

Ref. AC 23/08

November 9, 2023

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

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

3Q/2023’s Performance versus 3Q/2022’s performance

- Total revenues were THB 1,685.46mn, increased THB 1,022.81mn or 154.35%
- Share of profit from investment in associates was THB 3.48mn, increased THB 4.65mn
- The Company has net profit for 3Q/2023, THB 152.90mn, decreased THB 80.89mn or 34.60%

Summary of Operating Performance for the nine-month period ended 30 September 2023

9M/2023’s Performance versus 9M/2022’s performance

- Total revenues were THB 2,397.48mn, increased THB 1.65mn or 0.07%
- Share of profit from investment in associates was THB 9.97mn, increased THB 11.14mn
- The Company has net profit for 9M/2023, THB 132.61mn, decreased THB 1,147.18mn or 89.64%

Revenue from core businesses

Unit: Million Baht	3Q/2023	3Q/2022	Change	% Change
Revenue from real estate sales	1,177.87	-	1,177.87	-
Revenue from utility services	496.07	362.71	133.36	36.77
Revenue from rental	8.65	12.37	(3.72)	(30.05)
Gain on sales of investment properties	-	250.58	(250.58)	(100.00)
Gain from exchange	-	28.53	(28.53)	(100.00)
Other income	2.87	8.46	(5.59)	(66.05)
Total revenue	1,685.46	662.65	1,022.81	154.35

Unit: Million Baht	9M/2023	9M/2022	Change	% Change
Revenue from real estate sales	1,232.59	203.84	1,028.75	504.69
Revenue from utility services	1,133.35	652.59	480.76	73.67
Revenue from rental	24.38	91.93	(67.55)	(73.48)
Gain on sales of investment properties	-	1,333.66	(1,333.66)	(100.00)
Gain from exchange	-	91.24	(91.24)	(100.00)
Other income	7.16	22.58	(15.42)	(68.30)
Total revenue	2,397.48	2,395.83	1.65	0.07

Revenue from real estate sales

The Company has revenue from real estate sales THB 1,232.59mn, increased THB 1,028.75mn or 504.69% comparing to the same period last year. The revenue is generated from from the sales of real estate in AMATA City Long Thanh (“**ACL**”) 14.4 ha and in AMATA City Halong (“**ACHL**”) 14.0 ha industrial estate, totaling 28.4 ha, increased from 9M/2022 which had revenue from real estate sales THB 203.84mn, equal to area 7.1 ha.

Revenue from utility services

The Company has revenue from utility services THB 1,133.35mn increased THB 480.76 or 73.67%. The reason for the rise in the utility services income was the higher utility consumption especially in ACHL industrial estate.

Revenue from rental

For 9M/2023, the Company has rental revenue THB 24.38mn, a decrease of THB 67.55mn or 73.48%. The reduction in rental revenue occurred at AMATA City Bien Hoa (“**ACBH**”) industrial estate. During 9M/2022, the Company had sold 24 Ready Built Factories (“**RBF**”) at ACBH which was recognized as gain on sale of investment properties THB 1,333.66mn. The number of RBF has decreased; thus, the rental revenue has also been reduced since 1Q/2022.

Gain on sales of investment properties

In 9M/2023, there was no gain on sales of investment properties. However, in 9M/2022, the Company sold 24 RBFs as mentioned above.

