

October 27, 2023

Subject: Management Discussion and Analysis for the fiscal year 2022 ended December 31, 2022

 To: President
 The Stock Exchange of Thailand

Ornsirin Holding Public Company Limited ("the Company") has submitted its financial statements for the year 2022 ended December 31, 2022 Which have been audited and approved by authorized accountants, to the Stock Exchange of Thailand. For the year 2022 the Company reported a net profit of 281.81 million Baht, an increase of 205.87 million Baht compared to the previous year which the net profit is 75.94 million Baht. This change in operation performance can be explained as follows.

Summary of Performance:

Profit and loss Statements	Consolidated Financial Statements				Change	
	Year 2022		Year 2021		MM Baht	%
	MM Baht	%	MM Baht	%		
Revenue	1,534.34	100.00%	677.60	100.00%	856.74	126.44%
Cost	853.48	55.63%	420.10	62.00%	433.38	103.16%
Gross profit	680.86	44.37%	257.51	38.00%	423.36	164.41%
Other revenue	4.99	0.33%	5.31	0.78%	(0.32)	(6.00%)
Gross profit	685.85	44.70%	262.82	38.79%	423.04	160.96%
Distribution cost	187.61	12.23%	73.61	10.86%	114.01	154.89%
Administration expenses	130.17	8.48%	89.88	13.26%	40.28	44.82%
Total expenses	317.78	20.71%	163.49	24.13%	154.29	94.37%
Profit before interest and taxes	368.08	23.99%	99.33	14.66%	268.75	270.57%
Financial income	2.19	0.14%	3.53	0.52%	(1.35)	(38.11%)
Financial cost	11.04	0.72%	6.33	0.93%	4.71	74.36%
Profit before taxes	359.22	23.41%	96.53	14.25%	262.69	272.15%
Income taxes	77.41	5.05%	20.59	3.04%	56.83	276.05%
Net profit for the year	281.81	18.37%	75.94	11.21%	205.87	271.09%
profit attributable to the parent company	280.92	18.22%	75.25	10.96%	205.66	273.30%

*Note: Proportion to revenue , except net profit for the year and profit attributable to the parent company, will be calculated as proportion to total revenue, which comes from the sum of revenue, other revenue and financial interest, which in 2021 and 2022 is equal to 686.45 million baht and 1,541.52 million baht, respectively
 Other revenue such as revenue from the reservation money confiscation and interest received etc.*

Revenue structure

The Company group revenue structure	Year 2022		Year 2021	
	MM Baht	%	MM Baht	%
Revenue from horizontal projects	428.67	27.85%	352.35	51.60%
Revenue from vertical projects	1,103.57	71.69%	324.15	47.47%
Total revenue from sales	1,532.25	99.54%	676.50	99.06%
Revenue from rental and services ¹	2.10	0.14%	1.10	0.16%
Total revenue form operating	1,534.34	99.68%	677.60	99.22%
Others revenue ²	4.99	0.32%	5.31	0.78%
Total revenue	1,539.33	100.00%	682.91	100.00%

หมายเหตุ: /1 The rental of the commercial buildings (outside of land development) or rental space in vertical projects, such as commercial space within the Next 1-3 building, commercial buildings that were originally used as sales offices, and vacant land that the company holds for future development. The company group manages these for maximization of benefit by short-term leasing to other individuals.

/2 Other revenue such as the reservation money confiscation and interest received etc.

Revenue

Most of the company group revenue comes from the sale of real estate properties, In year 2022 around 99.54% including 27.85% from horizontal project revenue and 71.69% from vertical project revenue. For rental revenue contributing less than 1% of revenue each year. In 2021 and 2022 the company group has revenues from sales and rental of 677.60 million Baht and 1,534.34 million Baht, respectively. In 2565, the company group experienced an increase in revenue of 856.74 million Baht, which represents a 126.44% increase compared to the previous year. The significant increase in revenue is primarily due to the transfer of property rights of The Astra Sky River a large-scale high-rise condominium project, a large high-rise condominium project, which was positioned as the flagship project of the company group. The total revenue from these rights transfers amount to 950.93 million Baht, accounting for 61.97% of the sales revenue. Meanwhile, horizontal project sales revenue increases significantly from horizontal development projects include Belive Wongwaen-Sankampang and Belive Sansai-Maejo.

