

14 November 2023

Subject : Management Discussion and Analysis for Q3/2023
To : Director and Manager
the Stock Exchange of Thailand

Ornsirin Holding Public Company Limited (the Company) would like to clarify the operating result for the quarter ended 30 September 2023 of the Company and its subsidiaries as follows.

The Total revenue for the 3-month period ended 30 September 2023 was 204.51 million baht, a 61.26 percent decrease from 527.88 million baht in Q3/2022. Gross profit was 117.96 million baht, a 50.67 percent decrease from 239.14 million baht in Q3/2022. Net profit was 43.06 million baht, a 60.68 percent decrease from 109.50 million baht in Q3/2022. Due to the Company earned revenue from the transfer of property rights of Astra Sky River, a large-scale high rise condominium project. As a result, total revenue and net profit had a strong growth in Q3/2022.

For 9M/2023, total revenue was 902.29 million baht, representing a 11.09 percent increase from 812.25 million baht in 9M/2022. The Company's gross profit amounted to 434.06 million baht, a 24.81 percent increase from 347.78 million baht in 9M/2022. Net profit was 167.55 million baht, a 37.36 percent increase from 121.98 million baht in 9M/2022.

Revenue

The revenue breakdown of the Company during Q3/2023 and Q3/2022, and for the period of 9M/2023 and 9M/2022 is as follows.

Revenue breakdown	Q3/2023		Q3/2022		9M/2023		9M/2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from House Project	82.98	40.11%	116.78	22.04%	251.76	27.52%	317.09	38.81%
Revenue from Condominiums	53.53	25.87%	410.80	77.55%	580.98	63.51%	494.30	60.49%
Revenue from land sale	67.00	32.38%	-	-	67.00	7.32%	-	-
Total revenue from sale	203.51	98.36%	527.58	99.59%	899.74	98.35%	811.39	99.30%
Revenue from rental and service/1	1.00	0.48%	0.30	0.06%	2.55	0.28%	0.86	0.11%
Revenue from operating	204.51	98.84%	527.88	99.65%	902.29	98.63%	812.25	99.40%
Other incomes/2	2.39	1.16%	1.87	0.35%	12.55	1.37%	4.87	0.60%
Total Revenue	206.91	100.00%	529.75	100.00%	914.84	100.00%	817.12	100.00%

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 interest received and the reservation money confiscation.

Most of the Company group revenue comes from the sale of real estate properties. For the Q3/2023, for the 3-month period, The Company reported the revenue from sales amounted to 203.51 million baht (98.36% of total revenue). Consisting of revenue from horizontal project amounted to 82.98 million baht (40.11% of total revenue) and vertical project amounted to 53.53 million baht (25.87% of total revenue). Most of revenue from horizontal project was Belive Wongwaen-Sankampang, Belive Ruamchok and Habitat Wongwaen-Sankampang amounted to 49.43, 14.79 and 11.13 million baht respectively. For the revenue from vertical project, mostly from Astra Sky River amounted to 37.57 million baht and Land sale 67 million baht (32.38% of total revenue). For rental revenue contributing less than 1% of the total revenue.

For 9M2023 and 9M2022, revenue from operating was 902.29 and 812.25 million baht respectively, an increase from 90.04 million baht or 11.09 percent in the same period last year. The increase in revenue was from higher transfer of Astra Sky River (High-rise condominium) and maintaining the level of revenue recognition from other horizontal projects.

Cost of Goods Sold and Gross Profit

For the Q3/2023, 3-month period ending 30 September 2023, cost of goods sold amounted to 86.55 million baht, a decrease of 70.02 percent from the amount of 288.74 million baht in the same period of the previous year. It is in line with the direction of decreasing revenue from sales. Gross profit amounted to 117.96 million baht, a decrease of 50.67 percent from 239.14 million baht in the same period of the previous year.

