

No. 027/2022

28 February 2022

Subject: Clarification on Operating Results of Year 2021

Attention: President

The Stock Exchange of Thailand

Siamese Asset Public Company Limited and its subsidiaries (the “Company”) would like to clarify the operating results for the year ending 31 December 2021 as follows:

As for the operating results for the year 2021, the Company’s total revenue was 2,435.4 million Baht, down from 1,304.4 million Baht in the previous year or 34.9 percent. Such revenues included revenues from ownership transfer of 2,083.4 million Baht, revenues from services of 104.8 million Baht. As a result, the Company’s net profit in 2021 was 143.9 million Baht, down 589.9 million Baht from the same period last year or 80.4 percent. Such profit was driven by profit from the parent company’s shareholders of 146.8 million Baht and by loss of non-controlling interests of 2.8 million Baht, respectively accounting for 6.0 percent and -0.1% of the total revenue in 2021.

The operating results for the year 2021 are detailed as follows:

Income Statement	2020Y		2021Y		% Y-o-Y
	THBmm	%	THBmm	%	
- Revenue from Transfer	3,369.5	90.1%	2,083.4	85.5%	-38.2%
- Revenue from Services	48.9	1.3%	104.8	4.3%	114.2%
- Others Revenue	321.4	8.6%	247.3	10.2%	-23.1%
Total Revenue	3,739.8	100.0%	2,435.4	100.0%	-34.9%
- Cost of Goods Sold	(1,925.0)	-51.5%	(1,276.1)	-52.4%	-33.7%
- Cost of Services	(57.3)	-1.5%	(102.9)	-4.2%	79.4%
Total COGS	(1,982.3)	-53.0%	(1,379.0)	-56.6%	-30.4%
SG&A	(701.8)	-18.8%	(635.3)	-26.1%	-9.5%
Interest Expense	(126.5)	-3.4%	(216.2)	-8.9%	70.9%
Net Profit	733.8	19.6%	143.9	5.9%	-80.4%
Owners of the parent	635.1	17.0%	146.8	6.0%	-44.1%
Non-controlling interests	98.8	2.6%	(2.8)	-0.1%	-30.4%



Total revenue

Revenues from sale of property

In 2021, the Company recognized revenues from sale of property from 4 main projects: Ramada Residence (formerly known as Siamese Sukhumvit 87), Wyndham Garden Residence (formerly known as Siamese Exclusive 42), Ramada Plaza by Wyndham Bangkok Sukhumvit 48 (formerly known as Siamese Sukhumvit 48) and Siamese Exclusive 31, totaling 1,767.4 million Baht, and also recognized revenues from other projects of 316.0 million Baht, totaling 2,083.4 million Baht or accounting for 85.5 percent of total revenue, down 1,286.2 million Baht from the same period last year or 38.2 percent.

Revenues from services

In 2021, the Company recognized revenues from services of 104.8 million Baht, accounting for 4.3 percent of total revenue, up 55.9 million Baht from the same period last year or 114.2 percent. Core revenues from services derived from juristic person management services and revenues from business operations of Q-Box Hotel Bangkok Blossom and restaurant business operations.

Other revenues

In 2021, the Company's other revenues were 247.3 million Baht or accounting for 10.2 percent of total revenue, down 74.1 million Baht from 2020 or 23.1 percent, mainly due to a decline in revenues from forfeiture of deposit on default and revenues from fair value measurement of investment property.

Cost of goods sold and cost of services

In 2021, the Company's cost of projects for sale of 1,276.1 million Baht, accounting for 52.4 percent of total revenue, down 648.8 million Baht from the same period last year or 33.7 percent, in line with the cost of projects whose revenues are currently recognized. Gross profit margin of property for sale business in 2021 was 38.7 percent, down from 42.9 percent in 2020. Cost of services was 102.9 million Baht, up 45.6 million Baht from the same period last year or 79.4 percent, according to an increase in revenues from services.

Selling and administrative expenses

In 2021, the Company's selling and administrative expenses were 635.3 million Baht, accounting for 26.1 percent of total revenue, down 66.6 million Baht from the same period last year or 9.5 percent. It was mainly due to a decline in the Company's commission to 149.5 million Baht from the previous year, resulting from a change in distribution channel by focusing on online platform and an increase in the Company's compensation for damages of 45.5 million Baht from Project Siamese Exclusive Ratchada and The Collection. In 2021, selling expenses were 302.6 million Baht and administrative expenses were 332.7 million Baht.



Financial cost

In 2021, the Company's financial cost was 216.2 million Baht, accounting for 8.9 percent of total revenue, up 89.7 million Baht from 2020 or 70.9 percent, mainly due to an increase in long-term debt instruments for the purpose of the Company's business operations.

Net profit

In 2021, the Company's net profit was 143.9 million Baht, down 589.9 million Baht from 2020 or 80.4 percent. Net profit in 2021 accounted for 5.9 percent of total revenue.

Assets

As of 31 December 2021, the Company's total assets were 14,154.1 million Baht, up 1,144.8 million Baht or 8.8 percent from total assets as of 31 December 2020. It was mainly due to a change in accounting policy concerning accounting of investment property value to reflect fair value of assets. The cost method was changed to the fair value method based on the income approach, effective from 1 October 2021. The Company also reviewed the useful life of assets in accordance with the International Accounting Standard No. 16 "Property, Plant and Equipment" to align with utilization of hotels and offices. The useful life of building was raised from 30 years to 50 years, effective from 1 October 2021. Hence, value of property, plant and equipment and investment property significantly increased.

Liabilities

As of 31 December 2021, the Company's total liabilities were 9,783.8 million Baht, up 806.1 million Baht or 9.0 percent from total liabilities as of 31 December 2020. It was mainly due to issuance of long-term debt instruments of 1,004.1 million baht in the year for the purpose of project development and working capital.

Shareholders' equity

As of 31 December 2021, the Company's total shareholders' equity was 4,370.3 million Baht, up 338.7 million Baht or 8.4 percent from that as of 31 December 2020. It was mainly due to joint investment with KSS Land Co., Ltd. In such investment, the Company held 4,000,000 preferred shares, 100 Baht each, totaling 400 million Baht.



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Please be informed accordingly.



Siamese Asset Public Company Limited

Yours sincerely,

(Mr. Saphon Chongchintaraksa)
Chief Financial and Accounting Officer