

Management Discussion and Analysis for the Thrid Quarter of Fiscal Year 2022

Fraser's Property (Thailand) Public Company Limited and its Subsidiaries ("the Company") would like to report the financial results of the Company for the third quarter of FY2022 ended 30 June 2022 to the Stock Exchange of Thailand (SET).

Overall operating results

During the past quarter, the Thai economy has been pressured by higher inflation rates caused by rising commodity prices and rising energy prices resulting from the conflict between Russia and Ukraine. Also, the US Federal Reserve's (FED) policy to hike interest rates may curb consumer spending and overall purchasing power. For real estate sector, higher construction material cost and labor costs will also impact operating costs of developers. Notwithstanding the foregoing, the spreading of COVID-19 virus has been moderated which as a result has led to a rebound in domestic spending particularly from the high-income groups. The return of tourists after Thailand's reopening has further boosted the economy. Amidst the uncertainty, the Company focused on executing prudent business plan that prioritized efficient capital management to maintain financial liquidity and stability, in preparation for market recovery. The Company continued to focus on maximizing benefits of all stakeholders.

For the third quarter of FY2022 (3Q22), the Company reported **Total revenue** of THB 4,373.9 million, an increase of 13.8% or THB 529.2 million compared to the same period last year. The Company's Consolidated **Net profit** was THB 680.2 million, an increase by 48.0% or THB 220.8 million from the same quarter last year. The changes are summarized as follows:

- **Revenue from Sales of Real Estate** increased by THB 208.5 million or 7.1% YoY, resulted from the Company's strategy to focus on the development of single-detached houses with innovative amenities to tap the middle-to-upper homebuyers' segment. Going forward, the Company continues to expand its portfolio of housing projects to service customers across all segments including upcountry housing projects, in order to diversify risks and improve revenue stability.
- **Rental and Related Service Revenue** increased by THB 51.8 million or increased by 9.5 % YoY. The increase was due to higher rental revenue from the industrial property business, primarily driven by increasing demand from e-commerce and logistics segments although short-term leases slightly decreased. Going forward, the trend of Chinese manufacturers relocating overseas for greater supply chain resilience continue to present opportunity to the Company. In the last quarter, overall occupancy rate remained high at 84%. On a separate note, the Company has acquired additional shares of PT SLP Surya Ticon Internusa ("SLP") and PT Surya Internusa Timur ("SIT") in Indonesia in June to strengthen the Company's business. These entities became subsidiaries of the Company, and the performance has been consolidated in the Company's financial statement in the last month

of this quarter. For the commercial business, rental revenue slightly increased compared to the same period last year as, this quarter, the Company did not provide any rental discounts to tenants compared to during the COVID-19 period. In 4Q22, the Company plans to launch a new mixed-use development called Silom Edge, located on the intersection of Silom and Rama4 road, which will provide additional rental revenue in place of Golden Land Building under which the lease will expire in the same quarter. Overall, the performance of commercial office portfolio remained stable, with high occupancy rate of 90%.

- **Hotel Business** reported an increase in revenue of THB 40.8 million or an increase of 91.6% YoY, due to the easing of international travel restrictions. The government has also announced the reopening of borders and lifted the Test& Go program in May to boost tourism activities in Thailand. The increase in number of business travellers and foreign tourists has resulted in positive momentum towards hospitality sector recovery.
- **Revenue from Management Services** decreased by THB 14.0 million, or 7.6% YoY due to a decrease in service fees under the service agreement between the Group and Golden Venture Leasehold Real Estate Investment Trust.
- In 3Q22, the Company reported gain on sales of investment properties of THB 309.2 million from recycling of 9 units of industrial assets to FTREIT and recorded THB 111.4 million gain on fair value adjustment from reclassification of investment relating to an increase in investment stake in the companies in Indonesia.