Cost and Gross Profit

The gross profit and gross profit margins for each project depend on several factors, such as pricing of products for target customers ranging from middle-class to upper-class, cost management including land and construction costs, and discounts or promotions offered to customers for each project over time. In 2021 and 2022, the Company group has gross profit of 257.51 million Baht and 680.86 million Baht. This represents gross profit margins of 38.00% and 44.37%, respectively.

In 2022, the company group incurred an increase in costs of 433.38 million Baht This increase in costs is primarily attributed to the recognition of the cost of sales of high-rise real estate, which has a

significant impact. Whereas, the company group achieved a gross profit of 680.86 million Baht, representing an gross profit margin of 44.37%. This represents a significant increase compared to the same period in the previous year. This increase can be attributed to the transfer of ownership of units in the Astra Sky River project, allowing the company to sell and achieve higher gross profits and gross profit margin compared to previous periods.

Expenses

Expenses	Year 2022		Year 2021	
	MM Baht	%	MM Baht	%
Distribution cost	187.61	12.23%	73.61	10.86%
Administrative Expenses	130.17	8.48%	89.88	13.26%
Total	317.78	20.71%	163.49	24.13%

Distribution cost

The distribution costs are mainly variable expenses relative to revenue each year, divided into four key items: advertising and public relations expenses, agency commission, specific business taxes and transfer fees, and sales staff salaries.

For the year 2022, the company group has the distribution cost of 187.61 million Baht, experienced an increase of 114.01 million Baht, representing a 154.89% increase compared to the previous year. This increase aligns with the significantly growth in revenue and is primarily attributed to the following factors: (1) An increase of 55.00 million Baht in agency commission, resulting from agents who referred foreign customers to purchase units in The Astra Sky River project (2) An increase of 36.65 million Baht in specific business taxes and transfer fees, which corresponds to the increased revenue. (3) An increase of 19.70 million Baht in advertising and promotional expenses due to promotional activities aimed at supporting project sales, such as offering free transfers, free electrical appliances, and gift vouchers to customers.

Administrative expense

Administrative expense is mainly fix expenses with growth each year. They can be divided into four key items: salaries and compensation for employees and management, common area expenses for units not yet transferred, professional service fees, and property taxes/building taxes, sign taxes, and others.

For the year 2022 the company group has the administrative expense of 130.17 million Baht resulting an increase of 40.28 million Baht, representing a 44.82% increase compared to the previous year. This increase can be attributed to the following factors: (1) An increase of 10.23 million Baht in salaries and compensation for employees and management. This increase is due to adjustments in base salaries

and annual bonuses, including higher performance-based bonuses. (2) An increase of 4.85 million Baht in common area expenses for units that have not yet has their ownership rights transferred in the Sky River project, which is in the process of being sold. However, these expenses are expected to decrease gradually in the future as ownership rights are transferred. (3) An increase of 1.39 million Baht in project public utility expenses for units that the company is responsible for, such as cleaning and electricity costs, as well as an increase of 2.75 million Baht in other fees due to fees that customers paid for their housing or unit payments using credit cards.

Financial cost

The financial costs of the company group are derived from loans obtained from financial institutions, which incur expenses such as interest payments and bank fees. In the year 2022, the company group has a financial cost of 11.04 million Baht increased of 4.71 million Baht, representing a 74.36% increase compared to the previous year. This increase is primarily due to outstanding debts related to The Astra Sky River project, which the construction was completed, as well as additional debt incurred for the purchase of land for future project.

Net profit and net profit margin

In the year 2022, the company group achieved a net profit of 281.81 million Baht, with a net profit margin of 18.28%. This represents a significant increase compared to the previous year when the net profit is 75.94 million Baht, and the net profit margin is 11.06%. The main reason for this increase is the transfer of ownership rights in The Astra Sky River project, which has a high-margin and considered one of the flagship projects of the company group. Additionally, the proportion of administrative expense to total revenue decreased because most of the administrative expense are fixed costs, so with increasing revenue, there are savings in proportion to the size of revenue. These factors contributed to the notable increase in the net profit margin.