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(- Unofficial Translation -)

August 11, 2021

Subject: Management Discussion and Analysis for Quarter 2/2021

Attention: President, The Stock Exchange of Thailand

AssetWise Public Group Limited (the “Group”) would like to provide Management Discussion and Analysis for quarter 2/2021 as follows:

Overview of operating results

For the 3-month period ended 30 June 2021, the Group recorded sales and service revenue of THB 1,107.23 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 524.38 million, or equivalent to 47.09 %. While selling expenses and administrative expenses was THB 97.22 million and THB 101.59 million, respectively. The Group recorded net profit of THB 257.97 million, or equivalent to 23.17%.

For the 6-month period ended 30 June 2021, the Group recorded sales and service revenue of THB 2,280.98 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 1,093.77 million, or equivalent to 46.34%. While selling expenses and administrative expenses was THB 210.05 million and THB 207.85 million, respectively. The Group recorded net profit of THB 578.27 million, or equivalent to 24.50%.

Sales and service revenue

For the 3-month period in quarter 2/2020, the Group recorded sales and service revenue of THB 1,107.23 million which increased by THB 196.40 million or 21.56 % from THB 910.83 million in quarter 2/2020. The real estate development for sales business contributed majority of revenue which were recognized when the Group had completely transferred the ownership to their customers. Regarding revenue from rent and services from the real estate for rent business, which operated under Treasure M Company and the real estate brokerage service business under Asset A Plus Company, the revenue these businesses also increased. In addition, in quarter 2/2021, the Group started to have sales and service revenue from revenue from project management of joint venture for THB 21.49 million.

For the 6-month period in quarter 2/2020, the Group recorded sales and service revenue of THB 2,280.98 million which increased by THB 778.84 million or 51.85 % from THB 1,502.13 million in quarter 2/2020.

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Sales of real estate

For the 3-month period in quarter 2/2020, the Group recorded sales of real estate at THB 1,078.39 million which increased by THB 169.24 million or 18.61% from THB 909.15 million in quarter 2/2020. The Group recorded sales of real estate of 498 units of their 16 projects. In quarter 2/2021, sales increased because unit ownership transferring in many projects had continued. Kave brand had the highest transferred units. Kave Town Space that completed its construction in quarter 4/2020 and Kave Town Shift that completed its construction in quarter 1/2021 were transferred to customers continuously. And size of projects were large projects. Most customers decided to transfer during the period because the policy interest rate remains low, and discounts and promotions offered by the Group. Consequently, the unit transfer value was higher comparing to quarter 2/2021 despite the outbreak of coronavirus (COVID-19) pandemic.

For the 6-month period in quarter 2/2020, the Group recorded sales of real estate at THB 2,228.87 million which increased by THB 729.57 million or 48.66% from THB 1,499.30 million in quarter 2/2020.

Cost of real estate units sold

For the 3-month period in quarter 2/2020, the Group recorded their cost of real estate units sold at THB 568.64 million which decreased by THB 10.64 million or 1.91% from THB 558.00 million in quarter 2/2020. The amount decreased due to cost management effectiveness from land sourcing and construction cost management. The cost of real estate comprised cost of land and land improvement, project development costs, interest cost and other development expenses; for example, project and landscape design cost, construction consultant fees, and related license fees issued by the government authorities etc.

For the 6-month period in quarter 2/2020, the Group recorded their cost of real estate units sold at THB 1,162.30 million which decreased by THB 287.86 million or 32.92% from THB 874.45 million in quarter 2/2020.

Gross profit

For the 3-month period in quarter 2/2020, the Group had gross profit of THB 524.38 million which increased by THB 172.33 million or 48.95 % from THB 352.05 million in quarter 2/2020, equivalent to the gross profit margin of 47.09 %, higher than the gross profit margin of 38.38 % in the same period of previous year. The gross profits were in line with the sales of real estate which were the majority of the sales and service revenue. The gross profit margin had increased gradually over time because their emphasis in the sales pricing policy and cost control activities as planned during the project feasibility study phase. Moreover, the gross profit margin of projects completed since late of quarter 1/2020 onwards e.g. Atmoz Chaengwattana, Atmoz Ratchada-Huaikwang, Kave Town Space, and Kave Town Shift, were higher than past projects because they had lower portion of land cost from their effective vacant land selection process, project development cost control process, and lower interest rate of Project Finance loan although they had larger size and higher project value.

