

# ASSETwise

( - Unofficial Translation - )

August 10, 2023

Subject: Management Discussion and Analysis for Quarter 2/2023

Attention: President, The Stock Exchange of Thailand

AssetWise Public Company Limited (the “Group”) would like to provide Management Discussion and Analysis for quarter 2/2023 as follows:

## Overview of operating results

For the 3-month period ended 30 June 2023, the Group recorded sales and service revenue of THB 1,250.49 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 513.48 million, or equivalent to 40.35%. While selling expenses and administrative expenses was THB 178.29 million and THB 174.90 million, respectively. The Group recorded net profit of THB 204.73 million, or equivalent to 16.09% and profit attributed to parent of THB 156.82 million, or equivalent to 12.32%.

For the 6-month period ended 30 June 2023, the Group recorded sales and service revenue of THB 2,861.76 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 1,182.06 million, or equivalent to 39.20%. While selling expenses and administrative expenses was THB 346.64 million and THB 364.58 million, respectively. The Group recorded net profit of THB 531.56 million, or equivalent to 17.63% and profit attributed to parent of THB 439.80 million, or equivalent to 14.58%.

## Sales and service revenue

For the 3-month period in quarter 2/2023, the Group recorded sales and service revenue of THB 1,250.49 million which decreased by THB 358.41 million or 22.28% from THB 1,608.90 million in quarter 2/2022. The real estate development for sales business increased by THB 1,184.69 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 65.80 million. The main revenue was management fee charged to joint ventures THB 39.02 million.

For the 6-month period in quarter 2/2023, the Group recorded sales and service revenue of THB 2,861.76 million which increased by THB 134.77 million or 4.94% from THB 2,726.99 million in quarter 2/2022.

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## Sales of real estate

For the 3-month period in quarter 2/2023, the Group recorded sales of real estate at THB 1,184.69 million which decreased by THB 388.84 million or 24.71% from THB 1,573.53 million in quarter 2/2022. The Group recorded sales of real estate 458 units from their 12 projects; 11 condominium projects and 1 landed housing projects.

Revenue from sales of real estate and number of transferred units of condominium project and landed housing projects for the quarter 2/2023 are as follows:

Project Type	Transfer Value (Million Baht)	Number of units
Condominium Projects	1,151.35	452
Landed Housing Projects	33.34	6
<b>Total</b>	<b>1,184.69</b>	<b>458</b>

For the 3-month period in quarter 2/2023, the main project transferred units comprise of condominium projects such as Modiz Launch project which construction completed in quarter 1/2023 and Kave Ava project which construction completed in quarter 4/2022. Most customers decided to transfer during the period because the Group developed products to meet target customers' need and changed marketing strategy to fit with customers' behavior such as launching new promotion campaigns and offering promotions to customers to support presale value and unit transfer value.

For the 6-month period in quarter 2/2023, the Group recorded sales of real estate at THB 2,698.10 million which increased by THB 74.38 million or 2.84% from THB 2,623.72 million in quarter 2/2022.

## Cost of real estate units sold

For the 3-month period in quarter 2/2023, the Group recorded their cost of real estate units sold at THB 678.48 million which decreased by THB 195.26 million or 22.35% from THB 873.74 million in quarter 2/2022. The amount decreased in line with an increase in sales of real estate. The cost of real estate comprised cost of land and land improvement, construction costs, interest cost and other development expenses; for example, project and landscape design cost, construction consultant fees, and related license fees issued by the government authorities etc.

For the 6-month period in quarter 2/2023, the Group recorded their cost of real estate units sold at THB 1,578.84 million which increased by THB 62.70 million or 4.14% from THB 1,516.15 million in quarter 2/2022.

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## Gross profit

For the 3-month period in quarter 2/2023, the Group had gross profit of THB 513.48 million which decreased by THB 204.45 million or 28.48% from THB 717.93 million in quarter 2/2022, equivalent to the gross profit margin of 40.35%, lower than the gross profit margin of 44.39 % in quarter 2/2022. The gross profits margin decreased because of a difference in products mix, transferred units of each period had different cost structure among each brand.

For the 6-month period in quarter 2/2023, the Group had gross profit of THB 1,182.06 million which increased by THB 6.14 million or 0.52% from THB 1,175.92 million in quarter 2/2022, equivalent to the gross profit margin of 39.20%, slightly lower than the gross profit margin of 40.73% in the same period of previous year.

## Other income

For the 3-month period in quarter 2/2023, the Group recorded other income of THB 14.92 million which increased by THB 8.55 million or 134.31% from THB 6.37 million in quarter 2/2022.

For the 6-month period in quarter 2/2023, the Group had gross profit of THB 141.59 million which decreased by THB 15.30 million or 9.75% from THB 156.89 million in quarter 2/2022. The increase was mainly from gain from disposal of investment in a subsidiary and gain from remeasurement of investment at fair value for THB 111.36 million and THB 145.23 million in quarter 2/2023 and quarter 2/2022, respectively.