Other income

Other income in 9M/2023 was THB 7.16mn, a decrease of THB 15.42mn or 68.30% 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	3Q/2023	3Q/2022	Change	% Change
Revenue from real estate sales	1,177.87	-	1,177.87	-
Cost of real estate sales	769.77	-	769.77	-
Gross profits	408.10	-	408.10	-
Gross margin (%)	34.65	-		
Revenue from utility services	496.07	362.71	133.36	36.77
Cost of utility services	448.43	318.59	129.84	40.76
Gross profits	47.64	44.12	3.52	7.97
Gross margin (%)	9.60	12.16		
Revenue from rental	8.65	12.37	(3.72)	(30.05)
Cost of rental	1.95	2.22	(0.27)	(12.16)
Gross profits	6.70	10.15	(3.45)	(33.97)
Gross margin (%)	77.46	82.05		

Unit: Million Baht	9M/2023	9M/2022	Change	% Change
Revenue from real estate sales	1,232.59	203.84	1,028.75	504.69
Cost of real estate sales	797.45	119.29	678.16	568.50
Gross profits	435.15	84.55	350.59	414.65
Gross margin (%)	35.30	41.48		
Revenue from utility services	1,133.35	652.59	480.76	73.67
Cost of utility services	1,032.00	555.50	476.51	85.78
Gross profits	101.35	97.10	4.25	4.37
Gross margin (%)	8.94	14.88		
Revenue from rental	24.38	91.93	(67.55)	(73.48)
Cost of rental	6.35	18.81	(12.46)	(66.26)
Gross profits	18.04	73.12	(55.08)	(75.33)
Gross margin (%)	73.97	79.54		

Revenue from real estate sales for 9M/2023 has gross profit THB 435.15mn or Gross Profit Margin (“GPM”) 35.30% increased from 2022 which has gross profit THB 84.55mn. However, GPM decreased from 41.48% because in ACHL has lower GPM from real estate sales comparing to the ACLT.

Despite the increase in revenue from utility services in 9M/2023, THB 480.76mn or 73.67%, the Company has only GPM at 8.94% which was less than the GPM 14.88% from the same period in 2022. The electricity service in ACHL contributed less profit margin resulting in the reduction of utility services GPM in 9M/2023.

The revenue from rental in 9M/2023 has GPM at 73.97% which was reduced from 9M/2022 that has GPM 79.54% due to the number of RBF during 9M/2022 greater than that of 9M/2023 leading to economies of scale in RBF management. Nonetheless, the GPM in 3Q/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	3Q/2023	3Q/2022	Change	% Change
Selling expenses	7.79	12.46	(4.67)	(37.47)
Administrative expenses	46.82	41.16	5.66	13.76
Total	54.61	53.62	0.99	1.86

Unit: Million Baht	9M/2023	9M/2022	Change	% Change
Selling expenses	15.97	19.17	(3.20)	(16.69)
Administrative expenses	169.73	130.06	39.67	30.50
Total	185.70	149.23	36.47	24.44

In 9M/2023, the Company has selling and administrative expenses THB 185.70mn increased by THB 36.47mn or 24.44%. 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 9M/2023.

Share of profit from investment in associates

In 9M/2023, the Company recognized share of profit from investment in associates THB 9.97mn 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

In 9M/2023, the Company incurred net profit for the nine months period ended 30 September 2023, THB 132.61mn, a reduction from the same period last year THB 1,147.18mn or 89.64% due to the absence of Gain on sales of investment properties comparing to 9M/2022.

Statement of Financial Position

Unit: Million Baht	9M/2023	YE2022	Change	% Change
Total assets	13,805.64	12,433.92	1,371.72	11.03
Total Liabilities	7,606.09	6,402.86	1,203.23	18.79
Shareholders' equity	6,199.55	6,031.06	168.49	2.79

- Total assets increased by THB 1,371.72mn or 11.03% mainly due to the increase in Cash and cash equivalents from cash received from real estate sales and increase in real estate development costs because the Company has developed more land available for sales.
- Total liabilities increased by THB 1,203.23mn or 18.79% from the short-term loans from financial institutions, long-term loan from parent company and long-term deposits and advance received from customers.
- Shareholders' equity increased by THB 168.49mn or 2.79% from the change in other components of shareholders' equity and net profit for the period.

For your information.

Yours sincerely,

AMATA VN PUBLIC COMPANY LIMITED



(Mrs. Somhatai Panichewa)

Chief Executive Officer

