

ESTAR/BKK/MD/16/2022

24 February 2022

Subject : Clarification of operation for year ended December 31, 2021 which changed more than 20%

To : Director and Manager,
The Stock Exchange of Thailand

For the year ended December 31, 2021, Eastern Star Real Estate Public Company Limited and its subsidiaries (The company) reported profit to equity holders of the Company of Baht 21.64 million while net profit in 2020 was Baht 188.52 million, changes by Baht 166.88 million or 89%. The company would clarify the main reasons of change more than 20% as follows:

Revenue from sale of real estate in 2021 decreased by Baht 1,379.69 million or 54% compared with the year 2020 (cost of real estate sale decreased by Baht 875.36 million or 50%) mainly resulted from the impact of the latest wave of coronavirus (COVID-19) pandemic in 2020 which has become more severe than prior year, and consequently the decline in consumer purchasing power and the tightness of credit standard for granted loan. Moreover, the main projects which were recognized revenue in 2021 had lower project value than those in 2020 and there was no revenue from sales of land in 2021.

The income from golf courses and services in 2021 decreased by Baht 11.16 million or 26% compared with the year 2020 due to the impact of the Covid-19 pandemic causing fewer customers to use the golf course services. In addition, golf courses were ordered to close by the government at certain periods due to the risk of spreading the aforementioned Covid-19. Whereas other income increased by Baht 38.97 million or 115% compared with the year 2020 mainly resulted from the revenue recognition of collateral for breach of contract by customers.

Selling and distribution expenses in 2021, decreased by Baht 108.3 million or 44% compared with the year 2020 which are in line with the decreasing of revenue from sale of real estate. Additionally, the Company adjusted marketing plan to be consistent with the change in customer behaviors during the Covid-19 pandemic situation.

Administrative expenses in 2021, decreased by Baht 32.75 million or 12% compared with the year 2020, mainly due to the written off of the sales offices. Moreover, due to the Covid-19 pandemic, the Company issued measures to control or postpone some of the fixed expenses, had employees work from home and adjusted work processes to improve effectiveness and efficiency. As a result, personnel expenses and office expenses were reduced.

In 2021, income tax expenses decreased by Baht 62.48 million or 87% compared with the year 2020, due to the company having less taxable profits in 2021 than in 2020.

Please be informed.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Torsak Lertsrisakulrat".

(Mr. Torsak Lertsrisakulrat)

Managing Director