

Management Discussion and Analysis for the Second Quarter of Fiscal Year 2022

Fraser's Property (Thailand) Public Company Limited and its Subsidiaries ("the Company") would like to report the financial results of the Company for the second quarter of FY2022 ended 31 March 2022 to the Stock Exchange of Thailand (SET).

Overall operating results

During the past quarter, the Thai economy has recovered from improving domestic demand and tourism while, the impact of the Omicron variant outbreak was more contained. Nevertheless, the overall business outlook has been impacted by the Russia-Ukraine war as well as an increase in commodity prices which pressured inflation and the Company's operating costs. As a result, the overall recovery of real estate sector has been hindered. Amidst the uncertain circumstances, the Company focused on executing prudent business plan that prioritised efficient capital management to maintain financial liquidity and stability, in preparation for market recovery. The Company continued to focus on maximizing benefits of all stakeholders.

For the second quarter of FY2022 (2Q22), the Company reported **Total revenue** of THB 3,413.6 million, a drop of 20.3% or THB 868.7 million compared to the same period last year. The Company's Consolidated **Net profit** was THB 310.9 million, a decrease by 39.1 % or THB 199.4 million from the same quarter last year. The changes are summarized as follows:

- **Revenue from Sales of Real Estate** declined by THB 604.0 million or 19.1 % YoY as the economy continues to recover whilst inflation affected consumer purchasing power and consumer confidence. As a result, homebuyers remained cautious and postponed buying decisions, which moderately impacted the townhome and twin home market segments. However, the single-detached houses remained in high demand with good sales performance. Going forward, the Company continues to focus on development of single-detached houses to tap middle to upper homebuyers segment and increase upcountry projects to diversify risks and improve income stability.
- **Rental and Related Service Revenue** increased by THB 27.4 million, or increased by 5.0% YoY, primarily due to higher rental revenue from the industrial property. This was primarily driven by demand from electronics and e-commerce related segment as well as short-term demand from container supply shortage situation which was impacted by COVID and the Russian-Ukraine War. These positive momentums continue to drive occupancy rate to 85%. For the commercial business, rental revenue slightly dropped from lower lease revenue of the Golden Land Building, which has maturing land lease and as a result caused some tenants to terminate the lease contract and vacate the property. Meanwhile, the Company plans to launch a new building, Silom Edge, at the end of 2022, which will increase the revenue of the commercial sector. Overall, the performance of commercial office portfolio remained stable, with a high occupancy rate of 91%.

- **Hotel Business** reported an increase in revenue of THB 30.8 million or an increase of 80.6% YoY from the re-implementation of “Test&Go” travelling entry measures on February 1, 2022. Meanwhile, many countries in Europe also relaxed their travel restriction, and countries in Southeast Asia also reduced quarantine restrictions for returning visitors from Thailand. These factors resulted in new flights to Thailand as well as number of business travellers and foreign tourists, which had a positive impact to the Hotel sector.
- **Revenue from Management Services** increased THB 1.9 million, or 1.1% YoY, from growing total assets under management and higher income from shared services provided to the Group Company.
- In 2Q22, the Company had no gain on sales of investment properties compared to the same period last quarter that recorded THB 253.5 million gain on sales of investment properties from recycling of investment property to FTREIT and recorded THB 93.4 million gain on fair value measurement from reclassified investment.

The Company posted total costs and expenses of THB 3,021.2 million, decreased by 19.7% or THB 740.6 million YoY, with operating costs substantially reduced by 18.8% YoY or THB 491.5 million, leading to improving gross profit margin of 36.9%. Moreover, the Company implemented cost control measures over its distribution costs and administrative expenses which resulted in a 24.9% drop YoY to THB 216.9 million, along with lower finance costs by 12.0% YoY or THB 32.2 million from efficient capital management. Overall, Fraser Property (Thailand) recorded a consolidated **net profit** for 2Q22 of THB 310.9 million, representing a decrease of 39.1% YoY or THB 199.4 million, while **the profit attributable to owner of the Company** stood at THB 312.7 million, a drop of 39.4% YoY or THB 203.4 million. **Basic earnings per share** attributable to owner of the Company for 2Q22 was THB 0.13 per share, decreased from THB 0.22 per share in 2Q21.

Financial Performance for 2Q 2022 vs. 2Q 2021

Unit: THB Million	2Q 2021	2Q 2022	% to Total Revenue	%Y-o-Y
Revenue from sales of real estate	3,163	2,559	75.0%	-19.1%
Rental and related service revenue	543	571	16.7%	5.0%
Revenue from hotel business	38	69	2.0%	80.6%
Management fee income	174	176	5.2%	1.1%
Total operating revenue	3,918	3,374	98.9%	-13.9%
Gain on sales of investment properties	254	-	0.0%	-100.0%
Others	110	39	1.1%	-64.6%
Total revenues	4,282	3,414	100.0%	-20.3%
Total operating costs	2,620	2,128	62.4%	-18.8%
Distribution costs and administrative expenses	873	656	19.2%	-24.9%
Finance costs	269	237	6.9%	-12.0%
Total expenses	3,762	3,021	88.5%	-19.7%

Unit: THB Million	2Q	2Q	% to Total	%Y-o-Y
	2021	2022	Revenue	
Profit for the period	510	311	9.1%	-39.1%
Profit attributable to owner of the Company	516	313	9.2%	-39.4%
Basic earnings per share (THB)	0.22	0.13		-38.7%

Financial Position as at 31 March 2022

Unit: THB Million	30 Sep 2021	31 Mar 2022	% YTD
Cash, cash equivalents and fixed deposits	975	1,001	2.7%
Real estate development for sales	32,356	33,350	3.1%
Investments in associates, joint ventures, and other investment	16,310	15,966	-2.1%
Investment properties	36,311	37,613	3.6%
Property, plant and equipment	2,856	4,461	56.2%
Total assets	92,637	95,938	3.6%
Interest-bearing liabilities	50,352	53,058	5.4%
Total liabilities	58,384	61,430	5.2%
Total equity	34,253	34,508	0.7%

The Company's **total assets** as of 31 March 2022 ended at THB 95,938.1 million, rose by THB 3,301.1 million or 3.6% compared to 30 September 2021, mainly from an increase in real estate development for sales, property, plant, and equipment due to the acquisition of the Royal Residence and Mayfair Marriott Executive Apartment during the first quarter. **Total liabilities** stood at THB 61,429.8 million, increased by 5.2% or THB 3,045.9 million from 30 September 2021 from loan drawdown from financial institutions. **Total equity** was THB 34,508.3 million, which grew by 0.7% or THB 255.2 million from the interim net profit after deducting dividend payment.

As at 31 March 2022, the Company had total interest-bearing liabilities at THB 53,057.9 million, increased by THB 2,705.8 million. At the end of March 2022, an interest-bearing debt to equity ratio was at 1.54 times, marginally increased from 1.47 times as at end of September 2021.

Yours faithfully,

Frasers Property (Thailand) Public Company Limited

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Mr. Somboon Wasinchutchawal
Chief Financial Officer