

Ref. AC 23/06

August 9, 2023

Subject: Management Discussion and Analysis of the Operating Performance for the three months and six months period ended 30 June 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 and six months period ended 30 June 2023 as follows:

**Summary of Operating Performance for the three-month period ended 30 June 2023**

2Q/2023’s Performance versus 2Q/2022’s performance

- Total revenues were THB 570.85mn, decreased THB 357.31mn or 38.50%
- Share of profit from investment in associates increased THB 3.46mn
- The Company has net gain for 2Q/2023, THB 62.07mn, decreased 446.92mn or 87.81%

**Summary of Operating Performance for the six-month period ended 30 June 2023**

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

- Total revenues were THB 788.57mn, decreased THB 942.48mn or 54.45%
- Share of profit from investment in associates increased THB 6.49mn
- The Company has net loss for 1H/2023, THB 20.25mn, decreased 1,066.25mn or 101.94%

**Revenue from core businesses**

Unit: Million Baht	2Q/2022	2Q/2023	Change	% Change
Revenue from real estate sales	200.19	54.72	(145.47)	(72.67)
Revenue from utility services	194.54	359.11	164.57	84.60
Revenue from rental	26.46	7.64	(18.82)	(71.15)
Gain on sales of investment properties	455.18	-	(455.18)	(100.00)
Gain from exchange	45.76	85.06	39.30	85.88
Other income	6.03	1.32	(4.71)	(78.12)
<b>Total revenue</b>	<b>928.16</b>	<b>570.85</b>	<b>(357.31)</b>	<b>(38.50)</b>

Unit: Million Baht	1H/2022	1H/2023	Change	% Change
Revenue from real estate sales	200.19	54.72	(145.47)	(72.67)
Revenue from utility services	289.89	637.28	347.39	119.84
Revenue from rental	79.55	15.73	(63.82)	(80.23)
Gain on sales of investment properties	1,083.08	-	(1,083.08)	(100.00)
Gain from exchange	62.71	76.55	13.84	22.08
Other income	15.63	4.29	(11.34)	(72.58)
<b>Total revenue</b>	<b>1,731.05</b>	<b>788.57</b>	<b>(942.48)</b>	<b>(54.45)</b>

#### **Revenue from real estate sales**

The Company has revenue from real estate sales THB 54.72mn, reduced from THB 200.19mn or 72.67% reduction comparing to the same period last year. This revenue is only stemmed from the sales of real estate 2.00 ha in AMATA City Halong (“ACHL”) industrial estate, decreased from 7.13 ha in 1H/2022.

#### **Revenue from utility services**

The Company has revenue from utility services THB 289.89mn increasing to THB 637.28 or increase 119.84%. The reason for the rise in the utility services income was the higher utility consumption especially in ACHL industrial estate which has the increment of utilities services income THB 332.68mn or 2.14 times growth when compared to the same period last year.

#### **Revenue from rental**

For 1H/2023, the Company has rental revenue THB 15.73mn, a decrease of THB 63.82mn or 80.23%. The reduction in rental revenue occurred at AMATA City Bien Hoa (“ACBH”) industrial estate. During 1H/2022, the Company had sold 18 Ready Built Factories (“RBF”) at ACBH which was recognized as gain on sale of investment properties THB 1,083.08mn. The number of RBF has decreased; thus, the rental revenue has also been reduced since 1H/2022.

#### **Gain on sales of investment properties**

In 1H/2023, there was no gain on sales of investment properties. However, in 1H/2022, the Company sold 18 RBFs as mentioned above.

#### **Gain from exchange**

Gain from exchange in 1H/2023 was THB 76.55mn, an increase of THB 13.84mn or 22.08% from the same period last year due to the Group has foreign currency transactions more than the same period last year.

### **Other Income**

Other income in 1H/2023 was THB 4.29mn, a decrease of THB 11.34mn or 72.58% from the same period last year due to no recognition of rental income from ACBH as other income during the sales process of RBF in ACBH since beginning of 2023.

