

Date: May 14, 2021

Subject: Clarification of the operating results of the Company and its subsidiaries for the year ended March 31, 2021

Attention: Director and Manager of the Stock Exchange of Thailand

All Inspire Development Public Company Limited and its subsidiaries (“Group”) has the operating results for the year ended March 31, 2021, details are as follows.

	Consolidated financial statements				Difference	
	2564	%	2563	%	Million	%
Revenues						
Revenues from sales of real estate	235.85	92.10	615.56	90.69	(379.72)	(61.69)
Revenues from services	2.13	0.83	7.97	1.17	(5.84)	(73.27)
Other income	18.11	7.07	55.24	8.14	(37.14)	(67.22)
Total revenues	256.08	100.00	678.78	100.00	(422.69)	(62.27)
Expenses						
	-		-	-	-	-
Costs of sales	184.37	72.00	351.53	51.79	(167.16)	(47.55)
Cost of services	1.28	0.50	7.77	1.15	(6.49)	(83.54)
Distribution costs	28.99	11.32	82.86	12.21	(53.87)	(65.02)
Administrative expense	46.44	18.14	50.48	7.44	(4.04)	(8.00)
Total expense	261.08	101.95	492.64	72.58	(231.56)	(47.00)
Profit (loss) from operating activities	(5.00)	(1.95)	186.14	27.42	(191.13)	(102.68)
Finance costs	(58.56)	(22.87)	(37.99)	(5.60)	(20.57)	54.14
Share of loss from investments in joint ventures	(20.60)	(8.04)	(5.46)	(0.80)	(15.14)	277.60
Profit (loss) before income tax	(84.15)	(32.86)	142.69	21.02	(226.84)	(158.97)
Income tax revenues (expense)	12.32	4.81	(29.59)	(4.36)	41.90	(141.62)
Profit (loss) for the period	(71.83)	(28.05)	113.11	16.66	(184.94)	(163.51)

Performance Overview

All Inspire Development PCL. and its subsidiary companies had the total revenues for the years ended March 31, 2020 and 2021, 678.77 million baht and 256.08 million baht, respectively. A decrease of 422.69 million baht or 62.27% decrease compared to the same period of the previous year.

With details as follows:

1. Operating Income

1.1. Revenue from Real Estate Sales For the first quarter of 2020 and 2021, the Group has revenue from real estate sales of 615.56 million baht and 235.85 million baht, respectively, or equivalent to 90.69% and 92.10% of total revenue. A decreased of 379.72 million baht or 61.69% decrease respectively, with details as follows.

Detail	Q1/2021		Q1/2020		Increase(Decrease)	
	Unit	Million baht	Unit	Million baht	Unit	Million baht
Revenues from sales of real estate						
- High-rise project	84	148.88	148	525.23	(64.00)	(376.35)
- Low-rise project	19	86.96	23	90.38	(4.00)	(3.42)
Total	103	235.84	171	615.61	(68.00)	(379.77)

Revenue from sale of real estate fell due to the ongoing impact of the coronavirus infection (COVID-19) epidemic situation and financial institutions have increased their caution in approving credit. In addition, there is more competition in the industry and very tight liquidity. Companies need to use pricing and promotion strategies to compete. However, the Group still sees and focused on the importance of inventory management to maintain the liquidity in the most efficient and effective way.

1.2. Service Income For the first quarter of 2021, the group of companies had service income of 2.13 million baht or 0.83% of the total revenue, a decrease of 5.84 million baht compared to the first quarter of 2020. Revenue from service decreased from sales of condominium units due to the impact of the COVID-19 virus outbreak which affects foreign customers' purchasing decisions.

1.3. Other Income For the first quarter of 2021, the Group has other incomes. Consist of rental income, and Interest income received from contract termination. Service income and other income totaling 18.11 million baht or 7.07% of total income, decreased from the same period of year 2020 by 37.14 million baht or 67.22%. Service income is mainly from joint ventures projects such as The Excel Hideaway Sukhumvit 50, The Impression Ekkamai, Impression Charoennakhon Luxe Neo Classic.

2. Costs

The Group had total expenses for Q1 2020 and Q1 2021 amounting to 492.64 million baht and 256.08 million baht, with expenses decreased from 2020 in the amount of 231.56 million baht, consisting of

2.1. Cost of real estate sales For the first quarter of 2019 and 2020, the Group had cost of real estate sales of 351.53 million baht and 184.37 million baht or 51.79% and 72.00% of total income,

respectively, which decreased from the same period of last year, the amount 167.16 million baht decreased due to the ownership projects and the revenue recognition decreased. Also during the economic crisis affected by the COVID 19 virus resulting in limited purchasing power. The Group has adjusted the strategy for promotional activities to boost sales and transfer of ownership of the completed units and to clear the remaining inventories.

