

August 9, 2021

Subject : Management Discussion and Analysis for the three months ended Jun 30, 2021

Attn : President

The Stock Exchange of Thailand

Management's Discussion and Analysis

As for the quarter 2 of 2021, The company has total revenue 544.51 million baht which has increased from the same time of the previous year at 64.42% resulting in the company having net profit of 19.66 million baht which increases from the same time of the previous year at 273.22% due to revenue of ownership transfer of condominium expanded at 272.43% and the revenue from the housing project decreased at 15.02% comparing with the same time of the previous year.

The company has Backlog at 30 June 2021 in the total amount of 1,548 million baht and expected to transfer ownership on 2021 at 349 million baht and the rest of 1,199 million baht will be transferred in the third quarter in 2022.

Operation result and financial position for the three-month and six-months period ending on 30 June 2021

Unit : million baht

Statement of comprehensive income	For three-months period				For six-months period			
	Q2'21	Q2'20	Change	%	2021	2020	Change	%
Revenue								
Revenue from sale of real estate	530.43	315.92	214.51	67.90	1,147.68	635.23	512.46	80.67
Other income	14.08	15.25	(1.17)	(7.67)	23.08	29.15	(6.07)	(20.84)
Total Revenue	544.51	331.17	213.34	64.42	1,170.76	664.38	506.38	76.22
Expenses								
-	-	-	-	-	-	-	-	-
Cost of real estate sold	394.70	249.05	145.65	58.48	854.13	498.34	355.79	71.40
Selling expenses	58.43	41.08	17.35	42.23	109.25	88.16	21.09	23.92
Administrative expenses	40.47	47.06	(6.59)	(14.00)	97.66	100.68	(3.02)	(3.00)
Total Expenses	493.60	337.19	156.41	46.39	1,061.03	687.18	373.86	54.40
Profit before share of profit (loss) from investments in JV	50.91	(6.02)	56.93	945.68	109.73	(22.80)	(132.53)	(581.28)
Share of profit (loss) from investment in joint venture	(2.18)	(1.26)	(0.92)	(73.02)	(4.10)	(0.69)	(3.40)	(492.62)
Share of loss from investments in associates	(1.07)	(2.52)	1.45	57.54	(2.06)	(5.75)	3.69	64.12
Profit before finance costs and income tax	47.66	(9.80)	57.46	586.33	103.57	(29.24)	(132.81)	(454.18)
Finance costs	22.28	5.12	17.16	335.16	(39.83)	(13.43)	(26.40)	(196.55)
Profit (loss) before income tax	25.38	(14.92)	40.30	270.11	63.74	(42.67)	106.41	249.37
Income tax expenses	(5.72)	3.57	(9.29)	(260.22)	(13.97)	5.48	(19.45)	(354.81)
Profit (loss) for the period	19.66	(11.35)	31.01	273.22	49.77	(37.19)	86.959	233.82
Gross Profit Margin from sales of real estate (%)	25.59%	21.17%			25.58%	21.55%		
Net profit %	3.61%	(3.43%)			4.25%	(5.60%)		

Revenue from Operating Performance

1. Revenue from sale of real estate

2. As for the quarter 2/2021, there is revenue from sale of real estate of 530.43 million baht which was 97.42% of the total income which increased from the same installment of the previous year for 214.51 million baht or increased at 67.90 which is divided into

- Revenue from condominium project in the amount of 399.42 million baht which is 63.99% of the revenue from sale of real estate which has increased from the same time of the previous year in the amount of 248.29 million baht or increased at 272.43% as the quarter 1/2021 the company had 2 finished condominium projects and started to transfer ownership including Chewathai Hallmark Ladprao-Chokchai 4 which is the main income of 144.50 million bath and Chewathai Residence Thonglor. Moreover, the rest 4 projects are getting income to Chewa, Chewathai Kaset-Navamin has income of 106.36 million on quarter 2/2021.
- Revenue from housing project of 191.01 million baht which is 36.01% of revenue from sale of real estate which is decreased from the same time of previous year for 33.76 million baht or reduced at 15.02%. from the 7 projects, the company had no new housing project for the quarter 2/2021.

