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Subject Management's Discussion and Analysis of the Financial Statement for the year ended 2021  
To Managing Director of The Stock Exchange of Thailand

Enclosure Management's Discussion and Analysis of the Financial Statement for the year ended 2021,  
both Thai and English, 1 set for each

Bless Asset Group Public Company Limited ("the company") would like to submit the company's audited financial statements 2021 ended 31 December 2021 to the Stock Exchange of Thailand.

The operation result of the company for the year 2021 registered a net profit amounting to Baht 80.07 million. Please see further details in the Management's Discussion and Analysis of the financial statements for the year ended 2021 as attached.

Yours faithfully,

*- Mr. Chaiwat Kovitchindachai -*

(Mr. Chaiwat Kovitchindachai)

Director / Chief Executive Officer

Bless Asset Group Public Company Limited

*- Miss Nipha Aphirattanarungruang -*

(Miss Nipha Aphirattanarungruang)

Director

Bless Asset Group Public Company Limited

## Management's Discussion and Analysis for 2021 Results

### Bless Asset Group Public Company Limited

#### 1. Company Overview

Bless Asset Group Public Company Limited ("the Company" or "BLESS") was established on March 9, 2010 with a registered capital of 5,000,000 baht, mainly engaged in the development of residential real estate for sale. It is classified into a variety of properties, comprising detached houses, semi-detached houses, townhomes, and low-rise condominiums under the project names Blessington, Mellizo Park, Bless Town, Blessity Park, Bless Ville and Bleisure, which are classified by project type and target customers. Mr. Chaiwat Kovitchindachai, Chief Executive Officer of the Company, is a professional executive who has experience in real estate industry and was an executive in a listed company on the Stock Exchange of Thailand more than 20 years before moving and establishing the Company. With determined to be a leader in the real estate development business, the Company is focusing on quality and meticulous construction standards in every step. Moreover, the Company has the main concept of designing the functionality of the house to maximize the practical use of every square meter, including convenient and safe facilities both inside and outside the project, to make a home more than a place to live

In addition, the Company has two subsidiaries that 1) operates real estate development business for sale, namely Bless Asset Company Limited ("BA") and 2) operates real estate construction, namely Bless Build Company. Co., Ltd. ("BB"), Therefore, the Company is enabling effectively control quality, standards, construction costs and internal management.

The Company focuses on projects in Bangkok and its vicinity. As of December 31, 2021, the Company has 1) 6 closed projects, 2) 8 projects in the process of sale, and 3) 1 future project.

#### 2. Business Performance

The Company realizes its revenue upon the property transfer to the customer. The realized revenue is deducted by the variable costs for customers e.g., property transfer fee and maintenance fee. The revenue from sales and services composes of revenue from sales of property revenue from contract construction and sales of construction materials. However, in 2021, management has concern about the revenue from selling construction materials to construction contractor by the Subsidiaries company, Bless Build Co., Ltd. Since those materials will be utilized for the Company's projects and delivered back to the Company as the stated conditioned in the contract. As a result, the mentioned transactions are not considered as revenue and will be stated as the net cost of sales and services.

##### 2.1 Revenue from sales and services

In the year 2021, the revenue from sales and services decreased by Baht (99.03) million equivalent to (11.07%) comparing to the year 2020. Although, the company has launched two new projects during the year 2021, Blessity Park Rangsit – Klong 3 and Blessity Park Srinakarin – Thepharak, as well as the recognition

of revenue from the continuing projects e.g. Blessity Park Sukhumvit – Bangpu and Blessity Park Wongwhan – Lumluka but the revenue decreased mainly from the deflation by the spread of COVID-19 effect through the decreasing of purchasing power. Moreover, the ownership transferring process is delayed by the government policies due to the COVID-19 situation e.g., the temporarily closing of construction camp and the limitations of government organizations.

Revenue Structure	For the Year Ended 31 December			
	2020		2021	
	M.Baht	%	M.Baht	%
<b>Bless Town</b>				
● Ramintra – Kaset Navamin	84.82	9.47	14.20	1.78
● Srinakarin - Namdang	52.17	5.83	25.73	3.22
● Bangkok – Pathum Thani	45.91	5.13	86.95	10.90
● Sukhumvit 50	-	-	-	-
<b>Bleisure</b>				
● Charansanitwong 96/1	153.35	17.13	91.87	11.51
<b>Mellizo Park</b>				
● Srinakarin - Namdang	153.23	17.11	81.10	10.16
<b>Blessity Park</b>				
● Sukhumvit – Bangpu	326.74	36.49	266.85	33.44
● Wongwhan - Lumluka	78.43	8.76	141.77	17.77
● Rangsit – Klong 3	-	-	42.69	5.35
● Srinakarin – Thepharak	-	-	44.46	5.57
<b>Bless Ville</b>				
● Ramintra 117	-	-	-	-
● Ramintra 117 – Charoen Pattana 8	-	-	-	-
<b>Revenue from Sales and Services</b>	<b>894.65</b>	<b>99.91</b>	<b>795.62</b>	<b>99.70</b>
Other Revenue	0.83	0.09	2.42	0.30
<b>Total Revenue</b>	<b>895.48</b>	<b>100.00</b>	<b>798.04</b>	<b>100.00</b>

