

# ASSETWISE

(- Unofficial Translation -)

February 23, 2022

Subject: Management Discussion and Analysis for the year 2021

Attention: President, The Stock Exchange of Thailand

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

## Overview of operating results

Financial performance for the year ended 31 December 2021, the Group recorded sales and service revenue of THB 4,928.43 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 2,201.53 million, or equivalent to 43.74 %. While distribution costs and administrative expenses were THB 452.52 million and THB 428.98 million, respectively. The Group recorded net profit of THB 1,086.62 million, or equivalent to 21.59%.

## Sales and service revenue

In 2021, the Group recorded sales and service revenue of THB 4,928.43 million which increased by THB 723.40 million or increased 17.20% from THB 4,205.02 million in 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 and the real estate brokerage service business under Asset A Plus, the revenue these businesses also increased. In addition, the Group recorded sales and service revenue from revenue from project management of joint venture for THB 53.80 million in 2021.

## Sales of real estate

In 2021, the Group recorded sales of real estate at THB 4,850.69 million which increased by THB 651.70 million or increased 15.52% from THB 4,198.99 million in 2020. The Group recorded sales of real estate of 2,316 units of their 24 projects. In 2021, sales increased because unit ownership transferring in many projects had continued. In 2021, Sales from main projects comprised Kave TU and Kave Town Shift, which completed its construction in 2021, and Kave Town Space that completed its construction in quarter 4/2020 were transferred to customers continuously. Most customers decided to transfer during the period because the market interest

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rate remains low. In addition, the Group developed products to meet target customers' need and adjusted the marketing strategy to fit with customer behavior in the current situation such as launching new promotion campaigns and offering promotions to customers to support presale value and unit transfer value. Consequently, the unit transfer value was higher comparing to the year 2020 despite the outbreak of coronavirus (COVID-19) pandemic.

## Cost of real estate units sold

In 2021, the Group recorded their cost of real estate units sold at THB 2,681.33 million which increased by THB 339.42 million or increased 14.49% from THB 2,341.91 million in 2020. The amount increased due to the increase of sales of real estate which increased by 15.52 %. 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.

## Gross profit

In 2021, the Group had gross profit of THB 2,201.53 million which increased by THB 344.98 million or increased 18.58% from THB 1,856.54 million in 2020, equivalent to the gross profit margin of 43.74 %, close to the gross profit margin of 43.90 % in the 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 Group was able to maintain good gross profit margin 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. Kave Town Space, and Kave Town Shift and Kave TU 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.

## Other income

In 2021, the Group recorded other income of THB 103.81 million, increased THB 80.75 million from THB 23.06 million in 2020. The other income increased from disposal of investment in a subsidiary of THB 66.48 million which comprised gain on disposal of investment in a subsidiary of THB 33.28 million and gain on remeasurement of investment at fair value THB 33.20 million.

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## Distribution cost

In 2021, the Group recorded distribution cost of THB 452.52 million, increased THB 0.76 million or increased 0.17% from THB 451.76 million in quarter 2020. The distribution cost increased because sales of real estate increased.

## Administrative expenses

In 2021, the Group recorded administrative expenses of THB 428.98 million which increased by THB 73.19 million or increased 20.57% from THB 355.79 million in 2020. The administrative expenses 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.

## Share of loss from investments in joint ventures

In 2021, the Group recorded share of loss from investments in a joint venture of THB 32.69 million. Because Kave Salaya was under construction and the Group recorded share of loss from operation during developing process in this year.

## Net profit

In 2021, the Group recorded net profit of THB 951.36 million which increased by THB 77.46 million or increased 8.86% from THB 873.90 million in 2020, equivalent to the net profit margin of 18.90%, lower than the net profit margin of 20.67% in the previous year. The decrease of net profit margin mainly caused by transfer value of 2 projects, which are Kave TU and Modiz Sukhumvit 50, the partial profit was attributed to non-controlling interests accordingly.

In 2021, the Group was able to maintain their profit continually, their total net profit was THB 1,086.62 million or equivalent to the net profit margin of 21.59% increase from THB 215.87 million or increased 24.79%. The prior year profit margin was 870.75 or equivalent to net profit margin of 20.59%. 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.

In 2021, the Group jointly invested in Kave Salaya project with a business partner to expand their opportunity and increase the Group's profit.

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## Financial position

### Assets

As of the year ended 2021, the Group recorded total assets of THB 11,335.24 million which increased by THB 3,175.24 million or increased 38.91% from THB 8,160.00 million as of the year ended 2020; mainly due to an increase of inventory for THB 1,537.21 million. The increase in inventory was from construction projects that completed in the quarter 4/2021 such as Modiz Sukhumvit 50 which were large projects and cost of property's ownership transfer for future projects.

### Liabilities

As of the year ended 2021, the Group recorded total liabilities of THB 6,398.69 million which increased by THB 535.38 million or 9.13% from THB 5,863.31 million as of the year ended 2020 mainly from newly issued debentures in quarter 4/2021 of THB 989.33.

### Shareholders' Equity

As of the year ended 2021, the Group recorded total shareholders' equity of THB 4,936.55 million which increased by 2,639.87 million or increased 114.94% from THB 2,296.68 million as of the 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 441.21 million from last year.

Please be informed accordingly

Yours Sincerely

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(Mr. Kromchet Vipapong)  
Chief Executive Officer