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SET. 023/2022

August 15, 2022

Subject: Management Discussion and Analysis for 2Q 2022

To: The President

Copy: The Stock Exchange of Thailand

AQ Estate Public Company Limited has a list of information that the Board of Directors considered in accordance with the resolutions of the Board Meeting No. 6/2022 on August 15, 2022 at 3:00 p.m. The meeting's resolution was to consider and approve the 2<sup>nd</sup> Quarter, 2022 Financial Statements as at June 30, 2022. The Financial Statements have been audited by a certified public accountant, and the Board's resolutions have been reported to the Office of the Securities and Exchange Commission of Thailand.

Therefore, AQ Estate Public Company Limited would like to report the operating results for the 2<sup>nd</sup> Quarter, 2022, with a net profit of 6.52 million baht against a net loss of 322.01 million baht for the same period in 2021. The difference in profit is greater than 20% for the following reasons:

Unit: Million Baht

	Q2/2022	Q2/2021	Increase (Decrease)	%Increase (Decrease)
Revenues from Sales and Services	76.55	107.49	(30.94)	(28.78)
Cost of Sales and Services	82.51	111.67	(29.16)	(26.11)
Gross profit	(5.97)	(4.18)	(1.79)	(42.82)
Other Incomes	93.61	12.94	80.67	623.42
Expenses	79.21	328.17	(248.96)	(75.86)
Financial Costs	2.02	2.63	(0.61)	(23.19)
Income Tax	0.10	0.04	0.06	150.00
Profit (loss) for the year	6.52	(322.01)	328.53	102.02

Revenue from sales and services of the Company and its subsidiaries amounted to 76.55 million baht in Q2/2022. By comparison, revenues from sales and services was 107.49 million baht in the prior period 2021, a decrease of 30.94 million baht or 28.78% due to the following reasons:

1. Revenue from real estate sold in Q2/2022 amounted to 43.69 million baht and 95.65 million baht in the prior period 2021, a decrease of 51.96 million baht or 54.32%, mainly due to a decrease in real estate sales.

2. Income from the hotel and services business of the Company and its subsidiaries amounted to 32.86 million baht in Q2/2022 against 11.84 million baht in the prior period 2021, an increase of 21.02 million baht or 177.53%. The COVID-19 pandemic significantly affected hotel operations in Q2/2021, while Q2/2022 has improved due to the government's easing of COVID-19 control measures.
3. Other income of the Company and its subsidiaries amounted to 93.61 million baht and 12.94 million baht in Q2/2022 and Q2/2021 respectively, an increase of 80.67 million baht or 623.42%. The main reason is from the recording of other revenue from reversal of debt reserves and dividend income from shares in Q2/2022.
4. Cost of sales and services amounted to 82.51 million baht in Q2/2022 compared to 111.67 million baht in Q1/2021, resulting in a decrease of 29.16 million baht or 26.11%. The reason is due to decreased sales.
5. Gross profit of the Company and its subsidiaries in Q2/2022 amounted to negative (5.97) million baht in comparison to negative (4.18) million baht in Q1/2021, a difference of 42.82%. The decline is due to decreased sales.
6. Total selling and administrative expenses amounted to 79.21 million baht in Q2/2022. In the prior period Q1/2021, selling and administrative expenses were 328.17 million baht, a decrease of 248.96 million baht or 75.86%. The difference is due to the Company's subsidiaries having a reserve of 250.90 million baht in Q2/2021.
7. Income tax of the Company and its subsidiaries amounted to 0.10 million baht and 0.04 million baht in Q2/2022 and Q2/2021 respectively, an increase of 0.06 million baht or 150%.

For the aforementioned reasons, the Company and its subsidiaries had a net profit of 6.52 million baht in Q2/2022.

Please be informed accordingly and disseminate such information further.

Yours Sincerely,

(Mr. Chamnarn Wangtal)

Director

(Mr. Michael Alexander William Fernandez)

Director