

KUNALAI

บริษัท วิลล่า คุณาลัย จำกัด (มหาชน)

819 หมู่ 7 ถนนบ้านกล้วย-ไทรน้อย ตำบลพิมลราช
อำเภอบางบัวทอง จังหวัดนนทบุรี 11110

KUN 012/2024

21 February 2024

Subject : Management Discussion and Analysis (MD&A) for the year ended 31 December 2023 which decreased over 20% from the same period last year.

Attention: Directors and Managers of The Stock Exchange of Thailand

The performance of Villa Kunalai Public Company Limited ("KUN") for the year ended 31 December 2023 compared to the prior period are summarized as follows:

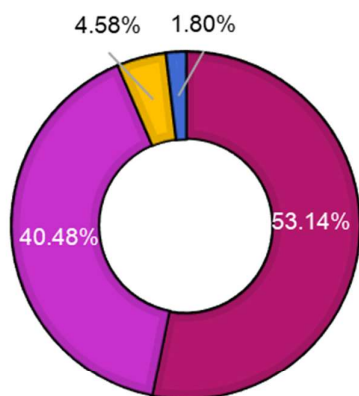
Income Statement (for the year ended)	2023		2022		Movment	
Revenue from sales of real estates	728.45	100.00%	1,001.62	100.00%	(273.17)	-27.27%
Cost of sales	(551.71)	-75.74%	(735.62)	-73.44%	183.91	-25.00%
Gross profit	176.74	24.26%	266.00	26.56%	(89.26)	-33.56%
Other income	8.81	1.21%	3.56	0.36%	5.25	147.47%
Selling expenses	(56.44)	-7.75%	(68.21)	-6.81%	11.77	-17.26%
Administrative expenses	(61.51)	-8.44%	(62.86)	-6.28%	1.35	-2.15%
Finance costs	(3.80)	-0.52%	(4.86)	-0.49%	1.06	-21.81%
Profit before income tax expense	63.80	8.76%	133.64	13.34%	(69.84)	-52.26%
Income tax expense	(12.96)	-1.78%	(27.01)	-2.70%	14.05	-52.02%
Profit for the period	50.84	6.98%	106.63	10.65%	(55.79)	-52.32%
Profit/(Loss) attributable to:						
Owners of the parent	52.66	7.23%	106.43	10.63%	(53.77)	-50.52%
Non-controlling interests	0.17	0.02%	0.20	0.02%	(0.03)	-15.00%
	52.83	7.25%	106.63	10.65%	(53.80)	-50.45%
Basic earnings per share	0.07		0.06			

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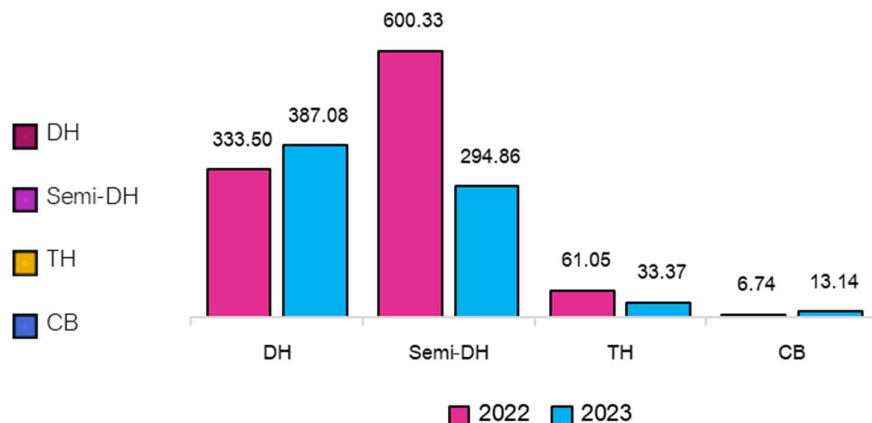
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TRANSFER BREAKDOWN BY PRODUCT (MB.)