The Company posted an increase in total operating costs of 0.8% YoY or THB 21.3 million. Notwithstanding, as a result of a shift in sales strategy and efficient cost management, gross profit margin rose to 36.4% from 32.1% in the same quarter last year. Distribution costs and administrative expenses increased by 28.3% YoY or THB 182.5 million, mainly resulted from active marketing activities, while the finance costs decreased by 11.7% or THB 30.1 million. Therefore, total costs and expenses was THB 3,604.3 million, an increase by 5.1% YoY or THB 173.7 million. Overall, Fraser Property (Thailand) recorded a consolidated **net profit** for 3Q22 of THB 680.2 million, representing an increase of 48.0% YoY or THB 220.8 million, while **the profit attributable to the owner of the Company** stood at THB 680.4 million, an increase of 46.8% YoY or THB 217.0 million. **Basic earnings per share** attributable to the owner of the Company for 3Q22 was THB 0.29 per share, increased from THB 0.20 per share in 3Q21.

Financial Performance for 3Q 2022 vs. 3Q 2021

Unit: THB Million	3Q 2021	3Q 2022	% to Total Revenue	%Y-o-Y
Revenue from sales of real estate	2,947	3,155	72.1%	7.1%
Rental and related service revenue	545	597	13.6%	9.5%
Revenue from hotel business	45	85	1.9%	91.6%
Management fee income	185	171	3.9%	-7.6%
Total operating revenue	3,721	4,008	91.6%	7.7%
Gain on sales of investment properties	20	309	7.1%	1475.9%
Gain on capital redemption of investment in associate	4	-	0.0%	-100.0%
Others	100	57	1.3%	-43.3%
Total revenues	3,845	4,374	100.0%	13.8%
Total operating costs	2,528	2,549	58.3%	0.8%
Distribution costs and administrative expenses	645	828	18.9%	28.3%
Finance costs	258	227	5.2%	-11.7%
Total expenses	3,431	3,604	82.4%	5.1%
Profit for the period	459	680	15.6%	48.0%
Profit attributable to owner of the Company	463	680	15.6%	46.8%
Basic earnings per share (THB)	0.20	0.29		46.7%

Financial Position as at 30 June 2022

Unit: THB Million	30 Sep 2021	30 Jun 2022	% YTD
Cash, cash equivalents and fixed deposits	975	1,054	8.0%
Real estate development for sales	32,356	33,399	3.2%
Investments in associates, joint ventures, and other investment	16,310	15,301	-6.2%
Investment properties	36,311	40,849	12.5%
Property, plant and equipment	2,856	4,407	54.3%
Total assets	92,637	98,707	6.6%
Interest-bearing liabilities	50,352	53,918	7.1%
Total liabilities	58,384	62,863	7.7%
Total equity	34,253	35,843	4.6%

The Company's **total assets** as of 30 June 2022 ended at THB 98,706.6 million, rose by THB 6,069.6 million or 6.6% compared to 30 September 2021, mainly from an increase in investment property from the acquisition of SLP and SIT in Indonesia in this quarter, and an increase in property, plant and equipment from the acquisition of Mayfair Marriott Executive Apartment during the first quarter. **Total liabilities** stood at THB 62,863.3 million, increased by 7.7% or THB 4,479.4 million from 30 September 2021 from loan drawdown from financial institutions. **Total equity** was THB 35,843.3 million, which was improved by 4.6% or THB 1,590.2 million from an interim net profit after deducting dividend payment.

As at 30 June 2022, the Company had total interest-bearing liabilities of THB 53,918.0 million, an increase by THB 3,565.8 million. At the end of June 2022, interest-bearing liabilities to equity ratio was at 1.50 times, marginally increased from 1.47 times as at the end of September 2021. However, the interest-bearing debt to equity ratio excluding the impact of financial lease (TFRS 16) was at 1.40 times.

Yours faithfully,

Fraser's Property (Thailand) Public Company Limited

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Mr. Somboon Wasinchutchawal
Chief Financial Officer