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(- Unofficial Translation -)

August 10, 2022

Subject: Management Discussion and Analysis for Quarter 2/2022

Attention: President, The Stock Exchange of Thailand

AssetWise Public Company Limited (the “Group”) would like to provide Management Discussion and Analysis for quarter 2/2022 as follows:

Overview of operating results

For the 3-month period ended 30 June 2022, the Group recorded sales and service revenue of THB 1,608.90 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 717.93 million, or equivalent to 44.39%. While selling expenses and administrative expenses was THB 180.87 million and THB 138.89 million, respectively. The Group recorded net profit of THB 309.64 million, or equivalent to 19.14%.

For the 6-month period ended 30 June 2022, the Group recorded sales and service revenue of THB 2,726.99 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 1,175.92 million, or equivalent to 40.73%. While selling expenses and administrative expenses was THB 317.51 million and THB 272.85 million, respectively. The Group recorded net profit of THB 564.76 million, or equivalent to 19.56%.

Sales and service revenue

For the 3-month period in quarter 2/2022, the Group recorded sales and service revenue of THB 1,608.90 million which increased by THB 501.66 million or 45.31% from THB 1,107.23 million in quarter 2/2021. The real estate development for sales business contributed majority of revenue of THB 1,573.53 million. Regarding revenue from properties 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. The Group have revenue from services of THB 35.37 million. The main revenue was management fee charged to joint ventures THB 22.75 million.

For the 6-month period in quarter 2/2022, the Group recorded sales and service revenue of THB 2,726.99 million which increased by THB 446.01 million or 19.55% from THB 2,280.98 million in quarter 2/2021.

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Sales of real estate

For the 3-month period in quarter 2/2022, the Group recorded sales of real estate at THB 1,573.53 million which increased by THB 495.14 million or 45.91% from THB 1,078.39 million in quarter 2/2021. The Group recorded sales of real estate of 660 units of their 16 projects. The main revenue from sale of real estate was from various brands of condominium and housing projects of the Group such as Kave Town Shift, Kave TU, Modiz Sukhumvit 50, and Puri Puri Pattanakarn which were transferred to customers continuously from the previous year and the project which completed and started transferring in quarter 2/2022 was Ivory Ratchada 32. Most customers decided to transfer during the period because 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 continuously high despite the outbreak of coronavirus (COVID-19) pandemic.

For the 6-month period in quarter 2/2022, the Group recorded sales of real estate at THB 2,623.72 million which increased by THB 394.85 million or 17.72% from THB 2,228.87 million in quarter 2/2021.

Cost of real estate units sold

For the 3-month period in quarter 2/2022, the Group recorded their cost of real estate units sold at THB 873.74 million which increased by THB 305.10 million or 53.66% from THB 568.64 million in quarter 2/2021. The cost of real estate units sold increase in quarter 2/2022 was from change in products mix of transferring units during the period which was more variety. The main units transferring in quarter 2/2022 were Kave brand, Modiz brand, Ivory brand, Atmoz brand and Puri Puri brand. While the cost of real estate units sold from units transfer in quarter 2/2021 mainly was from Kave Town Space and Kave Town Shift, which its cost was lower than other brands.

For the 6-month period in quarter 2/2022, the Group recorded their cost of real estate units sold at THB 1,516.15 million which increased by THB 353.84 million or 30.44% from THB 1,162.30 million in quarter 2/2021.

Gross profit

For the 3-month period in quarter 2/2022, the Group had gross profit of THB 717.93 million which increased by THB 193.55 million or 36.91% from THB 524.38 million in quarter 2/2021, equivalent to the gross profit margin of 44.39%, lower than the gross profit margin of 47.08 % in the same period of previous year. The gross profits margin for this period decreased because cost structure of units transferred of each periods have different products mix of the Group's brands as explained in the cost of real estate units sold.

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For the 6-month period in quarter 2/2022, the Group had gross profit of THB 1,175.93 million which increased by THB 569.40 million or 7.51% from THB 1,093.77 million in quarter 2/2021, equivalent to the gross profit margin of 40.73%, lower than the gross profit margin of 46.33% in the same period of previous year.

Other income

For the 3-month period in quarter 2/2022, the Group had other income of THB 6.37 million which increased by THB 0.11 million or 1.70% from THB 6.26 million in quarter 2/2021.

For the 6-month period in quarter 2/2022, the Group had gross profit of THB 156.89 million which increased by THB 77.51 million or 97.65% from THB 79.38 million in quarter 2/2021. The increase was mainly from gain from disposal of investment in a subsidiary and gain from remeasurement of investment at fair value for THB 145.23 million.