2.2. Cost of service For the first quarter of 2021, the Group had service costs of 1.28 million baht or equivalent to 0.50% of total revenue, a decrease of 6.49 million baht from the same period of 2020 which varied according to revenue from service reduce.

2.3. Distribution costs and administrative expenses

For the first quarter of 2020 and 2021, the Group had distribution and administrative expenses in the amount of 133.34 million baht, or 19.65% of the total revenue and 75.43 million baht, or 29.46% of the total revenue. In the first quarter of 2021, distribution costs and administrative expenses decreased with the amount of 57.91 million baht or 43.43% when compared to the same period of the last year. The main reason for the decrease in selling and administrative expenses is the result of more efficient control and cost management and from adjusting sales strategies and using online marketing more.

3. Financial costs For the first quarter of 2020 and 2021, the Group had finance costs of 37.99 million baht, or 5.60% of total revenues and 58.56 million baht or 22.87% of total revenues, respectively. In 2021 the group financial costs increased in the same period of the previous year with the amount of 20.57 million baht, or 54.14%, due to interest on the money that the group uses as working capital and the interest on loans of The Excel Hideaway Sukhumvit 71, The Excel Ladprao-Sutthisan project. The consolidation of borrowing costs has ended as part of the project costs, resulting in an immediate record of expenses.

4. Share of loss from investments in joint ventures For the first quarter of 2021, the Group had a share of loss from investments in joint ventures in the amount of 20.60 million baht, an increase of 277.60% compared to the same period of 2020 due to The Impression Ekkamai, a joint venture AHJ Ekamai Co., Ltd. is under construction and Impression Charoennakhon Luxe Neo Classic project is under development causing losses from project development.

5. Net Loss For the first quarter of 2021, the Group had a net loss of 71.83 million baht, a decrease of 184.94 million baht from net profit of 113.10 million baht in the same period of the previous year. The losses incurred from providing promotions to customers to boost sales and transfers during the COVID-19 and rising financial costs.

6. Statement of financial position

Unit : Millions Baht

FINANCIAL POSITION	Consolidated financial statements			Separate financial statements			
	As at March 31, 2020	March 31, 2021	December 31, 2020	Increase (Decrease)	March 31, 2021	December 31, 2020	Increase (Decrease)
Current assets		6,131.11	6,059.37	71.74	6,103.70	6,020.13	83.58
Non-current assets		2,089.76	2,105.07	(15.31)	2,101.04	2,096.45	4.60
Total assets		8,220.87	8,164.44	56.43	8,204.75	8,116.57	88.17
Liabilities		6,090.07	5,936.41	153.66	5,847.37	5,685.63	161.75
Shareholders' equity		2,130.80	2,228.03	(97.23)	2,357.37	2,430.95	(73.57)
Total liabilities and shareholder		8,220.87	8,164.44	56.43	8,204.75	8,116.57	88.17

- 6.1. **Assets** as of March 31, 2021, the Group has total assets of 8,220.87 million baht, an increase of 56.43 million baht compared to December 31, 2020. Current assets as of March 31, 2021, amount of 6,131.11 million baht, an increase of 71.74 million baht when compared to 31 December 2020, mainly due to the increase in the cost of real estate project development for projects ready to transfer in 2021 and 2022 on March 31, 2021, the amount was 2,089.76 million baht, a decrease of 15.31 million baht, the main reason of the decrease is because there was a return of investment in the joint venture of The Excel Hideaway Sukhumvit 50 project.
- 6.2. **Liabilities** the Group has total liabilities as of March 31, 2021 totaling 6,090.07 million baht, an increase of 153.66 million baht compared to 31 December 2020, consisting of current liabilities of 4,768.90 million baht, an increase of 362.98 million baht and non-current liabilities in the amount of 1,321.18 million baht, a decrease of 209.32 million baht, mainly due to an increase in the company's debentures.
- 6.3. **Equity** as of March 31, 2021, the equity is 2,130.80 million baht, a decrease of 97.23 Million baht, representing a decrease of 4.36% compared to 31 December 2020, mainly due to the decrease in retained earnings that hasn't been allocated from the loss in first quarter of 2021.

Please be inform for your acknowledgment.

Best regards

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(Mr. Thanakorn Thanawarith)

Chief Executive Officer