

14 November 2019

Subject: Clarification on Change in Operating Result Exceeding 20% for the Period Ended 30 September 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 September 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	3 rd Quarter of 2019	3 rd Quarter of 2018	Increase (Decrease)	
			Baht	%
Revenues from sale of real estate	156,390,244	51,016,000	105,374,244	206.55%
Interest income	710,945	627,581	83,364	13.28%
Other income	1,672,291	48,011	1,624,280	3,383.14%
Total revenues	158,773,480	51,691,592	107,081,888	207.16%
Cost of sale of real estate	114,452,679	36,869,803	77,582,876	210.42%
Distribution costs	10,891,556	7,549,411	3,342,145	44.27%
Administrative expenses	11,520,623	6,372,863	5,147,760	80.78%
Finance costs	2,460,182	5,377,035	(2,916,853)	(54.25)%
Total cost	139,325,040	56,169,112	83,155,928	148.05%
Profit (loss) before income tax	19,448,440	(4,477,520)	23,925,960	(534.36)%
Tax (expense) income	(4,096,900)	1,465,339	(5,562,239)	(379.59)%
Profit (loss) for the year	15,351,540	(3,012,181)	18,363,721	(609.65)%

Description on significant changes

1. Revenues from sale of real estate of the Company and subsidiary increased by 105.37 Million Baht or 206.55% 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 54.89 Million Baht and from Vana Resident Rama 9 - Srinakarin project, worth 101.50 Million Baht. In 3rd Quarter of 2018, the Company realized income from selling of 8 units of ready-for-sale condominium from Vio Khaerai 1 and 2 project, worth 14.31 Million Baht and from selling of Rachaya Baan Chang 2 project, worth 36.71 Million Baht.

2. Cost of sale of real estate of the Company and subsidiary increased by 77.58 Million Baht or 210.42% compared to the same quarter of previous year, which is relevant to increase in revenue.

3. Distribution costs increased by 3.34 Million Baht or 44.27% compared to the same quarter of previous year due to increase in promotional campaign of Vana Resident Rama 9 - Srinakarin project and also Distribution costs and transfer fee of Rachaya Baan Chang 2 project.

4. Administrative expenses of the Company and subsidiary increased by 5.15 Million Baht or 80.78% 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 decreased by 2.92 Million Baht or 54.25% compared to the same quarter of previous year due to the fact that in 3rd 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.

Please be informed accordingly

Sincerely yours

Asset Five Group Public Company Limited

Signed

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