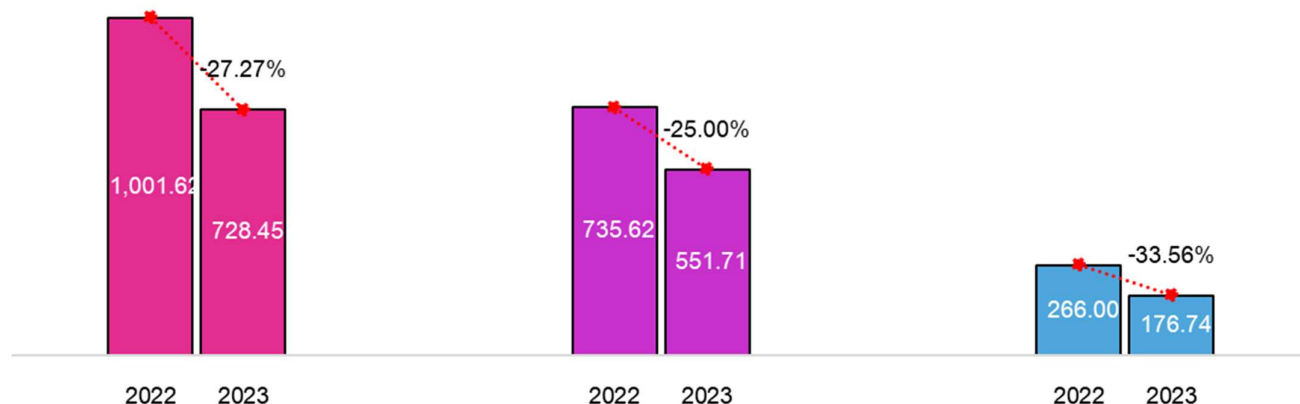
Revenue

TRANSFER BREAKDOWN BY PRODUCT (MB.)



Cost of sales

Gross profit



Revenue from sales of real estates

In 2023, revenue from sales of real estates decreased by THB 273.17 million or 27.27% compared to the same period last year, from THB 1,001.62 million to THB 728.45 million. The reason for the company's decrease in revenue from sales of real estates is due to the economic situation in the country, which has slowed down Thailand's exports and tourism recovery, as per estimates. Additionally, the end of the relaxation of loan-to-value (LTV) measures, along with continuous adjustments in the country's interest rate policy, have led to tighter lending conditions from financial institutions and increased rejection rates for housing loans. The company anticipates an

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improvement in the country's economic conditions in 2024, including an expected decrease in the country's interest rate policy in the latter half of the year. This is expected to support the recovery of the real estate sector.

Cost of sales

In 2023, cost of sales decreased by THB 183.91 million or 25.00% compared to the same period last year from THB 735.62 million to THB 551.71 million. The cost of sales to revenue ratio increased from 73.44% to 75.74% due to the increased adjustment of construction material costs, labor costs, and financial costs resulting from the increased interest rates policy. The company has adjusted the project format to reduce sales costs in the future, including adjusting project functions, using substitute materials of similar quality in new projects, and seeking new suppliers to negotiate lower prices. Additionally, the company has sought out potential land plots with lower market prices to develop into products, aiming to enhance profit potential in 2024.

Gross Profit

In 2023, gross profit decreased by THB 89.26 million or 33.56% compared to the same period last year from THB 266.00 million to THB 176.74 million. The gross profit margin saw a slight decrease from 2022. Meanwhile, in 2024, the gross profit margin trended upwards due to the recognition of revenue from full-year projects including Kunalai Purra, Kunalai Navara Rama 2, and Kunalai Navara Rangsit-Klong 2. All three projects had gross profit margin higher than the company's average gross profit margin.