Note: Due to the quarter 3/2020, the company sold real estate for investment (10 finished factories) so the year 2021 there is no income from factory lease and service.

3. Other income

The company had other income of 14.08 million baht which was 2.59% of the total income. In quarter 2/2021, Which was decreased from the same installment of previous year of 1.17 million baht or 7.67%.

Cost of Goods Sold and Gross Profit

As for the quarter 2/2021, the company had the cost of real estate sold at 394.70 million baht which is 74.41% of the revenue from sale of real estate which is increased from the same time of last year at 145.65 million baht or increased at 54.48% which is consistent with the increased income acknowledgement amount and gross profit margin from sales of real estate at 25.59% which was increased from the same installment of previous year at 4.42%, It show that the company had management of the cost and selling price better. The company had gross profit of 135.73 million baht.

Selling and Administrative Expenses

For the quarter of 2/2021, the company had Selling and Administrative Expenses in the total of 98.90 million baht which was 18.16% of the total revenue which is increased from the same time of previous year of 10.76 million baht or increased at 12.21%. The increased expense is consistent with the income acknowledgement amount. If comparing with the Selling, General & Administrative to total revenue (SG&A)

from the same installment of the previous year, it was reduced at 27.90% to 18.16%.

Share of Profits (Loss) from Investments in Joint Ventures and associates

The profit sharing from the investment in the joint venture is the recognition of the profit share from investment in Chewathai Hup Soon Co., Ltd ("CTHS"), the company holds share at 50% and Chewa Heart Co., Ltd ("CWH") the company had share ratio of 70% making the company to share of loss from the investments in the joint ventures in of 4.10 million baht.

The Profit sharing from the investment in the associates is acknowledgement of profit share from investing in Kamala Senior Living Co., Ltd. The company made joint venture contract holding the share at 25%. The company has acknowledged the lost from investment in the associates at 2.06 million baht.

Chewa Heart Co., Ltd which are developers of 2 projects including Heart Sukhumvit 62/1 Project which is worth 160 million baht and Heart Sukhumvit 36 which is worth 270 million and as for Kamala Senior Living Co., Ltd which is developer of Otium Phuket project which is worth 4,408 million baht and between development.

Net Profit (loss)

Operating Performance of the quarter 2/2021, the company and subsidiaries had net profit of 19.66 million baht which increased from the same installment of the previous year of 31.01 million baht or increased at 273.22% and had net profit margin of 3.61%.

Analysis of financial position for 31 March 2021 comparing with 31 December 2020

Unit : million baht

Financial Position	31/12/20	30/06/21	Change	%
Total asset	6,683.01	6,516.05	(166.96)	(2.56)
Total Liability	4,822.12	4,632.04	(190.08)	(4.10)
Shareholders'equity	1,860.89	1,884.00	23.11	1.23

Total asset

At 30 June 2021, the company had total asset of 6,516.05 million baht which was reduced from the previous year of 166.96 million baht or reduced at 2.56%. In the quarter 2/2564, the company had more revenue from sale of real estate making the net inventory to be reduced

Total debt

At 30 June 2021, the company had total debt of 4,632.04 million baht which was reduced from the previous year of 190.08 million baht or reduced at 4.10%. Most of it was reduced from returning loan to financial institutions as there is increased ownership transfer amount and there is also returning of debenture.

Shareholders' Equity

Part of shareholders on 30 June 2021 in the amount of 1,884.00 million baht which is increased from the previous year at 23.11 million baht or increased at 1.23% as the company had net profit from work operation of the quarter 1/2021 and quarter 2/2021 net of dividend paid in the amount of 26.65 million.

Please be informed accordingly.

Yours sincerely,

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(Mr. Boon Choon Kiat)

Managing Director