

Ref. world 11-11/2023

November 17, 2023

Subject: Management Discussion and Analysis for Quarter 3/2023 ended September 30, 2023

(Revised)

To: The President

The Stock Exchange of Thailand

The company would like to clarify the operating results for the 3rd quarter ending September 30, 2023, which have been reviewed by the auditor and the audit committee, with the company's total revenue and net profit increasing more than 20 percent. The company would like to clarify the reasons as follows.

1. Total income was 87.82 million baht, an increase from 37.99 million baht in the same period last year, or 76.23 percent, However, when deducting payments received from debtors who defaulted on contracts, which are considered not items arising from normal operations, the amount of 42.07 million baht. Therefore, the income Total from normal operations amounted to 45.75 million baht, decreased from the same period last year in the amount of 4.08 million baht, accounting for 8.19 percent, with the majority of income arising from:
  - 1.1. Construction income was 34.71 million baht, an increase of 6.24 million baht from the same period last year, or 21.91 percent, because there is new project occurring this quarter, it is an office building construction project. Project value is 105 million baht.
  - 1.2. Income from the real estate development business amounted to 6.11 million baht, a decrease of 12.38 million baht from the same period last year, or 66.96 percent, because target customers were more interested in leasing than direct transfer sales, in addition, there are new projects. of other operators (not belonging to the group of companies) that uses a discount sales strategy, causing market share to decrease. In addition, due to the increase in interest rates and the uncertainty of the previous political situation and the world war, it has caused a slowdown in the purchase of real estate in Songkhla Province.
2. Total expenses amounted to 50.27 million baht, an increase of 7.89 million baht from the same period last year, or 18.61 percent. Most expenses were caused by:
  - 2.1. Construction contracting costs amounted to 25.46 million baht, an increase of 4.51 million baht from the same period last year, or 21.50 percent. Because there are new projects as described in Section 1.1, the cost rate for each project is 70-75 percent.

- 2.2. Cost of sales - real estate development business amounted to 3.64 million baht, a decrease from the same period of the previous year of 8.49 million baht, or 69.99 percent. Due to the decrease in income the cost rate of the condominium unit is 55-60 percent.
- 2.3. Selling and administrative expenses amounted to 6.39 million baht, most of which were regular expenses such as employee salaries. Audit fees and various agency fees related expenses, etc. The said expenses increased from the same period of the previous year by 0.28 million baht.
- 2.4. Corporate income tax amounted to 9.70 million baht, an increase of 7.38 million baht from the same period last year, accounting for 318.22 percent, calculated at the rate of 20 percent of net taxable profits of the construction contracting business. and real estate development business and from profits from debt repayment from defaulting debtors.

As a result, the financial statements show net profits from continuing operations attributable to the parent company for the 3-month period ending September 30, 2023 in the amount of 37.55 million baht, an increase of 30.10 million baht from the same period last year. is 403.49 percent.

In terms of net profit from normal operations for a period of 3 months, details can be shown as follows.

Unit: Million Baht)	30 Sep 2023	30 Sep 2022	Increase (Decrease)	%
Net profit from continuing operations attributable to the parent company	37.55	7.46	30.10	403.49
<u>Deduct</u> items not related to normal operations.				
- Other income, net from receiving payments from debtors who default on contracts **	39.66	-	39.66	100.00
- Other items *	-	0.71	(0.71)	(100.00)
<b>Net profit from normal operations</b>	<b>(2.10)</b>	<b>6.74</b>	<b>(8.85)</b>	<b>(131.18)</b>

\* Other items such as interest income from related businesses, etc.

\*\* Other income, net from receiving payments from debtors who default on contracts It is the net amount after deducting corporate income tax calculated from profits from receiving payments from debtors who default on contracts.

STATEMENT OF FINANCIAL POSITION as of September 30, 2023 is as follows.

Statement of financial position (Unit: Million Baht)	30 Sep 2023	30 Sep 2022	Increase (Decrease)	%
Assets	2,916.27	2,521.97	394.30	15.63
Liabilities and shareholders' equity	2,916.27	2,521.97	394.30	15.63
Liabilities	904.04	355.90	548.13	154.01
Shareholder's equity				
- Equity of the Company's shareholders	2,012.23	1,967.24	44.99	2.29
- Non-controlling interests	-	198.83	(198.83)	(100.00)

The company has total assets of 2,916.27 million baht, most of which are

- Inventories in the amount of 1,624.64 million baht (consisting of condominium business in the amount of 1,150.56 million baht and industrial estate business in the amount of 474.08 million baht), which increased from the year-end period in the amount of 476.84 million baht, accounting for 41.54 percent, mainly due to investment in the expanded industrial estate. and additional investment in real estate business projects in the form of condominiums in Phuket province.
- Land, buildings and equipment in the amount of 881.91 million baht (most of which are buildings of the hospital business and utility systems in industrial estates), which decreased from the year-end period in the amount of 100.42 million baht, or 10.22 percent, mainly due to the classification of rental properties to be displayed in the investment property list.

The company has total liabilities of 904.04 million baht, most of which are

- Advance deposit according to the purchase and sale contract in the amount of 287.22 million baht as shown in trade and other payables.
- Long-term loans from financial institutions and related persons, totalling 420.60 million baht, increased in the entire third quarter, mostly from borrowing money to invest in real estate business projects in the form of condominiums in Phuket province.

The Company had shareholders' equity of the parent company in the amount of 2,012.23 million baht, an increase from the year-end period of 44.99 million baht, or 2.29 percent, due to profits in the 9-month period.

Please be informed accordingly.

Yours sincerely,

A handwritten signature in blue ink, consisting of stylized initials 'SA'.

(Miss. Sasitorn Ketphueak)

Authorized person for disclosure of information