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For the 6-month period in quarter 2/2020, the Group had gross profit of THB 1,093.77 million which increased by THB 467.42 million or 74.62 % from THB 626.36 million in quarter 2/2020.

Distribution cost

For the 3-month period in quarter 2/2020, the Group recorded distribution cost of THB 97.22, decreased THB 9.66 million or 9.03% from THB 106.88 million in quarter 2/2020. The decrease is despite the increase of sales of real estate by 18.61% but in quarter 2/2020, there was agent fee expense from foreign buyers for THB 29.59 million while there was no such distribution cost in quarter 2/2021.

For the 6-month period in quarter 2/2020, the Group recorded distribution cost of THB 210.05, increased by THB 3.19 million or 1.54 % from THB 206.86 million in quarter 2/2020.

Administrative expenses

For the 3-month period in quarter 2/2020, the Group recorded administrative expenses of THB 101.59 which increased by THB 21.98 million or 27.61% from THB 79.61 million in quarter 2/2020. The increase was in line with business expansion. It mainly comprised of salaries and wages, office and utilities expenses, and after-sales and common expenses of units of the completed projects owned by the Group.

For the 6-month period in quarter 2/2020, the Group recorded administrative expenses of THB 207.85 which increased by THB 51.75 million or 33.15% from THB 156.10 million in quarter 2/2020.

Net profit

For the 3-month period in quarter 2/2020, the Group recorded net profit of THB 257.97 million which increased by THB 111.50 million or 76.13% from THB 146.47 million in quarter 2/2020, equivalent to the net profit margin of 23.17%, higher than the net profit margin of 15.97% in the same period of previous year. These numbers were in line with sales and gross profit of their real estate development business in each year. The higher amount was mainly driven by effective cost control management especially from cost of land and project development costs. In addition, selling and administrative expenses were consciously controlled during the outbreak of coronavirus (COVID-19) pandemic.

For the 6-month period in quarter 2/2020, the Group recorded net profit of THB 578.27 million which increased by THB 357.29 million or 161.68% from THB 220.99 million in quarter 2/2020.

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Financial position

Assets

As of period ended of quarter 2/2021, the Group recorded total assets of THB 10,059.77 million which increased by THB 1,899.77 million or 23.28 % from THB 8,160.00 million as of year ended 2020 mainly due to an increase of cash and cash equivalent and short-term investment increased by THB 888.25 million which is from newly issued ordinary shares to the public for IPO in quarter 2/2021 and increase of inventory for THB 599.54 million. The increase in inventory was from construction projects in quarter 1/2021 such as Modiz Sukhumvit 50 and Kave TU which were large projects and their construction were nearly completed.

Liabilities

As of period ended quarter 2/2021, the Group recorded total liabilities of THB 5,618.46 million which decreased by THB 244.85 million or 4.18% from THB 5,863.31 million as of year ended 2020. The main reasons were current portion of long-term liabilities, decreased by THB 1,049.32 million from last year but bank overdrafts and short-term borrowings from financial institutions, increased by THB 434.00 million from last year and long-term borrowings from financial institutions, increased by THB 356.95 million from last year due to loan drawdown for construction of projects under development.

Shareholders' Equity

As of period ended quarter 2/2021, the Group recorded total shareholders' equity of THB 4,441.31 million which increased by 2,144.63 million or 93.38 % from THB 2,296.68 million as of year ended 2020 mainly from newly issued ordinary shares to the public for IPO in quarter 2/2021. Issued and paid-up share capital was increased by THB 206.00 million from last year, and share premium was increased by THB 1,754.87 million from last year. Moreover, there was retain earning unappropriated increased by THB 215.67 million from last year.

Please be informed accordingly

Yours Sincerely

(Mr. Kromchet Vipapong)
Chief Executive Officer