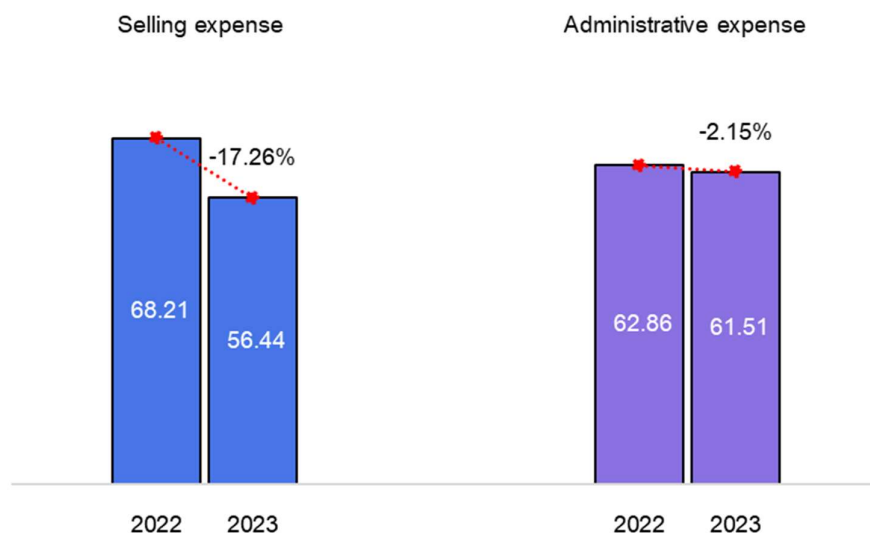
Other income

In 2023, other income increased by THB 5.25 million or 147.47% compared with the same period last year from THB 3.56 million to THB 8.81 million.

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Selling expenses

In 2023, selling expenses decreased by THB 11.77 million or 17.26% compared to the same period last year from THB 68.21 million to THB 56.44 million. Sales expenses include both selling expenses and marketing expenses. Selling expenses vary according to the company's revenue recognition. Therefore, a decrease in sales revenue will result in a decrease in selling expenses. The increase in marketing expenses is due to marketing activities aimed at promoting sales and increasing advertising for newly opened projects in 2023.

Administrative expenses

In 2023, administrative expenses decreased by THB 1.35 million or 2.15% compared to the same period last year from THB 62.86 million to THB 61.51 million. The company focused on administrative expenses at an appropriate level and efficiently managing company resources to control expenses.

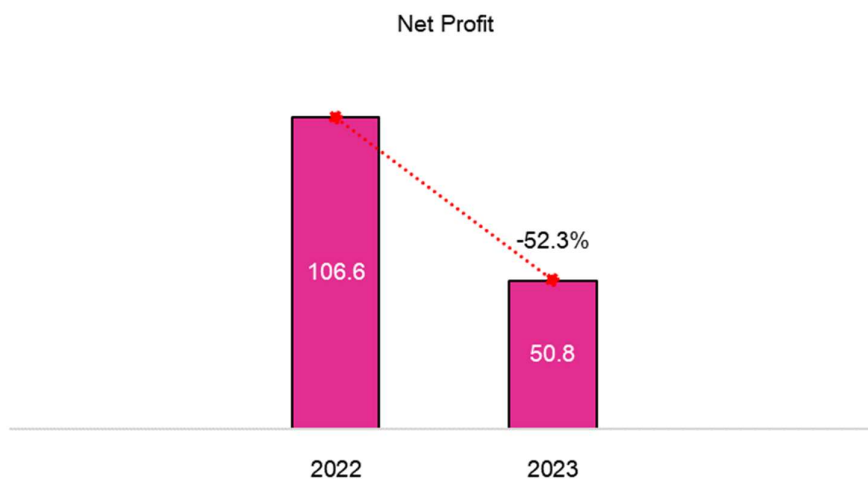
Finance cost

In 2023, finance cost decreased by THB 1.06 million or 21.81% compared to the same period last year from THB 4.86 million to THB 3.80 million.

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Net profit

Overall performance of the Company for the year ended 31 December 2023 was net profit of THB 50.84 million, compared to net profit of THB 106.63 million, the company had decreased of 52.32% compared to the same period last year. Although the company can control its administrative expenses, the decreased revenue from sales in 2023 coupled with increased sales costs resulted in a decrease in net profit for 2023. The company anticipates that revenue and net profit for 2024 will increase due to the recognition of revenue from newly opened projects, namely Kunalai Parra, Kunalai Navara Rama 2, and Kunalai Navara Rangsit - Klong 2 projects. These projects have selling price ranges of 5 - 11 million baht, with the lower-priced homes having fewer loan rejections. Additionally, this group of projects is expected to have higher gross profit margins than the company's average gross profit margins.

