



(Translation)

No. 010/2566

11 August 2023

Subject: Management Discussion and Analysis for the Three-month and Six-month Accounting Periods Ended
30 June 2023

To: President
The Stock Exchange of Thailand

Asset Five Group Public Company Limited (“the Company”) would like to clarify operating result for the three-month period ended 30 June 2023 reviewed by the certified auditor regarding change from the last same period of last year. The details are as follows:

Unit: Baht

Items	Three-month period ended 30 June 2023	Three-month period ended 30 June 2022	Increase (Decrease)	
			Baht	(%)
Revenue from real estate sales	328,566,932	228,773,977	99,792,955	43.62
Other income				
Management income	969,000	255,000	714,000	280.00
Other	229,632	314,453	(84,821)	(26.97)
Total revenues	329,765,564	229,343,430	100,422,134	43.79
Cost of real estate sales	203,121,096	152,944,626	50,176,470	32.81
Distribution costs	20,234,086	17,935,881	2,298,205	12.81
Administrative expenses	16,054,726	13,494,963	2,559,763	18.97
Total expenses	239,409,908	184,375,470	55,034,438	29.85
Profit from operating activities	90,355,656	44,967,960	45,387,696	100.93
Finance income	766,388	19,533	746,855	3,823.56
Finance costs	(4,495,648)	(2,201,471)	(2,294,177)	104.21
Share of profit (loss) from				
investments in joint ventures	12,990,223	(1,599,029)	14,589,252	(912.38)
Profit before income tax expenses	99,616,619	41,186,993	58,429,626	141.86
Income tax revenue (expenses)	(16,943,413)	(10,934,136)	(6,009,277)	64.96

Items	Three-month period ended 30 June 2023	Three-month period ended 30 June 2022	Increase (Decrease)	
			Baht	(%)
Profit for the period	82,673,206	30,252,857	52,420,349	173.27
Profit attributable to Owners of the parent	82,673,206	28,893,480	53,779,726	186.13

For the three-month period ended June 30, 2023, the Company's net profit increase by Baht 52.42 million or 173.27% Details of significant changes in operating results are as follows:

1. Revenue from sale of real estate in the second quarter of 2023 is amounted to Baht 328.57 million, consisting of revenue from selling of CINQ Royal Krungthep Kreetha project, worth Baht 285.25 million, Vio Khaerai project, worth Baht 1.90 million, Ake Mantra project, worth Baht 6.58 million and Prachasanti project amounting to Baht 34.85 million, which increased by Baht 99.79 million or by 43.62% comparing to the second quarter of 2022
2. Cost of sale of real estate increased by Baht 50.18 million or by 32.81% compared to the same period of the previous year which is in the same direction as the increase in income by 43.62%
3. Distribution costs have increased by Baht 2.29 million or by 12.81% compared to the same period of the previous year which was in line with the increase in revenue. The major driver was marketing expenses that increased by Baht 4.65 million from advertising media of CINQ Royal Krungthep Kreetha project, transfer fee and tax increased by Baht 3.58 million. However, commission expense has decreased Baht 6.53 million because the Company engaged internal sales personnels to in-charge of CINQ Royal Krungthep Kreetha project.
4. Finance costs increased by Baht 2.29 million or by 104.31% compared to the same period of the previous year. The main factors were the bond interests paid during this quarter of 2023 amounting to Baht 1.43 million and increase in interest expense amounting to 0.73 million due to additional loans from financial institutions during the second quarter of 2023.
5. Share of profit from investment in joint ventures for the three-month period ended 30 June 2023 is amounted to Baht 12.99 million compared to the same period of the previous year, which share of loss from investment in joint ventures, worth Baht 1.60 million. The main reason is because of the revenue recognition from transferring amounting to Baht 173.65 million of this second quarter and this is the first quarter in starting to recognize. This made the joint venture has net profit for this period.

6. Income tax expenses increased by Baht 6.01 million or by 64.96%. This reason is that the Company recognized an increase in net taxable profit compared to the same quarter of the previous year.

