

2 March 2020

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

To: President

The Stock Exchange of Thailand

Asset Five Group Public Company Limited (“the Company”) would like to clarify operating result for the year 2020 ended 31 December 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 | 2019 | 2018 | Increase (Decrease) | |
|--|--------------------|----------------------|---------------------|------------------|
| | | | Baht | % |
| Revenues from sale of real estate | 507,944,986 | 198,304,808 | 309,640,178 | 156.14% |
| Interest income | 2,863,848 | 2,089,846 | 774,002 | 37.04% |
| Other income | 2,616,069 | 600,872 | 2,015,197 | 335.38% |
| Total revenues | 513,424,903 | 200,995,526 | 312,429,377 | 155.44% |
| Cost of sale of real estate | 365,677,571 | 143,389,884 | 222,287,687 | 155.02% |
| Distribution costs | 38,009,397 | 36,677,209 | 1,332,188 | 3.63% |
| Administrative expenses | 41,831,055 | 29,316,076 | 12,514,979 | 42.69% |
| Loss on sales of investments in subsidiaries | - | 5,061,371 | (5,061,371) | (100.00%) |
| Business merge expense | - | 255,840,869 | (255,840,869) | (100.00%) |
| Finance costs | 10,246,722 | 26,886,733 | (16,640,011) | (61.89%) |
| Total cost | 455,764,745 | 497,172,142 | (41,407,397) | (8.33%) |
| Profit (loss) before income tax | 57,660,158 | (296,176,616) | 353,836,774 | (119.47%) |
| Tax (expense) income | (12,716,436) | 6,469,074 | (19,185,510) | (296.57%) |
| Profit (loss) for the year | 44,943,722 | (289,707,542) | 334,651,264 | (115.51%) |

Description on significant changes

1. Revenues from sale of real estate of the Company and subsidiary increased by 309.64 Million Baht or 156.14% compared to the previous year due to the fact that the Company has realized income from selling of houses from Rachaya Baan Chang 2 project, worth 225.91 Million Baht and from Vana Resident Rama 9 - Srinakarin project, worth 274.62 Million Baht and from selling of ready-for-sale condominium from Vio Khaerai 1 and 2 project, worth 7.41 Million Baht. In 2018, the Company realized income from selling of 8 units of ready-for-sale condominium from Vio Khaerai 1 and 2 project, worth 58.21 Million Baht and from selling of Rachaya Baan Chang 2 project, worth 140.09 Million Baht.

2. Cost of sale of real estate of the Company and subsidiary increased by 222.29 Million Baht or 155.02% compared to the previous year, which is relevant to increase in revenue.

3. Administrative expenses of the Company and subsidiary increased by 12.51 Million Baht or 42.69% compared to the 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 previous year.

4. Financial costs of the Company and subsidiary decreased by 16.42 Million Baht or 61.89% compared to the previous year due to the fact that in 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.

5. In the year 2018, the Company has loss from special items such as Loss on sales of investments in subsidiaries and business merge expenses in the total amount of 260.90 Million Baht, while in the year 2019 there was no loss from special items.

Please be informed accordingly

Sincerely yours

Asset Five Group Public Company Limited

Signed

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