

Subject: Management Discussion and Analysis for the first six months ended June 30, 2023

To: President  
The Stock Exchange of Thailand

Ornsirin Holding Public Company Limited ("the Company") has submitted its financial statements for the second quarter of 2023 and first six months ending on June 30, 2023 which have been reviewed and approved by authorized accountants, to the Stock Exchange of Thailand. For the first half of year 2023 the Company reported a net profit of 124.50 million Baht, an increase of 112.02 million Baht compared to the same period of the previous year which the net profit is 12.48 million Baht. This change in operation performance can be explained as follows.

### Summary of Performance:

Profit and loss Statements	Consolidated Financial Statements				Change	
	first six months of 2023		first six months of 2022		MM Baht	%
	MM Baht	%	MM Baht	%		
Revenue	697.78	100.00%	284.37	100.00%	413.41	145.38%
Cost	381.67	54.70%	175.73	61.80%	205.94	117.19%
<b>Gross profit</b>	<b>316.10</b>	<b>45.30%</b>	<b>108.64</b>	<b>38.20%</b>	<b>207.46</b>	<b>190.96%</b>
Other revenue	9.26	1.33%	1.10	0.39%	8.16	743.76%
<b>Gross profit</b>	<b>325.37</b>	<b>46.63%</b>	<b>109.74</b>	<b>38.59%</b>	<b>215.63</b>	<b>196.49%</b>
Distribution cost	81.61	11.70%	25.48	8.96%	56.13	220.32%
Administration expenses	77.16	11.06%	62.84	22.10%	14.32	22.78%
Total expenses	158.77	22.75%	88.32	31.06%	70.45	79.76%
<b>Profit before interest and taxes</b>	<b>166.60</b>	<b>23.88%</b>	<b>21.42</b>	<b>7.53%</b>	<b>145.18</b>	<b>677.77%</b>
Financial income	0.90	0.13%	1.90	0.67%	(1.00)	(52.75%)
Financial cost	8.17	1.17%	3.30	1.16%	4.87	147.70%
<b>Profit before taxes</b>	<b>159.32</b>	<b>22.83%</b>	<b>20.02</b>	<b>7.04%</b>	<b>139.31</b>	<b>695.92%</b>
Income taxes	34.82	4.99%	7.54	2.65%	27.29	362.12%
<b>Net profit for the year</b>	<b>124.50</b>	<b>17.84%</b>	<b>12.48</b>	<b>4.39%</b>	<b>112.02</b>	<b>897.44%</b>
<b>profit attributable to the parent company</b>	<b>124.40</b>	<b>17.57%</b>	<b>12.14</b>	<b>4.22%</b>	<b>112.27</b>	<b>924.84%</b>

*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 first six month of 2022 and 2023 is equal to 287.37 million baht and 707.94 million baht, respectively  
Other revenue such as income from reservation money confiscation, interest received, and the write-off of creditor insurance (occurred in the first 6 months of the year 2023).*

## Revenue structure

The Company group revenue structure	first six months of 2023		first six months of 2022	
	MM Baht	%	MM Baht	%
Revenue from horizontal projects	168.78	23.87%	200.32	70.17%
Revenue from vertical projects	527.46	74.60%	83.50	29.25%
<b>Total revenue from sales</b>	<b>696.23</b>	<b>98.47%</b>	<b>283.81</b>	<b>99.42%</b>
Revenue from rental and services <sup>/1</sup>	1.55	0.22%	0.56	0.20%
<b>Total revenue form operating</b>	<b>697.78</b>	<b>98.69%</b>	<b>284.37</b>	<b>99.62%</b>
Others revenue <sup>/2</sup>	9.26	1.31%	1.10	0.38%
<b>Total revenue</b>	<b>707.04</b>	<b>100.00%</b>	<b>285.47</b>	<b>100.00%</b>

*Note: /1 The rental of 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 are originally used as sales offices, and vacant land that the company holds property rights 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, interest received, and the write-off creditor insurance (occurred in the first 6 months of 2023).*

### Revenue

Most of the company group revenue comes from the sale of real estate properties, for the first six month of 2023 around 98.47% of the total revenue including 23.87% from horizontal project revenue and 74.60% from vertical project revenue. For rental revenue contributing less than 1% of the total revenue. For the first six months of 2022 and 2023 the company group has revenue from sales and rental amounting to 284.37 million Baht and 697.78 million Baht, respectively. For the first six months of 2023 the company group revenue increased by 413.41 million Baht, representing a 145.38% increase compared to the same period of 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, which is positioned as a flagship project of the company group. On June 30, 2023 the sales progress has progress to 63.99% of the total project value (There are 177 units left for sale, amounting to 855 million Baht.)

### 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. For the first six months of 2022 and 2023, the company group has gross profit of 108.64 million Baht and 316.10 million Baht. This represents gross profit margins of 38.20% and 45.30%, respectively.

In the first 6 months of 2023, the company group incurred an increase in costs of 205.94 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 an gross profit of 316.10 million baht, representing an gross profit margin of 45.30%. 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	first six months of 2023		first six months of 2022	
	MM Baht	%	MM Baht	%
Distribution cost	81.61	11.70%	25.48	8.96%
Administration expenses	77.16	11.06%	62.84	22.10%
<b>Total</b>	<b>158.77</b>	<b>22.75%</b>	<b>88.32</b>	<b>31.06%</b>

### 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.

In the first 6 months of 2023, the company group has the distribution cost of 81.61 million baht, experienced increase of 56.13 million baht or a 220.32% increase compared to the same period in the previous year in line with the substantial growth in revenue. This increase in distribution costs can be attributed to the following factors: (1) An increase of 30.29 million baht in agency commission, resulting from agents who recommended foreign customers to purchase units in the Astra Sky River project. (2) An increase of 17.90 million baht in business tax and transfer fees, in line with the growth in revenue. (3) An increase of 8.21 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.

### Administration expenses

Administration expenses 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.

In the first 6 months of 2023, the company group has the administrative expense of 77.16 million Baht resulting a 14.23 million baht increase or 22.78% increase compared to the same period in the previous year. This increase can be attributed to the following factors: (1) An increase of 3.70 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 as

ownership rights for these units are gradually transferred. (2) An increase of 2.77 million Baht in professional services related to the submission of the first public offering of shares and the application for registration on the stock market which is onetime expense.

#### **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 first 6 months of 2023, the company group has a financial cost of 8.17 million baht increase of 4.87 million baht or a 147.70% increase compared to the same period in the previous year. This increase is primarily due to the growing debt burden from loans used for the acquisition of land for future projects and dividend payment.

#### **Net profit and net profit margin**

For the first 6 months of 2023, the company group achieved a net profit of 124.50 million Baht, with a net profit margin of 17.59%. This represents a significant increase compared to the same period in the previous year when the net profit is 12.48 million Baht, with a net profit margin of 4.34%. The main reason for this increase is the transfer of ownership rights in the Astra Sky River project, a high-margin condominium project considered one of the group's highlights. Additionally, the proportion of Administration expenses to total revenue decreased because most of the Administration expenses 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.