Unit: Baht

Items	Six-month period ended 30 June 2023	Six-month period ended 30 June 2022	Increase (Decrease)	
			Baht	(%)
Revenue from real estate sales	665,581,407	548,483,466	117,097,941	21.35
Other income				
Revenues from cancellation of contracts	-	1,420,475	(1,420,475)	(100.00)
Management income	1,839,000	510,000	1,329,000	260.59
Other	863,581	966,710	(103,129)	(10.67)
Total revenues	668,283,988	551,380,651	116,903,337	21.20
Cost of real estate sales	381,944,837	363,931,161	18,013,676	4.95
Distribution costs	40,525,518	43,922,649	(3,397,131)	(7.73)
Administrative expenses	38,848,980	28,566,247	10,282,733	36.00
Total expenses	461,319,335	436,420,057	24,899,278	5.71
Profit from operating activities	206,964,653	114,960,594	92,004,059	80.03
Finance income	870,871	19,533	851,338	4358.46
Finance costs	(10,683,626)	(3,989,064)	(6,694,562)	167.82
Share of profit (loss) from				
investments in joint ventures	11,631,872	(2,942,113)	14,573,985	(495.36)
Profit before income tax expenses	208,783,770	108,048,950	100,734,820	93.23
Income tax revenue (expenses)	(39,313,489)	(25,745,228)	(13,568,261)	52.70
Profit for the period	169,470,281	82,303,722	87,166,559	105.91
Profit attributable to Owners of the parent	169,470,281	78,968,981	90,501,300	114.60

For the six-month period ended June 30, 2023, the Company's net profit increase by Baht 87.17 million or 105.91% Details of significant changes in operating results are as follows:

1. Revenue from sale of real estate for the six-month period ended 30 June 2023 is amounted to Baht 665.58 million, consisting of revenue from selling of Cinq Royal Krungthep Kreetha project, worth Baht 590.78 million, Vio Khaerai project, worth Baht 11.48 million, Ake Mantra project, worth Baht 25.46

million and Prachasanti project amounting to Baht 37.88 million, which increased by Baht 117.70 million or by 21.35% comparing to the same period of previous year.

2. Cost of sale of real estate increased by Baht 18.01 million or by 4.95% compared to the same period of the previous year which is in line with the increase in revenue that occurred in the six-month period. However, the said cost increased at a lower rate than the rate of increase in sales revenue. This is because major revenue in the six-month period of 2023 derived from sales of Cinq Royal Krungthep Kreetha project which this project is getting great feedback from customers and also lower cost of sales per unit than other projects.
3. Distribution costs have decreased by Baht 3.40 million or by 7.73% compared to the same period of the previous year in contrast with the increase in revenue. The major driver was a decrease in commission expense of Baht 17.07 million because the Company engaged internal sales personnels to in-charge of Cinq Royal Krungthep Kreetha project. However, marketing expenses increased by Baht 8.53 million from advertising media and organizing an opening event of Cinq Royal Krungthep Kreetha project, transfer fee and tax increased by Baht 4.48 million which is the same direction of the increase in revenue.
4. Administrative expenses increased by Baht 10.28 million or by 36% compared to the same period of the previous year. The main reason is an increase in repairing expenses from the provision of Cinq Royal Krungthep Kreetha project amounting to Baht 4.61 million during the six-month period of 2023. In addition, bank charges increased by Baht 3.39 million from fees of short-term borrowings, and employee welfare increased amounting to Baht 3.15 million from increase the number of staff and the Company's activity.
5. Finance costs increased by Baht 6.69 million or by 167.82% compared to the same period of the previous year. The main factors were the bond interests paid during the six-month period of 2023 amounting to Baht 4.85 million and increase in interest expense amounting to 1.33 million due to additional loans from financial institutions during the six-month period of 2023.
6. Share of profit from investment in joint ventures for the six-month period ended 30 June 2023 is amounted to Baht 11.63 million compared to the same period of the previous year, which share of loss from investment in joint ventures, worth Baht 2.94 million. The main reason is because of the revenue recognition from transferring amounting to Baht 173.65 million of this second quarter and this is the first quarter in starting to recognize. This made the joint venture has net profit for this period.

7. Income tax expenses increased by Baht 13.57 million or by 52.70% compared to the same period of the previous year. This reason is that the Company recognized an increase in net taxable profit compared to the same period of the previous year.

Please be informed accordingly

Sincerely Yours

Asset Five Group Public Company Limited

Signed _____

(Mr. Supachoke Panchasarp)

Chief Executive Officer