

No. For. 31/2023

November 14, 2023

Subject: Management discussion and analysis

To: The President of the Stock Exchange of Thailand

FNS Holdings Public Company Limited would like to report its consolidated financial results for the three-month period ended 30 September 2023. The consolidated statements of profit or loss and other comprehensive income showed a net profit of Baht 775.9 million or a net profit of Baht 2.02 per share, compared with a net loss of Baht 19.1 million or a net loss of 0.06% per share in the previous year, representing a gain of Baht 795.0 million over in Q3 2022.

In August 2023, the Company purchased an additional interest in M.K Real Estate Development Public Company Limited (MK), whose main business is the property development. As a result, the status of MK was changed from an associate to a subsidiary, causing the Company to have a direct and indirect shareholding in the warehouse and factory development business for rent in the consolidated financial statements, through BFTZ Wangnoi Ltd.

Total revenues in Q3 2023 were Baht 1,868.9 million, an increase in total revenues of Baht 1,852.2 million or 11,091% comparing to Baht 16.7 million recorded in Q3 2022. This increase in revenue mainly came from the contribution of revenue from the property development projects and warehouse for rent, gain on disposal of investment in subsidiary, gain on the valuation of investment associate before business acquisition and gain on bargain purchase.

Total expenses in Q3 2023 were Baht 1,056.6 million, compared to Baht 55.4 million recorded in Q3 2022, representing an increase of Baht 1,001.2 million or 1,807.22%. The major changes in expenses came from the increasing of Baht 506.8 million of sale of real estate and the impact of 160.1 million of Service and Administrative expenses and the increasing of Baht 180.3 of Net loss on investments measured at fair value through profit or loss.

In addition, finance costs for Q3 2023 totaled Baht 172.5 million, an increase of Baht 161.5 million or 1,468.2% from Q3 2022 due to an increase in loan and interest rate. The Company and its subsidiaries also recognized a share of loss from investments in associates and joint venture of Baht 16.1 million, compared with a share of gain of Baht 31.4 million recorded in Q3 2022, representing a decrease of Baht 47.54 million.

For the nine-month period ended 30 September 2023, the consolidated statements of profit or loss and other comprehensive income showed a net profit of Baht 813.8 million or a net profit of Baht 2.12 per share, compared to a net profit of Baht 50.7 million or Baht of 0.15 per share, representing an increase of Baht 761.3 million in net profit. The increase of profit came mainly from a gain on disposal of investment in a subsidiary, gain on valuation of investment associate before business acquisition and gain on bargain purchase.

Total revenues in the nine-month period end 30 September 2023 were Baht 1,969.9 million, compared to Baht 78.3 million recorded in 9M 2022, an increase in total revenues of Baht 1,891.6 million or 2,415.8%. The main reasons were: 1) an increase of Baht 72.4 million in Revenue from the investment, advisory and management business, 2) a contribution of Baht 465.4 million in revenue from sale of real estate, 3) a Gain on disposal of investment in subsidiary Baht 207 million, 4) Gain on valuation of investment associate before business acquisition Baht 245.6 million, and 5) Gain on bargain purchase of Baht 673.9 million.

Total expenses in 9M 2023 were Baht 1,109.8 million, compared to Baht 132.9 million recorded in 9M 2022, representing an increase of Baht 976.9 million or 735.1%. The major changes were in accordance with the increase in income. The main causes were the increase of Baht 506.8 million in Cost of sale of real estate, the increase of Baht 141.8 million in service and administrative expenses, and Net loss on investments measured at fair value through profit or loss of Baht 184.7.

In addition, finance costs for 9M 2023 totaled Baht 199.3 million, a increase of Baht 160.31 million from 9M 2022, in accordance with the increase of loan and interest rate.

Please be informed accordingly.

Yours sincerely,

(Mr. Vorasit Pokachaiyapat)
Managing Director