



# **Management Discussion and Analysis for the financial**

**Quarter 1/2025**

NO : BKA-SE 016/2568

13 MAY 2025

**Subject:** Management Discussion and Analysis for the financial result of Quarter 1/2025

**Attention:** President

The Stock Exchange of Thailand

Bangkok Asset Intergroup Public Company Limited ("**the Company**") would like to provide a Management Discussion and analysis, for the quarter ended March 31, 2025, with the following details:

Statement of comprehensive income Unit: MB	1Q/2025		1Q/2024	
	Amount	%	Amount	%
Sales and service income	189.83	99.78	262.05	99.74
Other income	0.42	0.22	0.69	0.26
<b>Total revenues</b>	<b>190.25</b>	<b>100.00</b>	<b>262.74</b>	<b>100.00</b>
Cost of sales and services	168.93	88.79	238.53	90.79
Distribution costs	4.70	2.47	7.70	2.93
Administrative expenses	10.38	5.46	14.64	5.57
Profit from operating activities	6.24	3.28	1.87	0.71
Finance costs	1.49	0.78	1.50	0.57
Tax expenses	0.97	0.51	0.20	0.08
Profit for the period	<b>3.78</b>	<b>1.99</b>	<b>0.17</b>	<b>0.06</b>

#### Sales and service income

In 1Q/2025, the Company operated in a moderating economic climate, with ongoing adjustments in government stimulus policies. These external conditions contributed to a decrease in total revenue from sales and services to THB 189.83 million, down THB 72.22 million or 27.56% from THB 262.05 million in the same period of 2024.

Despite this softer environment, the Company continued to demonstrate strong operational capabilities. Notably, the average selling prices of pre-owned homes across all business segments remained clearly higher year-over-year, reflecting our effective asset management and pricing strategies. Performance by business segment is summarized as follows:

Sales and service income by business segments	1Q/2025		1Q/2024	
	Unit	MB.	Unit	MB.
1. Agency with renovation business	24	156.01	40	219.73
2. Agency business	6	0.91	21	1.97
3. Reseller business	4	32.91	8	40.35
<b>Total revenues</b>	<b>34</b>	<b>189.83</b>	<b>69</b>	<b>262.05</b>

Revenue from renovated home sales declined by THB 63.72 million, while revenue from consignment services (brokerage) and bargain home sales decreased by THB 1.06 million and THB 7.44 million, respectively. As a result, the total number of homes sold was 34 units, a decrease of 35 units or 50.72% compared to Q1/2024. Although overall sales volume declined in line with the slowdown in the real estate market, the Company maintained product quality and implemented effective pricing strategies. This led to a noticeable increase in the average selling price per unit across all business segments compared to the previous year, as outlined below:

1. Agency with renovation business: 24 units sold, down 16 units. The average selling price per unit rose from THB 5.49 million to THB 6.50 million.
2. Agency business: 6 units sold, down 15 units. The average brokerage fee per unit increased from THB 0.09 million to THB 0.15 million.
3. Reseller business: 4 units sold, down 4 units. The average selling price per unit increased significantly from THB 5.04 million to THB 8.23 million.

The growth in average selling prices reflects both the trust placed in the quality of the Company's products and the effectiveness of its pricing strategies, even amidst a subdued market. This performance is the result of continued investment in home renovation, strategic location selection, and a commitment to high-standard after-sales service.

While the number of units sold declined, the Company remains focused on quality growth rather than short-term price reductions or volume-driven strategies. Moving forward, the Company continues to refine its marketing approach to position itself for market recovery expected in the second half of the year.

#### Cost of sales and services

Despite the continued slowdown in the real estate market during Q1/2025, which led to a decline in both sales volume and total revenue, the Company effectively managed its cost structure. Total cost of sales and services amounted to THB 168.93 million, a decrease of THB 69.60 million or 29.17% compared to THB 238.53 million in Q1/2024. This reduction was in line with the decrease in revenue and reflects efficient cost control across all business segments:

- Agency with renovation business: Cost decreased by THB 63.00 million
- Agency business: Cost decreased by THB 0.05 million
- Reseller business: Cost decreased by THB 6.55 million

The decline in the cost of sales, in line with slower revenue, contributed to a gross profit of THB 20.90 million, a slight decrease from THB 23.52 million in the same period last year. However, the gross profit margin improved to 11.01%, up from 8.98% in Q1/2024.

This margin expansion reflects the Company's commitment not only to maintaining sales volume but also to delivering quality, value, and sustainable returns. It underscores the Company's long-term strategy of stable and sustainable growth, focusing on value creation rather than short-term volume-driven gains.

### Distribution costs and administrative expenses

In Q1/2025, the Company reported total selling and administrative expenses of THB 15.08 million, a decrease of THB 7.26 million or 32.50% from THB 22.34 million in Q1/2024. Selling expenses amounted to THB 4.70 million, down THB 3.00 million or 38.96% of THB 7.70 million, while administrative expenses totaled THB 10.38 million, down THB 4.26 million or 29.10% from THB 14.64 million in the same period last year.

This reduction in expenses reflects the Company's strategic focus on cost control and operational efficiency, including the elimination of non-essential spending and the optimization of human resource allocation in response to current economic conditions.

### Profit

In Q1/2025, the Company recorded a net profit of THB 3.78 million, representing an increase of THB 3.61 million or 2,089.00% compared to a net profit of THB 0.17 million in Q1/2024.

This significant improvement was primarily driven by effective cost management and systematic reductions in operating expenses, reflecting the Company's disciplined financial strategy amidst a challenging economic environment.

### Statement of Financial Position

Financial Position as of March 31, 2025, compared to December 31, 2024, are as follows:

Statement of Financial Position	31 March 2025	31 December 2024	Increase (decrease)	
	MB.	MB.	MB.	%
Assets total	231.49	243.83	(12.34)	(5.06%)
Liabilities total	114.05	130.17	(16.12)	(12.38%)
Shareholder	117.44	113.66	3.78	3.33%

#### Assets total

As of the end of Q1/2025, the Company reported total assets of THB 231.49 million, representing a decrease of THB 12.34 million or 5.06% from THB 243.83 million as of year-end 2024.

The primary factor contributing to this decline was a reduction in cash and cash equivalents, which decreased by THB 56.19 million. This was a result of the strategic deployment of funds to strengthen operational capabilities. Consequently, increases were recorded in key asset categories, including:

- Inventories, which rose by THB 17.25 million
- Construction in progress, which increased by THB 25.41 million
- Prepaid expenses, which rose by THB 2.08 million

These changes reflect a deliberate reallocation of the Company's asset structure in preparation for a potential market recovery in the second half of the year.

#### Liabilities total

As of the end of Q1/2025, the Company reported total liabilities of THB 114.05 million, a decrease of THB 16.12 million or 12.38% compared to THB 130.17 million at the end of 2024.

The decline in total liabilities was primarily due to a repayment of long-term loans from financial institutions amounting to THB 24.23 million. However, the Company also obtained an additional THB 12.40 million in low-interest project financing to support its ongoing operations.

This reflects the Company's prudent and proactive debt management strategy in navigating continued economic uncertainty.

#### shareholder 'Equity

As of the end of Q1/2025, the Company reported shareholders' equity of THB 117.44 million, an increase of THB 3.78 million or 3.33% from THB 113.66 million at the end of 2024.

This increase was primarily driven by the recognition of net profit from operations totaling THB 3.78 million during the quarter.

Please be informed accordingly.

Yours Sincerely,

(Mr. Pachara Tanawongkasaem)

Chief Executive Officer

Authorized to sign on behalf of the Company