Distribution cost

For the 3-month period in quarter 2/2022, the Group recorded distribution cost of THB 180.87, increased THB 83.65 million or 86.03% from THB 97.22 million in quarter 2/2021. The increase is mainly from an increase in transfer value during the period and marketing expenses also increase for future projects.

For the 6-month period in quarter 2/2022, the Group recorded distribution cost of THB 317.51, increased by THB 107.46 million or 51.16% from THB 210.05 million in quarter 2/2021.

Administrative expenses

For the 3-month period in quarter 2/2022, the Group recorded administrative expenses of THB 138.89 which increased by THB 37.30 million or 36.71% from THB 101.59 million in quarter 2/2021. The increase was in line with the Group's 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.

For the 6-month period in quarter 2/2021, the Group recorded administrative expenses of THB 272.85 which increased by THB 65.00 million or 31.27% from THB 207.85 million in quarter 2/2021.

Share of loss from investments in joint ventures

For the 3-month period in quarter 2/2022, the Group recorded share of loss from investments in a joint ventures of THB 3.66 million. The loss was from joint ventures projects, Kave Salaya and Atmoz Bangna, which were under construction and the Group recorded share of loss from operation in this period.

For the 6-month period in quarter 2/2022, the Group recorded share of loss from investments in a joint ventures of THB 39.27 million which increased by THB 16.61 million or 73.32% from THB 22.66 million in quarter 2/2021.

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This because this period the Group jointly invested in 2 condominium projects with business partners; while, the Group jointly invested in 1 condominium projects with its partner in quarter 2/2021.

Net profit

For the 3-month period in quarter 2/2022, the Group recorded net profit attributable to the owner of the Company of THB 272.58 million which increased by THB 14.61 million or 5.66% from THB 257.97 million in quarter 2/2021, equivalent to the net profit margin of 16.85%, lower than the net profit margin of 23.16% in the same period of previous year. The decrease of net profit was from units transfer of joint ventures projects, such as Kave TU , Modiz Sukhumvit 50 and Puri Puri, which net profit of those projects was attributed to non-controlling interests based on their ownership interest.

For the 3-month period in quarter 2/2022, the Group recorded net profit of THB 309.64 million or equivalent to 19.14% while the net profit in the same period of previous year was THB. 252.95 million or equivalent to 22.71%. The net profit margin for this period decreased because cost structure of units transferred of each periods have different products mix of the Group's brands as explained in the cost of real estate units sold.

For the 6-month period in quarter 2/2022, the Group recorded net profit attributable to the owner of the Company of THB 498.49 million which increased by THB 79.79 million or 13.80% from THB 578.27 million in quarter 2/2021.

For the 6-month period in quarter 2/2022, the Group recorded net profit of THB 564.76 million or 19.56% from THB 573.00 million or 24.27% in quarter 2/2021.

Financial position

Assets

As of period ended of quarter 2/2022, the Group recorded total assets of THB 13,877.35 million which increased by THB 2,542.11 million or equivalent to 22.43% from THB 11,335.24 million as of year ended 2021. The main increase was from cash and cash equivalents increased by THB 450.62 million, inventories increased by THB 1,240.18 million which increased from ownership transfer of acquired land for future projects and also there was an acquisition of a company which developed condominium project, Maxxi Prime Ratchada Sutthisan. In addition, the investments in joint ventures increased by THB 288.09 million due to joint ventures project between AssetWise and its business partner in Atmoz Bangna project. Moreover, the investment properties increased by THB 220.97 million which increased from ownership transfer of acquired land for future projects of properties for rent business.

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Liabilities

As of period ended quarter 2/2022, the Group recorded total liabilities of THB 8,713.77 million which increased by THB 2,315.08 million or 36.18% from THB 6,398.69 million as of year ended 2021. The main reasons were from current liabilities increased by THB 1,726.21 which mainly were from short-term borrowings, and current portion of long-term liabilities. Moreover, non-current liabilities also increased by THB 588.88 which mainly was from debentures newly issued during the period.

Shareholders' Equity

As of period ended quarter 2/2022, the Group recorded total shareholders' equity of THB 5,163.58 million; which increased by 227.03 million or 4.60% from THB 4,936.55 million as of year ended 2021. The main increase was retain earning of unappropriated increased by THB 161.03 million and non-controlling interests increased by THB 66.00 million.

Please be informed accordingly

Yours Sincerely

(Mr. Kromchet Vipanpong)
Chief Executive Officer