## 2.2 Cost of Sales and Services

In the year 2020 – 2021, the cost of sales and services were Baht 619.93 million and Baht 553.79 million, respectively. or equivalent to 69.23% and 69.39% of the total revenue, respectively In the year 2021, the cost of sales and services decreased by Baht (66.14) million comparing to the year 2020 along with the decreasing in the revenue from sales and services with the stable proportion of proportion of the cost of sales and services to total revenue. The cost of sales and services can be referred to the following table

Detail of Cost of Sales and Services	2020		2021	
	M.Baht	%	M.Baht	%
Land and Land Improvements	222.32	35.86	182.01	32.87
Utility Costs	48.45	7.82	47.84	8.64
Construction Costs	279.64	45.11	255.54	46.14
Promotional Costs	19.09	3.08	14.97	2.70
Capitalized interest	40.81	6.58	42.99	7.76
Other Costs	9.62	1.55	10.42	1.88
<b>Total Cost of Sales and Services</b>	<b>619.93</b>	<b>100.00</b>	<b>553.79</b>	<b>100.00</b>

### 2.3 Gross Profit

In the year 2020 – 2021, the gross profit were Baht 274.72 million and Baht 241.83 million, respectively. or equivalent to the gross profit margin of 30.71% and 30.40%, respectively. In the year 2021, the gross profit decreased by Baht (32.89) million or (11.97%) comparing to the year 2020. The change in gross profit is consistent with the decreasing in the revenue from sales and services in the year 2021. Meanwhile, the gross profit margin in the year 2021 remain stable.

Items	For the Year Ended 31 December			
	2020		2021	
	M.Baht	%	M.Baht	%
Revenue from Sales and Services	894.65	100.00	795.62	100.00
Cost of Sales and Services	619.93	69.29	553.79	69.60
Gross Profit	274.72	30.71	241.83	30.40

### 2.4 Distribution Cost

In the year 2020 – 2021, the distribution cost were Baht 64.32 million and Baht 61.43 million, respectively. or equivalent to 7.19% and 7.72% of the revenue from sales and services, respectively. The distribution cost consists of specific business tax and transferring fee, Salesperson expense and other expenses e.g. advertising fee. Please refer to the following table.

Items	For the Year Ended 31 December			
	2020		2021	
	M.Baht	%	M.Baht	%
Salesperson Expense	7.62	11.85	5.71	9.29
Specific Business Tax and Transferring Fee	39.23	60.99	33.66	54.79
Other Expense <sup>1</sup>	17.47	27.16	22.06	35.91
Total Distribution Cost	64.32	100.00	61.43	100.00
% of revenue from sales and services	7.19		7.72	

Note: <sup>1</sup>Other expense mainly consists of advertising fee.

For the year 2021, The Company has the distribution cost of Baht 61.43 million decreased by Baht (2.89) million or equivalent to 4.50% comparing to year 2020. The reason is the decreasing of salesperson Expense and specific business tax and transferring fee. However, the advertising fee increased in order to stimulate sales in this period.

### 2.5 Administrative Expense

The administrative expense consists of employee expense, maintenance expense, depreciation expense, utility expense, professional fee, renting fee, insurance premium and other administrative expense. In the year 2020 – 2021, the administrative expense were Baht 64.90 million and Baht 82.00 million, respectively. or equivalent to 7.25% and 10.31% of the total revenue, respectively. The administrative expense is described in the following table.



Items	For the Year Ended 31 December			
	2020		2021	
	M.Baht	%	M.Baht	%
Employee Expense	28.77	44.33	41.04	50.05
Depreciation Expense	2.90	4.46	2.98	3.63
Utility Expense	13.05	20.11	11.36	13.85
Professional Fee	5.73	8.84	10.80	13.17
Other Administrative Expense <sup>1/</sup>	14.45	22.27	15.83	19.31
<b>Total Administrative Expense</b>	<b>64.90</b>	<b>100.00</b>	<b>82.00</b>	<b>100.00</b>
% of revenue from sales and services	7.25		10.31	

Note: <sup>1/</sup> Other administrative expense mainly consists of insurance premium, maintenance expense, transportation expense, bank guarantee fee, training fee, computer-related expense and banking fee.

For the year 2021, The Company has the administrative expense of Baht 82.00 million increased by Baht 17.10 million or equivalent to 26.34% comparing to year 2020. The reason is the increasing of employee and director compensaiton, professional fee and other administrative expense in order to prepare the company for listing procedure.

