

Ref. AC 23/02

May 11, 2023

Subject: Management Discussion and Analysis of the Operating Performance for the three months period ended 31 March 2023

To: The President of Stock Exchange of Thailand

Amata VN Public Company Limited (“**Company**”) and its subsidiaries would like to report the operating performance result of the company for the three months period ended 31 March 2023 as follows:

Summary of Operating Performance For the three months period ended 31 March 2023

1Q/2023’s Performance versus 1Q/2022’s performance

- Total revenues were THB 289.23mn, decreased by 63.98%
- Share of profit from investments in associates increased THB 3.02mn
- The Company has net loss for 1Q/2023, THB 82.33mn or decreased by 115.33%

Revenue from core businesses

Unit: Million Baht	1Q/2022	1Q/2023	Change	% Change
Revenue from utility services	95.35	278.17	182.82	191.74
Revenue from rental	53.09	8.09	(45.00)	(84.76)
Gain on sales of investment properties	627.90	-	(627.90)	(100.00)
Other income	26.55	2.97	(23.58)	(88.82)
Total revenue	802.88	289.23	(513.65)	(63.98)

Revenue from utility services

In 1Q/2023, the Company has revenue from utility services THB 278.17mn, which increased by THB 182.82mn or 191.74%. The reason for the rise in the utility services income was the higher utility consumption especially in AMATA City Halong industrial estate (“**ACHL**”); therefore, the higher utility consumption in this industrial estate which contributed to the increase in the income THB 185.07mn, or increased 5 times when compared to the same period last year.

Revenue from rental

For 1Q/2023, the Company has rental revenue THB 8.09mn, a decrease of THB 45.00mn or 84.76%. The reduction in rental revenue occurred at AMATA City Bien Hoa industrial estate (“ACBH”). During 1Q/2022, the Company had sold 10 Ready Built Factories (“RBF”) at ACBH which was recognized as gain on sale of investment properties THB 627.90mn. The number of RBF has decreased; thus, the rental revenue has also been reduced since 1Q/2022.

Gain on sales of investment properties

In 1Q/2023, there was no gain on sales of investment properties. However, in 1Q/2022, the Company sold 10 ready built factories as mentioned above.

Other income

Other income in 1Q/2023 was THB 2.97mn, a decrease of THB 23.58mn or 88.82% from the same period last year due to the decrease in gain from exchange rate THB 13.98mn and the recognition of rental income from ACBH as other income during the sales process of RBF in ACBH in 1Q/2023 which was THB 9.60mn.

Operating Performance Analysis of core businesses

Unit: Million Baht	1Q/2022	1Q/2023	Change	% Change
Revenue from utility services	95.35	278.17	182.82	191.74
Cost of utility services	73.96	252.46	178.50	241.35
Gross profits	21.39	25.71	4.32	20.20
Gross margin (%)	22.43	9.24		
Revenue from rental	53.09	8.09	(45.00)	(84.76)
Cost of rental	11.20	2.46	(8.74)	(78.03)
Gross profits	41.89	5.63	(36.26)	(86.56)
Gross margin (%)	78.90	69.57		

Despite the increase in revenue from utility services in 1Q/2023 THB 182.82mn or 191.74%, the Company only obtained Gross Profit Margin (“GPM”) at 9.24% which was less than the GPM 22.43% from the same period in 2022. The electricity service in ACHL contributed less profit margin resulting in the reduction of utility services GPM in 1Q/2023.

The revenue from rental in 1Q/2023 has GPM at 69.57% which was reduced from 1Q/2022 that has GPM 78.90% due to the number of RBF during 1/2022 greater than that of 1Q/2023 leading to economies of scale in RBF management. Nonetheless, the GPM in 1Q/2023 was still in line with the Company’s rental revenue GPM target which will preserve GPM not less than 65.00%.

Selling and administrative expenses

Unit: Million Baht	1Q/2022	1Q/2023	Change	% Change
Selling expenses	3.27	3.27	-	-
Administrative expenses	52.04	88.54	36.50	70.15
Total	55.31	91.81	36.50	66.00

In 1Q/2023, the Company has selling and administrative expenses THB 91.81mn increased by THB 36.50mn or 66.00%. The increase in the administrative expense was mainly due to employee related expenses from ACBH where companies in Vietnam are required to recognize the employee fund expenses at specific rate proportionally with net profit in the subsequent year according to Vietnam law. In YE2022, ACBH has higher net profit compared to the net profit in 2021; as a result, the Company marked this expense in 1Q/2023.

Share of profit from investments in associates

In 1Q/2023, the Company recognized share of profit from investments in associates THB 3.02mn which came from the investment of ACBH that invested in AMATA Power Bien Hoa (“**APBH**”). APBH is the electricity provider to customers in AMATA City Bien Hoa industrial estate.

Net profit/loss

In 1Q/2023, the Company incurred net loss for the three months period ended 31 March 2023, THB 82.33mn or net loss THB 0.08 per share, a reduction from the same period last year 619.34mn or 115.33% due to the Company did not recognize any revenue from real estate sales, sales of RBF in this period. Moreover, the Company recorded the employee related expenses recognition as mentioned earlier.

Statement of Financial Position

Unit: Million Baht	YE2022	1Q/2023	Change	% Change
Total assets	12,433.92	12,448.83	14.91	0.12
Total Liabilities	6,402.86	6,590.38	187.52	2.93
Shareholders' equity	6,031.06	5,858.45	(172.61)	(2.86)

- Total assets increased by THB 14.91mn or 0.12% mainly due to the increase in investment in associates and the right-of-use assets.
- Total liabilities increased by THB 187.52mn or 2.93% from the short-term loan from financial institutions net with repayment of long-term loans to financial institutions.
- Shareholders' equity was reduced by THB 172.61 or 2.86% because of net loss from operation in 1Q/2023 and exchange differences on translation of financial statements in foreign currency.

For your information.

Yours sincerely,

AMATA VN PUBLIC COMPANY LIMITED



(Ms. Somhatai Panichewa)
Chief Executive Officer