### **Operating Performance Analysis of core businesses**

Unit: Million Baht	2Q/2022	2Q/2023	Change	% Change
<b>Revenue from real estate sales</b>	<b>200.19</b>	<b>54.72</b>	<b>(145.47)</b>	<b>(72.67)</b>
Cost of real estate sales	117.15	27.67	(89.48)	(76.38)
Gross profits	83.04	27.05	(55.99)	(67.43)
<b>Gross margin (%)</b>	<b>41.48</b>	<b>49.43</b>		
<b>Revenue from utility services</b>	<b>194.54</b>	<b>359.11</b>	<b>164.57</b>	<b>84.60</b>
Cost of utility services	162.95	331.12	168.17	103.20
Gross profits	31.59	27.99	(3.60)	(11.40)
<b>Gross margin (%)</b>	<b>16.24</b>	<b>7.80</b>		
<b>Revenue from rental</b>	<b>26.46</b>	<b>7.64</b>	<b>(18.82)</b>	<b>(71.15)</b>
Cost of rental	5.38	1.93	(3.45)	(64.09)
Gross profits	21.08	5.71	(15.37)	(72.91)
<b>Gross margin (%)</b>	<b>79.66</b>	<b>74.74</b>		

Unit: Million Baht	1H/2022	1H/2023	Change	% Change
<b>Revenue from real estate sales</b>	<b>200.19</b>	<b>54.72</b>	<b>(145.47)</b>	<b>(72.67)</b>
Cost of real estate sales	117.15	27.67	(89.48)	(76.38)
Gross profits	83.04	27.05	(55.99)	(67.43)
<b>Gross margin (%)</b>	<b>41.48</b>	<b>49.43</b>		
<b>Revenue from utility services</b>	<b>289.89</b>	<b>637.28</b>	<b>347.39</b>	<b>119.84</b>
Cost of utility services	236.91	583.57	346.66	146.33
Gross profits	52.98	53.71	0.73	1.38
<b>Gross margin (%)</b>	<b>18.28</b>	<b>8.43</b>		
<b>Revenue from rental</b>	<b>79.55</b>	<b>15.73</b>	<b>(63.82)</b>	<b>(80.23)</b>
Cost of rental	16.59	4.40	(12.19)	(73.50)
Gross profits	62.96	11.33	(51.63)	(82.00)
<b>Gross margin (%)</b>	<b>79.15</b>	<b>72.03</b>		

Revenue from real estate sales for 1H/2023 has gross profit THB 27.05mn or Gross Profit Margin (“GPM”) 49.43% dropped from 2022 which has gross profit THB 83.04mn or GPM 41.48% from the decline in real estate sales.

Despite the increase in revenue from utility services in 1H/2023 THB 347.39mn or 119.84%, the Company only GPM at 8.43% which was less than the GPM 18.28% from the same period in 2022. The electricity service in ACHL contributed less profit margin resulting in the reduction of utility services GPM in 1H/2023.

The revenue from rental in 1H/2023 has GPM at 72.03% which was reduced from 1H/2022 that has GPM 79.15% due to the number of RBF during 1H/2022 greater than that of 1H/2023 leading to economies of scale in RBF management. Nonetheless, the GPM in 2Q/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	2Q/2022	2Q/2023	Change	% Change
Selling expenses	3.44	4.91	1.47	42.79
Administrative expenses	36.87	42.89	6.02	16.33
<b>Total</b>	<b>40.31</b>	<b>47.80</b>	<b>7.49</b>	<b>18.58</b>

Unit: Million Baht	1H/2022	1H/2023	Change	% Change
Selling expenses	6.71	8.18	1.47	21.91
Administrative expenses	88.90	122.91	34.01	38.25
<b>Total</b>	<b>95.61</b>	<b>131.09</b>	<b>35.48</b>	<b>37.11</b>

In 1H/2023, the Company has selling and administrative expenses THB 131.09mn increased by THB 35.48mn or 37.11%. 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 1H/2023.

#### **Share of profit from investment in associates**

In 1H/2023, the Company recognized share of profit from investment in associates THB 6.49mn 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 1H/2023, the Company incurred net loss for the six months period ended 30 June 2023, THB 20.25mn, a reduction from the same period last year 1,066.25mn or 101.94% due to the reduction in total revenues as mentioned.

**Statement of Financial Position**

Unit: Million Baht	YE2022	1H/2023	Change	% Change
Total assets	12,433.92	13,571.71	1,137.79	9.15
Total Liabilities	6,402.86	7,484.25	1,081.39	16.89
Shareholders' equity	6,031.06	6,087.46	56.40	0.94

- Total assets increased by THB 1,137.79mn or 9.15% mainly due to the increase in the right-of-use assets and prepayment for land-use rights.
- Total liabilities increased by THB 1,081.39mn or 16.89% from the short-term loans from financial institutions net with repayment of long-term loans to financial institutions and from long-term loan from parent company.
- Shareholders' equity was slightly increased by THB 56.40mn or 0.94% from the change in other components of shareholders' equity.

For your information.

Yours sincerely,

AMATA VN PUBLIC COMPANY LIMITED

(Mrs. Somhatai Panichewa)

Chief Executive Officer