



Management Discussion and Analysis for the financial

**For Operating Results
of the second quarter ended 30 Jun 2025**

No. BKA-SE 23/2025

13 August 2025

Subject: Management Discussion and Analysis for the financial result of Quarter 2/2025

Attention: President

The Stock Exchange of Thailand

Bangkok Asset Intergroup Public Company Limited (“**the Company**”) would like to report the operating results for the second quarter of 2025 and the six-month period ended 30 June 2025 as follows:

Executive Summary

In Q2/2025, the overall Thai real estate market continued to face challenges carried over from the previous year, including the global economic slowdown, persistently high interest rates, and elevated household debt levels that continued to weigh on consumer purchasing power. According to Kasikorn Research Center, nationwide residential property transfers in 2025 are expected to decline by approximately 4% YoY, marking the third consecutive year of contraction. The Bangkok Metropolitan Region is expected to contract by about 1.8%.

Nevertheless, government stimulus measures - such as the relaxation of Loan-to-Value (LTV) limits (allowing up to 100% financing) until mid-2026 and the reduction of transfer and mortgage registration fees for residential properties priced up to THB 7 million to 0.01% have begun to positively influence market sentiment, especially in the mid- to high-end housing segment. At the same time, demand for residential rentals continues to grow, particularly among Generation Y consumers, who are increasingly considering renting instead of buying. The Company closely monitors these trends to assess their impact on purchase demand while exploring opportunities to develop products and services that cater to the rental market, aiming to expand its customer base and create additional revenue streams in the future.

The Company has adopted an operational strategy focused on Project & Execution to balance cost management, product quality enhancement, and a focus on high-margin services, while carefully and systematically planning for expansion in the second half of the year.

Outlook and Strategies for 2H/2025

1. Strategic Partnerships to Enhance Asset Value and Expand Opportunities

On 7 August 2025, the Company entered into a strategic business cooperation agreement with two business partners to jointly develop and manage non-performing assets (NPAs), restoring their value and market potential. The Company’s role is to provide comprehensive NPA services-from renovation, refurbishment, and upgrades to ready-to-move-in condition, to full-cycle sales-focusing on single-detached houses priced from THB 5 million and above, aligning with demand in the mid- to high-end market. The initiative is supported by financial institutions, which provide financing solutions and credit assessment services for partners and customers.

This collaboration establishes a truly integrated business model that connects Assets - Development – Financing. The Company is confident this will improve the efficiency of bringing quality NPA properties back to the market, diversify its product portfolio, and strengthen its sustainable growth potential. The project also reinforces consumer confidence through development and service standards that reflect the credibility and quality of all three organizations involved.

2. Expansion of Service Business

In the second half of the year, the Company plans to expand its service business scope to enhance competitiveness and revenue flexibility. Building upon its core business of second-hand home renovation, the Company will launch comprehensive home extension, renovation, and interior design services.

These services will cover the entire process-from design by professional architects and interior designers, structural and utility system installation, to interior finishing and on-time project delivery-enhancing customer experience, convenience, and asset value. This expansion leverages the Company's expertise and standards built over years in the home renovation business.

The Company believes this strategy will unlock new market opportunities, particularly in the mid- to high-end customer segment, which has strong growth potential and relatively low competition. It will also diversify revenue sources, reduce reliance on a single business line, and strengthen business resilience for sustainable long-term growth.

Operating Performance Analysis

In Q2/2025, total revenue was THB 112.72 million, down THB 132.94 million or 54.12% YoY, comprising sales and service revenue of THB 112.38 million and other income of THB 0.34 million. Net loss for the quarter was THB 6.98 million, Net profit decreased from the same period of the previous year of Baht 12.56 million or a decrease of 225.09%.

For the first half of 2025, total revenue was THB 302.98 million, down THB 205.35 million or 40.40% YoY. Net loss for the period was THB 3.20 million, this was a decrease from the same period of the previous year of THB 8.92 million in the prior year, or 155.94%.