## Distribution cost

For the 3-month period in quarter 2/2023, the Group recorded distribution cost of THB 178.29, decreased THB 2.58 million or 1.43% from THB 180.87 million in quarter 2/2022. The distribution cost decrease in line with sale from real estate while there is an increase in marketing and sale activities related to 10 new projects which launched in quarter 3/2022 to quarter 2/2023.

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The new launched projects are as follows:

Number	Project Name	Number of Unit	Project Value (THB million)	Project Launched	Project Type
1	Kave Seed Kaset	600	1,350	Q3/2565	Condominium
2	Kave Universe	245	520	Q4/2565	Condominium
3	Esta Rangsit Klong 2	153	680	Q4/2565	Landed House
4	Kave Embryo Rangsit	514	780	Q1/2566	Condominium
5	Kave Town Island	1,770	3,530	Q1/2566	Condominium
6	Atmoz Season Ladkrabang	706	1,100	Q1/2566	Condominium
7	Kave Pop salaya	237	499.0	Q2 2023	Condominium
8	Atmoz Palacio Ladprao Wanghin	759	1,779.8	Q2 2023	Condominium
9	Kave Coco Bangsean	974	2,067.4	Q2 2023	Condominium
10	Modiz Vault Kaset Sripatum	798	2,275.2	Q2 2023	Condominium
	<b>Total</b>	<b>6,756</b>	<b>14,581</b>		

For the 6-month period in quarter 2/2023, the Group recorded distribution cost of THB 346.64, increased by THB 29.13 million or 9.17% from THB 317.51 million in quarter 2/2022.

#### Administrative expenses

For the 3-month period in quarter 2/2023, the Group recorded administrative expenses of THB 174.90 which increased by THB 36.01 million or 25.92% from THB 138.89 million in quarter 2/2022. The main items are staff cost which increase from real estate development businesses especially for landed house and after-sale and common expenses of units of the completed projects owned by the Group.

For the 6-month period in quarter 2/2022, the Group recorded administrative expenses of THB 364.58 which increased by THB 91.73 million or 33.62% from THB 272.85 million in quarter 2/2022.

#### Share of loss from investments in joint ventures

For the 3-month period in quarter 2/2023, the Group recorded share of profit of THB 80.38 million which increased by THB 84.02 million from share of loss of THB 3.66 million in quarter 2/2022. The loss was from 2 joint ventures projects, Kave Mutant Salaya and Atmoz Tropicana Bangna, which start transferring in quarter 3/2022 and quarter 2/2023, respectively.

For the 6-month period in quarter 2/2023, the Group recorded share of loss of THB 41.79 million which increased by THB 81.06 million from THB 39.27 million in quarter 2/2022.

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## Net profit attributed to the Parent

For the 3-month period in quarter 2/2023, the Group recorded net profit attributed to the Parent of THB 156.82 million which decreased by THB 115.76 million or 42.47% from THB 272.58 million in quarter 2/2022. The net profit margin in quarter 2/2023 and quarter 2/2022 were 12.32% and 16.85% respectively. The net profit decreased because of a difference in products mix, transferred units of each period had different cost structure among each brand. The administrative expenses increase from staff cost for landed house business expansion. However, the Group was able to maintain profit margin because the Group focused on sourcing potential development sites and had effective cost control management especially for construction cost.

For the 6-month period in quarter 2/2023, the Group recorded net profit attributable to the owner of the Company of THB 439.80 million which increased by THB 58.69 million or 11.77% from THB 498.49 million in quarter 2/2022.

## Net profit

For the 3-month period in quarter 2/2023, the Group recorded net profit of THB 204.73 million and THB 309.64 million or equivalent to net profit rate 16.09% and 19.14% in quarter 2/2023 and quarter 2/2022, respectively.

For the 6-month period in quarter 2/2023, the Group recorded net profit of THB 531.56 million and THB 564.76 million or equivalent to net profit rate 17.63% and 19.56% in quarter 2/2023 and quarter 2/2022, respectively.

## Financial position

### Assets

As of period ended of quarter 2/2023, the Group recorded total assets of THB 18,355.74 million which increased by THB 2,819.13 million or 18.15% from THB 15,536.61 million as of year ended 2022 mainly due to an increase of inventories THB 2,390.51 million, and investment in joint ventures increased THB 406.35 million mainly was from lands acquisition and construction progress as planned during the period.

### Liabilities

As of period ended quarter 2/2023, the Group recorded total liabilities of THB 12,398.10 million which increased by THB 2,814.35 million or 29.37% from THB 9,583.75 million as of year ended 2022. The main reason was from long-term loan from financial institutions increased THB 1,979.02 million and debentures increased THB 827.55 million which were used to support future projects.

### Shareholders' Equity

As of period ended quarter 2/2023, the Group recorded total shareholders' equity of THB 5,957.68 million; which increased by 4.78 million or 0.08% from THB 5,952.86 million as of year ended 2022. The change mainly

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was increased from net profit and decreased from dividend distribution for the period of THB 531.56 million and 447.41 THB million, respectively.

Please be informed accordingly

Yours Sincerely

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(Mr. Kromchet Vipapong)  
Chief Executive Officer