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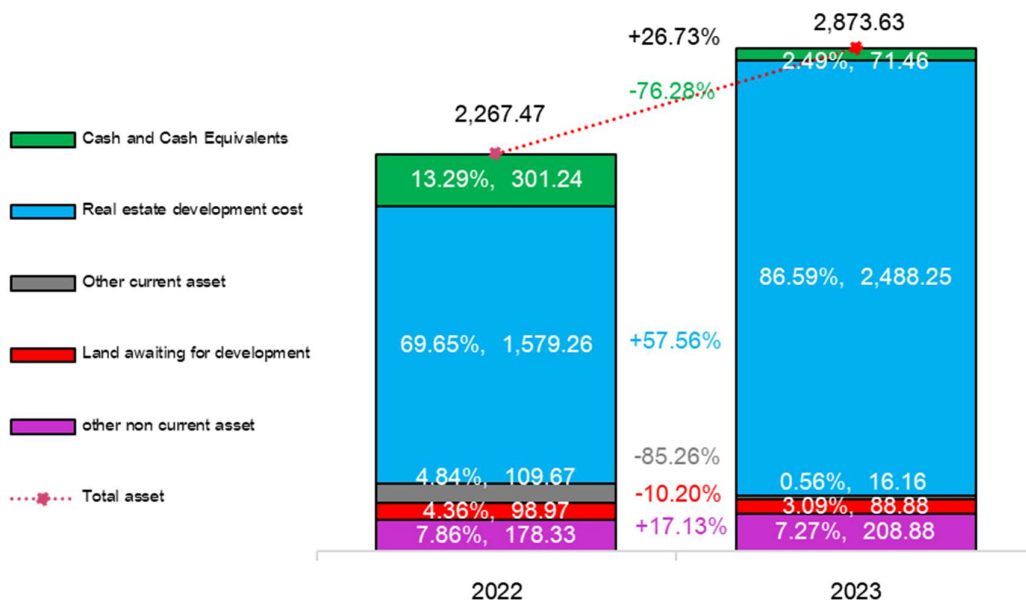
Statement of Financial Position	2023	2022	Movment	
Assets				
Current assets	2,575.87	1,990.17	585.70	29.43%
Non-current assets	297.76	277.30	20.46	7.38%
Total assets	2,873.63	2,267.47	606.16	26.73%
Liabilities and equity				
	-	-		
Current liabilities	1,062.53	734.51	328.02	44.66%
Non-current liabilities	1,032.49	892.06	140.43	15.74%
Total liabilities	2,095.02	1,626.57	468.45	28.80%
Equity				
	-	-		
Issued and paid-up share capital	374.56	343.20	31.36	9.14%
Premium on paid-up capital	223.88	123.55	100.33	81.21%
Convertible Debentures - equity portion	-	2.03	(2.03)	-100.00%
Warrants	6.79	6.79	0.00	0.06%
Retained earnings				
Appropriated - Legal reserve	27.80	25.74	2.06	8.02%
Unappropriated	157.68	151.86	5.82	3.83%
Other components of equity	(13.67)	(13.67)	(0.00)	0.01%
Non-controlling interests	1.56	1.40	0.16	11.70%
Total equity	778.61	640.90	137.71	21.49%
Total liabilities and equity	2,873.63	2,267.47	606.16	26.73%