For the first 9 months of 2023 and 2022, cost of goods sold amounted to 468.23 and 464.47 million baht, respectively. An increase of 0.81 percent compared to the same period of the previous year. which is in line with the direction of increasing revenue from sales. The Company and its subsidiaries reported gross profit of 434.06 and 347.78 million baht, representing a gross profit margin of 48.11 percent and 42.82 percent respectively.

Expenses

Distribution expenses

The Company and its subsidiaries recorded distribution costs in Q3/2023, for the 3-month period, at 22.34 million baht. A decrease of 65.91 percent from the amount of 65.55 million baht in the same period of the previous year. Because the cost of property transfer rights and compensation for sales agents decreases in proportion to the decrease revenue from sale.

For the 9-month period in quarter 3/2566, distribution expense amounted to 103.95 million baht, an increase of 14.20 percent from 91.03 million baht in the same period last year. In proportion to the increase in revenue from sales during the first 9 months of 2023

Administrative expenses

In Quarter 3/2023, for the 3-month period, administrative expenses of the Company amounted to 42.81 million baht, increasing by 26.62 percent from the amount of 33.81 million baht in the same period of the previous year. An increase of 9.00 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 one-time expense.

For the 9-month period of 2023, The Company had administrative expenses of 119.97 million baht, an increase of 23.32 million baht or 24.13 percent compared to the same period of the previous year. An increase of 11.32 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 one-time expense,

Financial cost

The Company reported financial cost in the 3rd quarter of 2023 amounted to 0.06 million baht, decrease 98.76 percent from 5.12 million baht in the same period last year. Because of existing land, it has been used to develop more projects to support business growth. Consequently, interest of land used for development can be recorded as a direct cost (in term of cost of goods sold) instead of recording as a financial expense.

In the first 9 months of 2023, the Group had financial costs of 8.24 million baht, a decrease of 2.14 percent from 8.42 million baht in the same period last year.

Net Profit attributed to the Parent

For the 3rd Quarter of year 2023 and 2022, the Company reported net profits attributed to the Parent of 42.83 million baht and 109.30 million baht, representing net profit margins of 20.70 percent and 20.63 percent respectively.

For the 9-month periods of year 2023 and 2022, Net profits attributed to the Parent of the Company amounted to 167.23 million baht and 121.44 million baht, representing a net profit margin of 18.28 and 14.86 respectively. The main reason for this significant increase is the transfer of ownership rights in Astra Sky River project, a high margin condominium project considered one of the Company's highlights.

Net Profit

For the 3-month period in quarter 3/2023 and quarter 3/2022, The Company recorded net profit of 43.06 million baht and 109.50 million baht or equivalent to net profit margin of 20.81 percent and 20.67 percent respectively.

For the 9-month period in quarter 3/3023 and quarter 3/2022, The Company recorded net profit of 167.55 million baht and 121.98 million baht or equivalent to net profit margin of 18.32 percent and 14.93 percent respectively.

Financial Position

Total Assets

As of 30 September 2023, total asset of the Company and its subsidiaries amounted to 3,525.74 million baht, an increase of 186.85 million baht or 5.60 percent from 31 December 2022. Because of an increase in inventories. Mostly from the increase in work in progress, the amount of 282.78 million baht.

Total Liabilities

As of 30 September 2023, total liabilities of the Company and its subsidiaries amounted to 1,741.53 million baht, an increase of 572.05 million baht or 48.92 percent from 31 December 2022. Due to an increase in bridging Loan from institutions for purchasing land to develop two low rise projects amounted to 305 million baht. Those projects are currently in the design process. Once complete, it will be converted into a long-term loan for developing the project in the future. And some of it is used to pay dividends.

Total Shareholders' Equity

Shareholders' Equity as of 30 September 2023 amounted to 1,784.21 million baht. A decrease of 385.20 million baht or 17.76 percent compared to 31 December 2022 due to the payment of dividend and appropriated-statutory reserve amounted to 552.51 and 20.10 million baht respectively.