

14 August 2019

Subject: Clarification on Change in Operating Result Exceeding 20% for the Period Ended 30 June 2019

To: President

The Stock Exchange of Thailand

Asset Five Group Public Company Limited (“the Company”) would like to clarify operating result for the period ended 30 June 2019 audited by the certified auditor regarding change from the same period of the last year exceeding 20%. The details are as follows:

Unit : Baht

Items	2 nd Quarter of 2019	2 nd Quarter of 2018	Increase (Decrease)	
			Baht	Baht
Revenues from sale of real estate	39,711,500	16,029,000	23,682,500	147.75
Interest income	740,958	351,540	389,418	110.77
Other income	335,475	270,659	64,816	23.95
Total revenues	40,787,933	16,651,199	24,136,734	144.95
Cost of sale of real estate	26,803,888	12,221,280	14,582,608	119.32
Distribution costs	5,830,774	2,818,902	3,011,872	106.85
Administrative expenses	9,241,904	5,633,461	3,608,443	64.05
Finance costs	2,386,504	8,789,625	(6,403,121)	(72.85)
Total cost	44,263,070	29,463,268	14,799,802	50.23
Profit (loss) before income tax	(3,475,137)	(12,812,069)	9,336,932	(72.88)
Tax (expense) income	55,743	1,986,113	(1,930,370)	(97.19)
Profit (loss) for the year	(3,419,394)	(10,825,956)	7,406,562	(68.41)

Description on significant changes

1. Revenues from sale of real estate of the Company and subsidiary increased by 23.68 Million Baht or 147.75% compared to the same quarter of previous year due to the fact that the Company has realized income from selling of houses from Rachaya Baan Chang 2 project, worth 39.71 Million Baht. In 2nd Quarter of 2018, the Company realized income from selling of only 8 units of ready-for-sale condominium from Vio Khaerai 1 and 2 project, worth 16.03 Million Baht.

2. Cost of sale of real estate of the Company and subsidiary increased by 14.58 Million Baht or 119.32% compared to the same quarter of previous year, which is relevant to increase in revenue.

3. Distribution costs increased by 3.01 Million Baht or 106.85% compared to the same quarter of previous year due to increase in promotional campaign of Vana Resident Rama 9 - Srinakarin project approximately 1.40 Million Baht and also Distribution costs and transfer fee of Rachaya Baan Chang 2 project, approximately 1.50 Million Baht.

4. Administrative expenses of the Company and subsidiary increased by 3.61 Million Baht or 64.05% compared to the same quarter of previous year due to increase in salaries since the subsidiaries hire more employees and also in director remunerations. In addition, when the merger is completed, the subsidiaries are considered to maintain the same standards, rules, and regulations according to the Company. Therefore, professional fees such as financial advisory fees, auditor fees, consultancy fees, etc. are increased when compared to the same quarter of the previous year.

5. Financial costs of the Company and subsidiary increased decreased by 6.40 Million Baht or 72.85% compared to the same quarter of previous year due to the fact that in 2nd Quarter of 2019 the subsidiary started to develop Vana Residence 2 project on 16 Rai resulting in the interest expense of the loan for the Vana Residence 2 project being recognized as borrowing costs. Moreover, decrease in loans of condominium projects causes interest expenses to decrease as well.

6. Tax incomes of the Company and subsidiary increased decreased by 1.93 Million Baht or 97.19% compared to the same quarter of previous year due to the fact that Rachaya Real Estate Company Limited recognized net income which lead to tax expense approximately 1.50 Million Baht and Asset Five Development Company Limited recognized tax incomes since there was tax losses approximately 1.56 Million Baht, while the same quarter of previous year only calculated the tax loss carried forward of the subsidiaries.

Please be informed accordingly

Sincerely yours

Asset Five Group Public Company Limited

Signed

(Mr. Kriangkrai Siravanichkan)
Chairman of the Board of Directors