

15 May 2020

Subject: Clarification on Change in Operating Result Exceeding 20% for the Period Ended 31 March 2020

To: President

The Stock Exchange of Thailand

Asset Five Group Public Company Limited (“the Company”) would like to clarify operating result for 1st Quarter of 2020 ended 31 December 2019 reviewed by the certified auditor regarding change from the same period of the last year exceeding 20%. The details are as follows:

Unit : Baht

Items	1 st Quarter of 2020	1 st Quarter of 2019	Increase (Decrease)	
			Baht	%
Revenues from sale of real estate	127,422,302	105,072,930	22,349,372	21.27%
Other income	261,480	297,201	(35,721)	(12.02%)
Total revenues	127,683,782	105,370,131	22,313,651	21.18%
Cost of sale of real estate	92,808,374	75,628,017	17,180,357	22.72%
Distribution costs	9,211,822	8,179,303	1,032,519	12.62%
Administrative expenses	14,288,624	8,786,273	5,502,351	62.62%
Total cost	116,308,820	92,593,593	23,715,227	25.61%
Profit (Loss) from operating activities	11,374,962	12,776,538	(1,401,576)	(10.97%)
Financial income	660,875	699,048	(38,173)	(5.46%)
Finance costs	(3,346,459)	(2,639,211)	(707,248)	26.80%
Profit (loss) before income tax	8,689,378	10,836,375	(2,146,997)	(19.81%)
Tax (expense) income	(38,788)	(3,649,378)	3,610,590	(98.94%)
Profit (loss) for the year	8,650,590	7,186,997	1,463,593	20.36%

Description on significant changes

1. Revenues from sale of real estate of the Company and subsidiary increased by 22.35 Million Baht or 21.17% 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 37.40 Million Baht and from Vana Resident Rama 9 - Srinakarin project, worth 88.81 Million Baht and from selling of ready-for-sale condominium from Vio Khaerai 1 and 2 project, worth 2.13 Million Baht. In 1st Quarter of 2019, the Company realized income from selling of Vana Resident Rama 9 - Srinakarin project, worth 51.42 Million Baht, from selling of ready-for-sale condominium from Vio Khaerai 1 and 2 project, worth 7.41 Million Baht and from selling of Rachaya Baan Chang 2 project, worth 46.24 Million Baht.

2. Cost of sale of real estate of the Company and subsidiary increased by 17.18 Million Baht or 22.72% compared to the same quarter of previous year, which is relevant to increase in revenue.

3. Administrative expenses of the Company and subsidiary increased by 5.50 Million Baht or 62.62% compared to the same quarter of previous year due to increase in salaries and employee benefits, worth 1.59 Million Baht since the number of employees of subsidiaries increases. Repair and maintenance expenses of the projects, worth 0.6 Million Baht In addition, professional fees such as financial advisory fees, auditor fees, consultancy fees, etc. are increased 1.42 Million Baht.

4. Financial costs of the Company and subsidiary increased by 0.70 Million Baht or 26.80% compared to the same quarter of previous year due to the fact that in 2020 the financial cost of the subsidiary increased by 1.12 Million Baht, which was an increase in the recognition of the prepaid fee of the Rachaya Baan Chang 2 project due to refinancing of the loan amount and redemption of the advance loan amount. While the financial costs of the company undertaking core business decreased due to the interest rate of promissory notes decreased

5. Tax expenses of the Company and subsidiaries decreased by 3.6 Million Baht or 98.93% due to 2 reasons 1. The decrease in profits of the subsidiaries caused the income tax to decrease 2. The occurrence of income tax liabilities of the Financial Reporting Standards no. 15 in the 1st quarter of 2019, resulting in income tax expenses compared to the 1st quarter of 2020, which does not yet have income tax because it can still use the accumulated losses. Therefore, reducing the income tax expenses of the Group.

Please be informed accordingly

Sincerely yours

Asset Five Group Public Company Limited

Signed

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