Statement Of Comprehensive Income	Q2/2025		Q2/2024		% change
	MB	%	MB	%	
Sales and services income	112.38	99.70	245.59	99.97	(54.24)
Other income	0.34	0.30	0.07	0.03	385.71
Total revenues	112.72	100.00	245.66	100.00	(54.12)
Cost of sales and services	104.20	92.44	220.33	89.69	(52.17)
Distribution costs	4.11	3.65	6.76	2.76	(39.20)
Administrative expenses	12.13	10.76	10.09	4.11	20.22
Profit (loss) from operating activities	(7.72)	(6.85)	8.48	3.44	(191.04)
Finance costs	1.04	0.92	1.53	0.62	(32.18)
Tax expenses (income)	(1.78)	(1.58)	1.37	0.56	(230.06)
Profit (loss) for the period	(6.98)	(6.19)	5.58	2.26	(225.09)

Sales and services income	Q2/2025		Q2/2024		% change
	MB	%	MB	%	
Agency with renovation business	87.62	77.98	202.68	82.52	(56.77)
Agency business	2.23	1.98	3.23	1.32	(30.96)
Reseller business	22.53	20.04	39.68	16.16	(43.22)
Total	112.38	100.00	245.59	100.00	(54.24)

Statement Of Comprehensive Income	6M ended Jun 30, 2025		6M ended Jun 30, 2024		% change
	MB	%	MB	%	
Sales and services income	302.22	99.75	507.64	99.86	(40.47)
Other income	0.76	0.25	0.69	0.14	10.14
Total revenues	302.98	100.00	508.33	100.00	(40.40)
Cost of sales and services	273.13	90.15	458.82	90.26	(40.47)
Distribution costs	8.81	2.91	14.46	2.84	(39.07)
Administrative expenses	22.51	7.43	24.73	4.86	(8.98)
Profit (loss) from operating activities	(1.47)	(0.49)	10.32	2.03	(114.24)
Finance costs	2.53	0.84	3.03	0.60	(16.50)
Tax expenses (income)	(0.80)	(0.26)	1.57	0.31	(150.96)
Profit (loss) for the period	(3.20)	(1.06)	5.72	1.13	(155.94)

Sales and services income	6M ended Jun 30, 2025		6M ended Jun 30, 2024		% change
	MB	%	MB	%	
Agency with renovation business	243.64	80.62	422.41	83.21	(42.32)
Agency business	3.14	1.04	5.20	1.02	(39.62)
Reseller business	55.44	18.34	80.03	15.77	(30.78)
Total	302.22	100.00	507.64	100.00	(40.47)

From the table above, the revenue can be analyzed as follows:

Revenue from Sales and Services

In Q2 2025, the Company recorded revenue from sales and services of THB 112.38 million, representing 99.70% of total revenue, a decrease of THB 133.21 million or 54.24% compared to the same period last year. Revenue comprised THB 87.62 million from the Agency with renovation business THB 2.23 million from Agency business, and THB 22.53 million from the Reseller business, corresponding to sales of 16 units from Agency with renovation business, Agency business for 10 units, and sales of 4 units from Reseller business.

For the six-month period ended June 30, 2025, revenue from sales and services amounted to THB 302.22 million, representing 99.75% of total revenue, a decrease of THB 205.42 million or 40.47% compared to the same period last year. Revenue comprised THB 243.64 million from the Agency with renovation business, THB 3.14 million from the Agency business, and THB 55.44 million from the Reseller business, representing sales of 40 units from Agency with renovation business, Agency business for 16 units, and sales of 8 units from Reseller business.

Cost of Sales and Services

In Q2 2025 and for the six-month period ended June 30, 2025, the Company reported cost of sales and services of THB 104.20 million and THB 273.13 million, representing 92.44% and 90.15% of total revenue, respectively. These amounts decreased by THB 116.13 million and THB 185.69 million, or 52.71% and 40.47%, respectively, in line with the decline in revenue from sales and services. The decrease in cost of sales and services by business segment was as follows:

- Agency with renovation business decreased by THB 106.74 million and THB 169.71 million, representing 56.53% and 43.28%, respectively.
- Agency business decreased by THB 0.02 million and THB 0.07 million, representing 54.35% and 69.67%, respectively.
- Reseller business decreased by THB 9.37 million and THB 15.91 million, representing 29.77 % and 23.90%, respectively.

Gross Profit

Gross profit for Q2 2025 and for the six-month period ending June 30, 2025, is summarized as follows:

Gross Profit	Q2/2025		Q2/2024		% change
	MB	%	MB	%	
Agency with renovation business	5.53	6.32	13.85	6.83	(60.07)
Agency business	2.21	99.12	3.19	98.67	(30.72)
Reseller business	0.44	1.93	8.22	20.71	(94.65)

Gross Profit	6M ended Jun 30, 2025		6M ended Jun 30, 2024		% change
	MB	%	MB	%	
Agency with renovation business	21.20	8.70	30.26	7.16	(29.64)
Agency business	3.11	99.08	5.11	98.17	(39.14)
Reseller business	4.77	8.61	13.45	16.81	(64.54)

Selling and Administrative Expenses

In Q2 2025, the Company recorded sales and administrative expenses of THB 16.24 million, representing 14.41% of total revenue, a decrease of THB 0.61 million or 3.62% from the same period last year. For the first half of 2025, sales and administrative expenses totaled THB 31.32 million, accounting for 10.34% of total revenue. Part of these expenses, amounting to THB 4.07 million, were related to the Initial Public Offering (IPO) and associated costs, which were one-off in nature and did not qualify for recognition as equity.

