representing 18.92 percent of total revenue. It increased from Baht 74.09 Million, representing 35.95 percent of total revenue for the nine-month of 2021. For the selling expenses for the nine-month of 2022, it amounted to Baht 50.04 million, representing 9.40 percent of total revenue increase from 46.11 percent in the same period of the last year. While administrative expenses in the nine-month of 2022 amounted to Baht 50.68 Million representing 9.52 percent which increase from 27.22 percent in the nine-month of 2021.

Financial Costs

Financial cost in the third quarter of 2022 were at Baht 10.43 million, an increase of 432.14 percent or Baht 8.47 Million from the amount of Baht 1.96 Million in the third quarter of 2021, mainly due to borrowing for management to support business growth.

Net Profit

For the third quarter of 2022, the Company recorded a net profit of Baht 11.82 Million, a decrease of 7.73 percent or Baht 0.99 Million compared to a net profit of Baht 12.81 Million in the third quarter of 2021. In the third quarter of 2022, the Company had a net profit margin of 5.00 of total revenue, a decrease from a net profit margin of 11.00 percent in the third quarter of 2021.

For the nine-month of 2022, the Company had a net profit of Baht 35.99 Million or a net profit margin of 6.75 percent, an increase from the same period of the previous year of Baht 14.34 Million or an increase of 66.25 percent. The net profit increased with revenue from real estate sales rising according to the continuous expansion of the Company's projects. It has recognized revenue from the sale of houses of the Sivarom Nature Plus (Assumption-Sriracha) that was opened for sale in May 2022 and began to transfer the ownership in August 2022, and has income from selling houses of Sivarom Grand (Sukhumvit - Bangpu) and Sivarom



Village (Sukhumvit - Thepharak) increased significantly compared to the same period in 2021. Because both projects started transferring ownership in July 2021 and September 2021 respectively, resulting in less revenue in the nine-month of 2021 compared to the nine-month of 2022. In addition, the Company had profits from the sale of 3 plots of land in Pattaya which the size of land is about 15 Rai to an unrelated person of the Company in the amount of Baht 4.24 Million.

FINANCIAL POSITION AS OF 30 SEPTEMBER 2565

Total Assets

As of September 30, 2022, the Company had total assets of 1,157 million baht, an increase of Baht 306.92 Million or 36.11 percent compared to December 31, 2021. Current assets were 1,022.43 Million which increased Baht 312.63 Million from December 31, 2021, mainly due to the increase in inventories. The Company has inventories equal to Baht 965.20 Million increasing from year-end 2021 in the amount of Baht 360.10 Million or 59.51 percent because the Company has developed additional real estate projects to support the continued growth of sales. While non-current assets are 134.58 Million, a decrease of Baht 5.70 Million compared to December 31, 2021, mainly attributable to decrease in right-of-use assets.

Total Liabilities

Liabilities of the Company as of September 30, 2022, were 640.55 Million which increase Baht 270.93 Million from December 31, 2021. It consists of Current liabilities of Baht 628.29 Million which increase Baht 341.77 Million and non-current liabilities of Baht 12.25 Million which decrease Baht 70.84 Million. However, as of September 30, 2022, the Company had liabilities only for short-term loans of Baht 457.98 Million which increased from the Baht 304.10 Million as of 31 December 2021 due to borrowing money to buy land to develop the project. While long-term loans decreased by Baht 67.23 million according to the contract period due within 1 year.

Total Shareholders' equity

Shareholders' equity of the Company as of September 30, 2022, was Baht 516.46 Million which increase Baht 36.99 Million compared to December 31, 2021, mainly due to an increase in retained earnings of Baht 35.99 Million.



Cashflow

The Company has net cash carried over as of December 31, 2021, equal to Baht 33.01 Million. As of September 30, 2022, the Company has net cash used in operating activities in the amount of Baht 52.80 Million, net cash used in investing activities in the amount of Baht 1.81 Million and net cash from financing activities in the amount of Baht 71.00 Million resulting in the cash balance as of September 30, 2022, Baht 16.39 Million. Net cash used in operating activities for Real estate projects for sale was 123.52 Million. The Company used net cash in investing activities to purchase the land, buildings and equipment for Baht 1.53 Million. For financing activities, the Company received net cash from loans from financial institutions and lenders for Baht 72.33 Million.

Please be informed accordingly.

Yours sincerely,

Sivarom Real Estate Public Company Limited

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(Mr. Autthapawit Manothamraksa and Mr. Ronnarith Thitisuriyarax)

Authorized Directors