



Date 6 July 2022

Subject Management's Discussion and Analysis of the Financial Statement for the first quarter ended 31 March 2022

To Managing Director of The Stock Exchange of Thailand

Enclosure Management's Discussion and Analysis of the Financial Statement for the the first quarter ended 31 March 2022, 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 for the first quarter ended 31 March 2022 to the Stock Exchange of Thailand.

The operation result of the company for the first quarter ended 31 March 2022 registered a net profit amounting to Baht 13.46 million. Please see further details in the Management's Discussion and Analysis of the financial statements for the first quarter ended 31 March 2022 as attached.

Please be informed accordingly,

- 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 Q1/2022 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 March 31, 2022, 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

For the three-month period ended 31 March 2022, the Company generated lower revenue of Baht 13.08 million or 7.02% compare with the same period of the previous year. Major factors contributing to the

reduction were Bleisure Charansanitwong 96/1, as the project is nearly completed, only 4 rooms were transferred in 1Q/2022 whilst 22 rooms were transferred in 1Q/2021, the early stage of revenue recognition of the new opening projects including Blessity Park Rangsit Klong 3 and Srinakarin-Theparak. In addition, The Government restriction policies against COVID-19 pandemic has deteriorated the customers' purchasing power and has delayed the property transfer. As a result, the revenue from sales and services of 1Q/2022 reduced from the same period of the previous year. Detail information is provided in the table below.

Revenue Structure	Consolidated Financial Statements as of 31 March			
	(reviewed)			
	3- Month Period Ended 31 March		3- Month Period Ended 31 March	
	2021		2022	
	M.Baht	%	M.Baht	%
Bless Town				
• Ramintra – Kaset Nawamin	3.09	1.66	-	-
• Srinakarin - Namdang	15.04	8.06	-	-
• Bangkok – Pathum Thani	14.67	7.86	12.89	7.40
Bleisure				
• Charansanitwong 96/1	43.82	23.49	8.99	5.16
Mellizo Park				
• Srinakarin - Namdang	35.92	19.25	-	-
Blessity Park				
• Sukhumvit - Bangpu	57.81	30.99	71.80	41.23
• Wongwhan - Lumluka	15.94	8.55	34.55	19.84
• Rangsit – Klong 3	-	-	11.04	6.34
• Srinakarin – Thepharak	-	-	33.94	19.49
Bless Ville				
• Sukhumvit - Bangpu	-	-	-	-
Revenue from Sales and Services	186.29	99.85	173.21	99.45
Other Revenue	0.27	0.15	0.95	0.55
Total Revenue	186.56	100.00	174.16	100.00

2.2 Cost of sales and services

For the three-month period ended 31 March 2021 and 31 March 2022, the Company incurred cost of sales and services of Baht 125.42 million and Baht 120.33 million respectively or 67.33% and 69.47% of the revenue from sales and services respectively. Cost of sales and services for the three-month period ended 31 March 2022 decreased by Baht 5.09 million compare with the same period of the previous year or 4.06% due to the decline of revenue from sales and services. Detail information is provided in the table below.



Detail of Cost of Sales and Services	Consolidated Financial Statements as of 31 March (reviewed)			
	2021		2022	
	M.Baht	%	M.Baht	%
Land and land improvements	43.20	34.44	39.82	33.09
Utility costs	9.77	7.79	11.57	9.62
Construction costs	58.25	46.45	53.32	44.31
Promotional costs	4.30	3.43	2.76	2.29
Capitalized interest	7.97	6.35	10.58	8.79
Other costs	1.94	1.55	2.28	1.89
Total cost of sales and services	125.42	100.00	120.33	100.00

2.3 Gross Profit

For the three-month period ended 31 March 2021 and 31 March 2022, the gross profit was Baht 60.87 million and Baht 52.88 million respectively or 32.67% and 30.53% respectively. The gross profit decreased by Baht 7.99 million or 13.13% compare with the same period of the previous year due to price reduction to compete with other competitors in the industry.

Items	Consolidated Financial Statements as of 31 March (reviewed)			
	2021		2022	
	M.Baht	%	M.Baht	%
Revenue from Sales and Services	186.29	100.00	173.21	100.00
Cost of Sales and Services	125.42	67.33	120.33	69.47
Gross Profit	60.87	32.67	52.88	30.53

2.4 Distribution costs

Distribution cost for the three-month period ended 31 March 2021 and 31 March 2022 were Baht 14.34 million and Baht 15.06 million respectively or 7.70% and 8.69% of the revenue from sales and services respectively. Detail information is provided in the table below.

Items	Consolidated Financial Statements as of 31 March (reviewed)			
	2021		2022	
	M.Baht	%	M.Baht	%
Sales staff expenses	1.40	9.77	1.65	10.93
Special business tax and property transfer fee	8.13	56.69	7.13	47.33
Other Expense ¹	4.81	33.54	6.28	41.74
Total distribution costs	14.34	100.00	15.06	100.00
<i>% of revenue from sales and services</i>	<i>7.70</i>		<i>8.69</i>	

Note: ¹Other expense mainly consists of advertising fee.

Distribution costs for the three-month period ended 31 March 2022 increased by Baht 0.71 million compare with the same period of previous year or 4.98%. Main causes of this increasing were the higher spending in sales promotion and advertising expenses in order to enhance the sales.