Although these expenses impacted short-term performance, the Company has implemented proactive measures to maintain financial stability and enhance operational efficiency. These measures include restructuring procurement processes, entering into long-term supply agreements with vendors, and adopting technology-driven solutions to improve processes, increase efficiency, and reduce costs on an ongoing basis.

Net Profit (Loss)

In Q2 2025, the Company reported a net loss of THB 6.98 million, net profit decrease of THB 12.56 million or 225.09% from the same period last year. For the first half of 2025, the Company recorded a net loss of THB 3.20 million, and a net profit decrease of THB 8.92 million or 155.94% from the corresponding period in the previous year. Performance was affected by the recognition of IPO-related expenses that were not eligible for equity recognition, as well as a significantly lower-than-target number of “Agency with renovation” houses and “Reseller” houses acquired during Q4 2024 to Q1 2025, resulting in fewer ready-for-sale properties than anticipated. Additionally, the economic slowdown, rising customer loan rejection rates due to concerns over non-performing loans, and domestic political uncertainty exerted downward pressure on the Company’s revenue and operating results during the period.

Nevertheless, the Company continues to closely monitor the situation and has put in place measures to strengthen property acquisition efficiency, optimize cost management, and expand sales channels. These initiatives are aimed at reinforcing the Company’s financial position and laying a solid foundation for sustainable growth in the future.

Statement of Financial Position

As of June 30, 2025, the Company’s financial position was as follows:

Statement of Financial Position	June 30, 2025	December 31, 2024	Increase (decrease)	
	MB	MB	MB	%
Total Assets	301.74	243.84	57.90	23.75
Total Liabilities	97.12	130.17	(33.05)	(25.39)
Total Shareholders’ Equity	204.62	113.67	90.95	80.01

Total Assets

As of June 30, 2025, the Company’s total assets amounted to THB 301.74 million, an increase of THB 57.90 million or 23.75% from THB 243.84 million as of December 31, 2024. This growth was driven by effective asset management, including a THB 50.26 million (83.07%) increase in inventories and work-in-progress from higher purchases of inventories under the “reseller business” for renovation and sale, a THB 5.49 million increase in prepaid expenses for the “agency with renovation” business, and a THB 0.98 million increase in deferred tax assets. Meanwhile, leasehold improvements and right-of-use assets decreased by THB 2.35 million due to depreciation over their useful lives. This asset expansion not only strengthens the Company’s financial position but also enhances operational flexibility, positioning the Company to capture emerging market opportunities and expand into high-potential business segments.

Total Liabilities

As of June 30, 2025, the Company's total liabilities amounted to THB 97.12 million, a decrease of THB 33.05 million or 25.39% from the end of 2024. The reduction was primarily due to the repayment of THB 29.00 million in short-term borrowings from other parties and a THB 20.02 million decrease in long-term borrowings from financial institutions. At the same time, the Company increased short-term borrowings from financial institutions by THB 23.30 million to replace higher-interest short-term borrowings from other parties. This refinancing strategy helped reduce future interest expenses, improve liquidity, enhance financial flexibility, and mitigate funding cost risks, thereby ensuring the Company is well-positioned to support business expansion and capitalize on new high-potential investment opportunities.

Shareholders' Equity

As of June 30, 2025, the Company's shareholders' equity amounted to THB 204.62 million, up from THB 113.66 million at the end of 2024, representing an increase of 80.02%. This significant growth was driven by the initial public offering (IPO) of 60 million ordinary shares at THB 1.80 per share in April 2025, and the recognition of share premium totaling THB 76.07 million. This was partially offset by the payment of interim dividends of THB 12.60 million from the prior year's performance and a net loss of THB 2.52 million for the period.

Please be informed accordingly,

Yours sincerely,

- Signature -

(Mr. Pachara Tanawongkasam)

Chief Executive Officer

Authorized to sign on behalf of the Company