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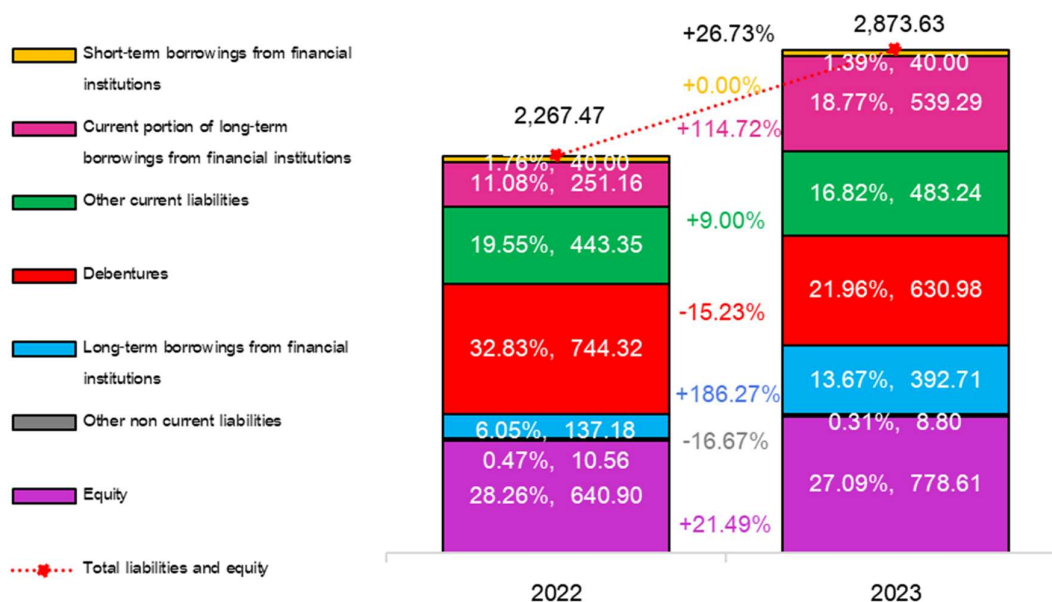
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Asset



Liabilities & Equity



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Statement of Financial Position

Total Assets

Total assets increased by THB 606.16 million or 26.73% from THB 2,267.47 million to THB 2,873.63 million.

Cash and cash equivalents

Cash and cash equivalents decreased by THB 229.78 million or 76.28% from THB 301.24 million to 71.46 million

Real estate development costs

Real estate development costs increased by THB 868.99 million or 57.56% from THB 1,579.26 million to THB 2,448.25 million Due to the transfer of land rights, the company has commenced the development of the Kunalai Navara Rangsit - Klong 2 project. Additionally, the company has utilized land awaiting development to develop the Kunalai Preem Luxe project, which is expected to commence sales and generate revenue within the year 2024.

Land awaiting for development

Land awaiting for development decreased by THB 10.09 million or 10.20% from THB 98.97 million to THB 88.88 million. because the company transferred the land awaiting for development to real estate development costs and acquired additional land for future project development.

Total liabilities

Total liabilities increased by THB 468.45 million or 28.80% from THB 1,626.57 million to THB 2,095.02 million. Due to the redemption of debentures and convertible debentures totaling 270.00 million baht, and the issuance and offering of new debentures totaling 200.00 million baht for the development of projects and acquisition of additional land, along with the issuance of short-term debentures totaling 50.00 million baht for working capital, the company has increased its total liabilities. Additionally, the company has obtained new project development credit facilities from financial institutions for the development of the Kunalai Navara Rangsit - Klong 2 project and the Kunalai Preem Luxe project, as per the company's project development plan. Furthermore, there have been disbursements from other project development credit facilities, contributing to the increase in total liabilities.

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Total equity

Total equity increased by THB 137.71 million or 21.49% from THB 640.90 million to THB 778.61 million. Due to the second quarter of the previous year, the company issued and offered ordinary shares to existing shareholders, raising capital of 131.69 million baht for the redemption of convertible debentures and for use as working capital for the company's project development plans. Meanwhile, dividends were paid in cash to shareholders for the year 2023 in the amount of 46.81 million baht.



Please be informed accordingly.

Villa Kunalai Public Company Limited

Mr. Suradech Prachubsirat

Chief Financial Office

Or Add Line ID : @kun-insight

Or Link : <https://lin.ee/QHy7bM9>

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