

ASSETWISE

(- Unofficial Translation -)

May 9, 2024

Subject: Management Discussion and Analysis for Quarter 1/ 2024

Attention: President, The Stock Exchange of Thailand

AssetWise Public Company Limited (the “Group”) would like to provide Management Discussion and Analysis for quarter 1/ 2024 as follows:

Overview of operating results

For the period ended 31 March 2024, the Group recorded sales and service revenue of THB 1,734.69 million which main source of revenue came from sales of real estate. The Group had gross profit of THB 724.27 million, or equivalent to 41.21%. While selling expenses and administrative expenses was THB 228.01 million and THB 220.76 million, respectively. The Group recorded net profit of THB 247.63 million, or equivalent to 14.09% and profit attributed to parent of THB 256.33 million, or equivalent to 14.58%.

Sales and service revenues

In quarter 1/2024, the Group recorded sales and service revenues of THB 1,734.69 million which increased by THB 123.42 million or 7.66% from THB 1,611.27 million in quarter 1/2023. The real estate development for sales business increased by THB 133.47 million. This business contributed main income which were recognized when the Group had completely transferred the ownership to their customers. Regarding revenue from rental and services, the group recorded revenue of THB 87.81 million which decreased by THB 10.05 million or 10.27% from THB 97.86 million, revenue from rental and services were from the real estate for rent, the real estate agent; resale and leasing services, entertainment organiser services and revenue from management service charged to joint ventures. Revenues decreased mainly was from management service charged to joint ventures which were recognised based on stage of project development.

Sales of real estate

In quarter 1, 2024, the Group recorded sales of real estate at THB 1,646.88 million which increased by THB 133.47 million or 8.82 % from THB 1,513.41 million in quarter 1/2023. The Group recorded sales of real estate 800 units from their 18 projects; 15 condominium projects and 3 landed housing projects.

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Revenues from sales of real estate and number of transferred units of condominium project and landed housing projects for the quarter 1/2024 are as follows:

Project Type	Transfer Value (Million Baht)	Number of units
Condominium Projects	1,577.28	794
Landed Housing Projects	69.60	6
Total	1,646.88	800

In quarter 1/2024, the main project transferred units comprise of condominium projects such as Atmoz Kanaal Rangsit project which construction completed in quarter 1/2024 and Kave Town Colony project which construction completed in previous quarter. 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. Consequently, the unit transfer value was higher compared to the quarter 1/2023.

Cost of real estate units sold

In quarter 1/2024, the Group recorded their cost of real estate units sold at THB 947.12 million which increased by THB 46.75 million or 5.19 % from THB 900.37 million in quarter 1/2023. The amount increased 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.

Gross profit

In quarter 1/2024, the Group had gross profit of THB 724.27 million which increased by THB 55.70 million or 8.33 % from THB 668.57 million in quarter 1/2023, equivalent to the gross profit margin of 41.21%, higher than the gross profit margin of 38.36% in quarter 1/2023. The gross profits were in line with the sales of real estate which were the main income. The Group was able to maintain good gross profit margin over time because their emphasis in the sales pricing policy and monitor cost control activities especially for land selection and project development cost control process.

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Other income

In quarter 1/2024, the Group recorded other income of THB 15.09 million which decreased by THB 111.58 million or 88.09% from THB 126.67 million in quarter 1/2023. The other income decreased from transaction related to disposal of investment in a subsidiary, which developed Atmoz Flow Minburi project, to a business partner in quarter 1/2023 while there was no such transaction in quarter 1/2024.

Selling expenses

In quarter 1/2024, the Group recorded selling expenses of THB 228.01, increased THB 59.66 million or 35.44 % from THB 168.35 million in quarter 1/2023. The selling expenses increase in line with sale from real estate and mainly increase from marketing and sale activities related to 16 new projects which launched in quarter 2/2023 to quarter 1/2024. The detail are as follows:

Number	Project Name	Number of Unit	Project Value (THB million)	Project Launched	Project Type
Developed under ASW					
1	Atmoz Palacio Ladprao Wanghin	757	1,750	Q2/2566	Condominium
2	Kave Coco Bangsean	974	2,000	Q2/2566	Condominium
3	Kave Pop salaya	237	500	Q2/2566	Condominium
4	Modiz Vault Kaset Sripatum	798	2,200	Q2/2566	Condominium
5	Modiz Avantgarde	751	1,800	Q3/2566	Condominium
6	The Arbor Donmueang - Chaengwatthana	76	1,050	Q3/2566	Landed Housing
7	Atmoz Canvas Rayong	674	1,250	Q4/2566	Condominium
8	The Honor Yothinpattana	106	4,200	Q4/2566	Landed Housing
9	Kave Wonderland	1,424	2,550	Q4/2566	Condominium
10	Modiz Voyage Srinakarin	813	2,600	Q4/2566	Condominium
11	MAROON RATCHADA	353	900	Q1/2567	Condominium
12	ESTA Serenity Boromratchachonnani	137	800	Q1/2567	Landed Housing
Developed under TITLE					
13	The Title Halo 1 Part 2	161	780	Q2/2566	Condominium
14	The Title Legendary Bangtao	637	4,500	Q4/2566	Condominium
15	The Title Heritage Bangtao	789	6,000	Q1/2567	Condominium
16	The Title Serenity Naiyang	814	4,000	Q1/2567	Condominium
Total		9,501	36,880		

Administrative expenses

In quarter 1/2024, the Group recorded administrative expenses of THB 220.76 which increased by THB 31.08 million or 16.38% from THB 189.68 million in quarter 1/2023. The main items are salaries and wages; which subsequently increased from acquisition of Rhom Bho Property Public Company Limited, office expenses, utilities expenses and after-sale and common expenses of units of the completed projects owned by the Group.

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Share of loss from investments in joint ventures and associates

In 2023, the Group recorded share of loss from investments of THB 26.83 million; which were distributed from 8 joint ventures developing 8 projects; comprising 5 projects were under construction and 3 projects were completed and transferred.

Net profit

In quarter 1/2024, the Group recorded net profit attributed to the Parent of THB 256.33 million which decreased by THB 26.65 million or 9.42% from THB 282.98 million in quarter 1/2023. The net profit margin in quarter 1/2024 and quarter 1/2023 were 14.58% and 16.24% respectively. 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.

Financial position

Assets

As of period ended of quarter 1/2024, the Group recorded total assets of THB 26,884.13 million which increased by THB 2,520.40 million or 10.34% from THB 24,363.73 million as of year ended 2023 mainly due to an increase in project development costs for sale of THB 1,709.74 million and increase in cost to obtain contracts with customers of THB 280.47 million mainly resulting from presale of The Title Legendary Bang-Tao and The Title Heritage Bang-Tao and land held for development increase of THB 469.25 million.

Liabilities

As of period ended quarter 1/2024, the Group recorded total liabilities of THB 19,151.46 million which increased by THB 2,271.57 million or 13.46% from THB 16,879.89 million as of year ended 2023. The main reason was from an increase in advances from customers of 837.58 million mainly resulting from presale of The Title Legendary Bang-Tao and The Title Heritage Bang-Tao, an increase in long-term loans from banks 956.62 million to support projects under development and future projects.

Shareholders' Equity

As of period ended quarter 1/2024, the Group recorded total shareholders' equity of THB 7,732.66 million; which increased by 248.83 million or 3.32% from THB 7,483.84 million as of year ended 2023. The increase mainly was from net profit for quarter 1/2024 the period.

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Please be informed accordingly.

Yours Sincerely

(Mr. Kromchet Vipapong)
Chief Executive Officer