2.5 Administrative Expenses

Administrative expenses consists of employee expense, maintenance expense, depreciation expense, utility expense, professional fee, renting fee, insurance premium and other administrative expense. Administrative expenses for the three-month period ended 31 March 2022 was Baht 21.36 million increased by Baht 2.50 million which equivalent to 13.26% from the same period of previous year. The major increases derived from the higher spending in employee expenses and professional fees due to the increase in number of employee to cope with business expansion and the preparation to be listed in the Stock Exchange of Thailand respectively. Detail information is provided in the table below.

Items	Consolidated Financial Statements as of 31 March (reviewed)			
	2021		2022	
	M.Baht	%	M.Baht	%
Employee Expense	9.65	51.14	10.96	51.28
Depreciation Expense	0.63	3.35	0.79	3.72
Utility Expense	2.78	14.73	3.40	15.93
Professional Fee	1.32	7.02	2.41	11.30
Other Administrative Expense ^{1/}	4.48	23.77	3.80	17.77
Total administrative expenses	18.86	100.00	21.36	100.00
% of revenue from sales and services	10.13		12.33	

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

2.6 Net Profit

Net profit for the three-month period ended 31 March 2021 and 31 March 2022 were Baht 21.80 million and Baht 13.46 million respectively or 11.69% and 7.73% of the revenue from sales and services respectively.

Net profit for the three-month period ended 31 March 2022 decreased by Baht 8.34 million compare with the same period of previous year or 38.25%. Main causes of this increasing were the higher spending in sales promotion and advertising expenses in order to boost the sales. Major factors were the slow down in property transfer, sales price reduction due to the high competition in the industry including the increase in distribution costs and administrative expenses, as mentioned in the above paragraphs.

3. Financial position

3.1 Assets

Total assets as of 31 December 2021 and 31 March 2022 were Baht 2,210.61 million and Baht 2,180.04 million. Major items were property developments for sales and land and cost of project held for development. The main assets consist of property developments for sale and land and cost of project held for



development which accounted 92.69% and 93.68% of the total assets, respectively. The total assets decreased by Baht (30.57) million which equivalent to (1.38%) due to the decreasing in property developments for sale.

3.2 Liabilities

Total liabilities as of 31 December 2021 and 31 March 2022 were Baht 1,327.18 million and Baht 1,283.14 million. Major items were bank overdrafts and short-term loans from financial institutions, short-term loans from related parties, long-term loans from financial institutions and current portion of debentures. The total liabilities decreased by Baht (44.03) million which equivalent to (3.32%) due to the decreasing in short-term loans from related parties and long-term loans from financial institutions

3.3 Shareholders' equity

Total shareholders' equity as of 31 December 2021 and 31 March 2022 were Baht 883.43 and Baht 896.89 million, increased by Baht 13.46 million from the same period of the previous year or 1.52%. This derived from the net profit of first three months operation.

Items	For the Year Ended 31 December			
	2021		2022	
	M.Baht	%	M.Baht	%
Total Current Assets	1,634.58	73.94	1,618.82	74.26
Total Non-Current Assets	576.02	26.06	561.22	25.74
Total Assets	2,210.61	100.00	2,180.04	100.00
Total Current Liabilities	1,272.85	57.58	1,193.99	54.77
Total Non-Current Liabilities	54.33	2.46	89.16	4.09
Total Liabilities	1,327.18	60.04	1,283.14	58.86
Total Shareholders' Equity	883.43	39.96	896.89	41.14
Total Liabilities and Shareholders' Equity	2,210.61	100.00	2,180.04	100.00

3.4 Liquidity

As of 31 March 2022, The Company and its subsidiaries reported net cash from operating activities of Baht 19.08 million. Major items represented the reduction in cash inflow from property development for sales, such as Blessity Park Wongwan – Lumlukka, Bless Town Bangkok – Pathum thani, Blessity Park Sukhumvit – Bangpu, Blessity Park Srinakarin – Thepharak and Bleisure Charansanitwong 96/1, of Baht 22.13 million, net profit of Baht 13.46 million, corporate income tax of Baht 3.45 million offsetting against interest expenses, increase in trade and other current payables and tax of Baht (13.31) million Baht (4.58) million and Baht (4.05) million respectively. Net cash receive from investing activities of Baht 15.40 million was from decrease in non-current financial assets of Baht 15.60 million and payment for acquisition of property of Baht (0.20) million. Net cash used in financing activities of Baht (43.01) million. Major items represented cash payment from long-term loans from financial institutions of Baht (89.77) million and cash payment for short-term loans from related parties of Baht (25.00) million offsetting against cash received for long-term loans from financial institutions of Baht 67.22 million.



3.5 Current Ratio

As of 31 December 2021 and 31 March 2022, the Company's current ratio were 1.28 times and 1.36 times, respectively. The current ratio as of 31 March 2022 increased from 31 December 2021 mainly on the decreasing of 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 2021 and 31 March 2022, the Company's liabilities to equity ratio were 1.50 times and 1.43 times, respectively. The liabilities to equity ratio as of 31 March 2022 decreased from 31 December 2021 mainly on the decreasing of the liabilities on the current portion of long-term loans from financial institutions and short-term loans from related parties. Moreover, the shareholders' equity also increased by the net profit in the first quarter of 2022.