## 2.6 Net Profit

In the year 2020 – 2021, the net profit were Baht 114.54 million and Baht 80.47 million, respectively. or equivalent to the net profit margin of 12.79% and 10.08%, respectively. In the year 2021, the net profit decreased by Baht (34.46) million which is (30.09%) comparing to the year 2020 along with the decreasing in the revenue from sales and services. Moreover, the net profit margin decreased as same as gross profit and sales which effected by the spreading of COVID-19 and the increasing of administrative expenses to prepare for the listing procedure.

## 3. Financial Position

### 3.1 Assets

As of 31 December 2020 and 31 December 2021, the Company's total assets were Baht 2,234.24 million and Baht 2,210.61 million, respectively. The main assets consist of property developments for sale and land and cost of project held for development which accounted 93.90% and 92.69% of the total assets, respectively. The total assets decreased by Baht (23.63) million which equivalent to (1.06%) due to the decreasing in property developments for sale.

### 3.2 Liabilities

As of 31 December 2020 and 31 December 2021, the Company's total liabilities were Baht 1,408.97 million and Baht 1,327.18 million, respectively. The main liabilities consist of bank overdrafts and short-term loans from financial institutions, short-term loan from related parties, long-term loans from financial institutions and bond. The total liabilities decreased by Baht (81.80) million which equivalent to (5.81%) due to the decreasing in bank overdrafts and short-term loans from financial institutions and long-term loans from financial institutions

### 3.3 Shareholders' Equity

As of 31 December 2020 and 31 December 2021, the Company's total shareholders' equity were Baht 825.26 million and Baht 883.43 million, respectively. It consists of share capital and paid-up capital, share premium, discount on purchase of investment in Subsidiaries and retained earnings. The shareholders' equity in 2021 increased by Baht 58.17 million or equivalent to 7.05%. The reason of the continuing increase is the increasing of the net profit of Baht 80.07 million, the capital increase of Baht 100.00 million with the share premium of Baht 100.00 million in 2021. However, in the same year, the retained earnings decrease by the dividend payment of Baht (222.30) million and the legal reserve of Baht 11.70 million.

Items	For the Year Ended 31 December			
	2020		2021	
	M.Baht	%	M.Baht	%
Total Current Assets	1,748.40	78.25	1,634.58	73.94
Total Non-Current Assets	485.84	21.75	576.02	26.06
Total Assets	2,234.24	100.00	2,210.61	100.00
Total Current Liabilities	1,056.08	47.27	1,272.85	57.58
Total Non-Current Liabilities	352.89	15.79	54.33	2.46
Total Liabilities	1,408.97	63.06	1,327.18	60.04
Total Shareholders' Equity	825.26	36.94	883.43	39.96
Total Liabilities and Shareholders' Equity	2,234.24	100.00	2,210.61	100.00

### 3.4 Liquidity

As of 31 December 2021, the company and its subsidiaries have the net cash received from operating activities of Baht 556.10 million which mainly is the cash received from the decreasing of property developments for sale from Blessity Park Wongwhan – Lumluka, Bless Town Ramintra – Kaset Nawamin, Blesstown Srinakaran – Namdang, Bless Town Tiwanon – Pathum Thani, Melizzo Park Srinakaran – Namdang, Blessity Park Sukhumvit – Bangpu and Bleisure Charansanitwong 96/1 accounted for Baht 509.60 million, net profit of the year which is Baht 80.07 million and the increasing in account payable of Baht 24.88 million. The received cash net with interest paid and tax paid for Baht (57.84) million and Bhat (24.83) million, respectively. The net cash paid for investing activities of Baht 27.55 million mainly contributed from the increasing in non-current financial assets and property, plant and equipment which accounted for Baht (20.96) million and Baht (6.53) million, respectively. The net cash paid for financing activities of Baht 523.38 million mainly contributed from dividend paid, cash payment for loans from financial institutions, decrease in bank overdrafts and short-term loans from financial institutions and cash payment for short-term loans from related parties of Baht (222.30) million, Baht (200.15) million, Baht (158.50) million and Baht (137.00) million, respectively and net with cash received from the capital increase of Baht 200.00 million.

### 3.5 Current Ratio

As of 31 December 2020 and 31 December 2021, the Company's current ratio were 1.66 times and 1.28 times, respectively. The current ratio as of 31 December 2021 decreased from the previous year mainly



on the decreasing of current asset by the property developments for sale due to the normal property sales. Another factor is the increasing of the current liabilities on the current portion of long-term loans from financial institutions and short-term loans from related parties.

### **3.6 Liabilities to Equity Ratio**

As of 31 December 2020 and 31 December 2021, the Company's liabilities to equity ratio were 1.71 times and 1.50 times, respectively. The liabilities to equity ratio as of 31 December 2021 decreased from the previous year mainly on the slightly decreasing of the liabilities on the loans from financial institutions and also the increasing of the shareholders' equity because of the net profit and the capital increasing in year 2021.