

KUNALAI

บริษัท วิลล่า คุณาลัย จำกัด (มหาชน)

819 หมู่ 7 ถนนบ้านกล้วย-ไทรน้อย ตำบลพิมลราช
อำเภอบางบัวทอง จังหวัดนนทบุรี 11110

KUN 035/2024

8 May 2024

Subject : Management Discussion and Analysis (MD&A) for the quarter 1 ended 31 March 2024 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 period ended 31 March 2024 compared to the prior period are summarized as follows:

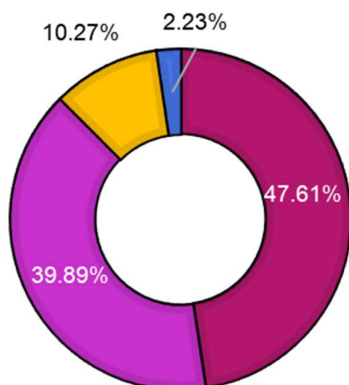
Income Statement (3 month)	3M'2024		3M'2023		Movement	
Revenue from sales of real estates	149.73	100.00%	172.09	100.00%	(22.36)	-12.99%
Cost of sales	(119.76)	-79.98%	(133.94)	-77.83%	14.18	-10.59%
Gross profit	29.97	20.02%	38.16	22.17%	(8.19)	-21.46%
Other income	0.86	0.57%	0.88	0.51%	(0.02)	-2.27%
Selling expenses	(13.83)	-9.24%	(14.15)	-8.22%	0.32	-2.26%
Administrative expenses	(14.48)	-9.67%	(16.58)	-9.63%	2.10	-12.67%
Finance costs	(0.76)	-0.51%	(1.60)	-0.93%	0.84	-52.50%
Profit before income tax expense	1.75	1.17%	6.70	3.89%	(4.95)	-73.88%
Income tax expense	(0.69)	-0.46%	(1.43)	-0.83%	0.74	-51.75%
Profit for the period	1.06	0.71%	5.27	3.06%	(4.21)	-79.89%
Profit/(Loss) attributable to:						
Owners of the parent	1.08	0.72%	5.20	3.02%	(4.12)	-79.23%
Non-controlling interests	(0.02)	-0.01%	0.07	0.04%	(0.09)	-128.57%
	1.06	0.71%	5.27	3.06%	(4.21)	-79.89%
Basic earnings per share	0.00		0.01			

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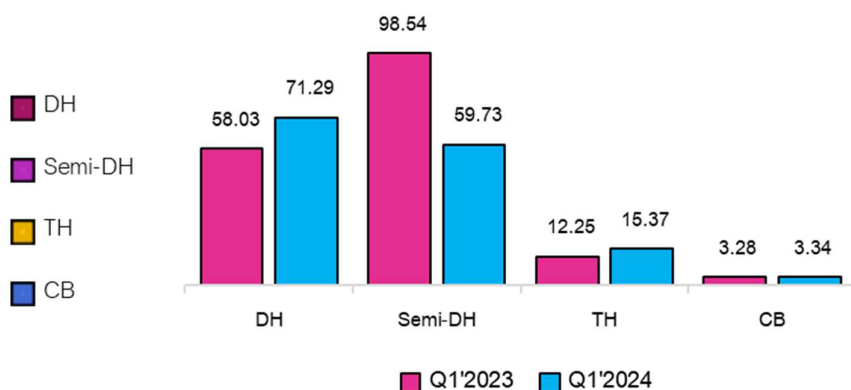
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TRANSFER BREAKDOWN BY PRODUCT (MB.)



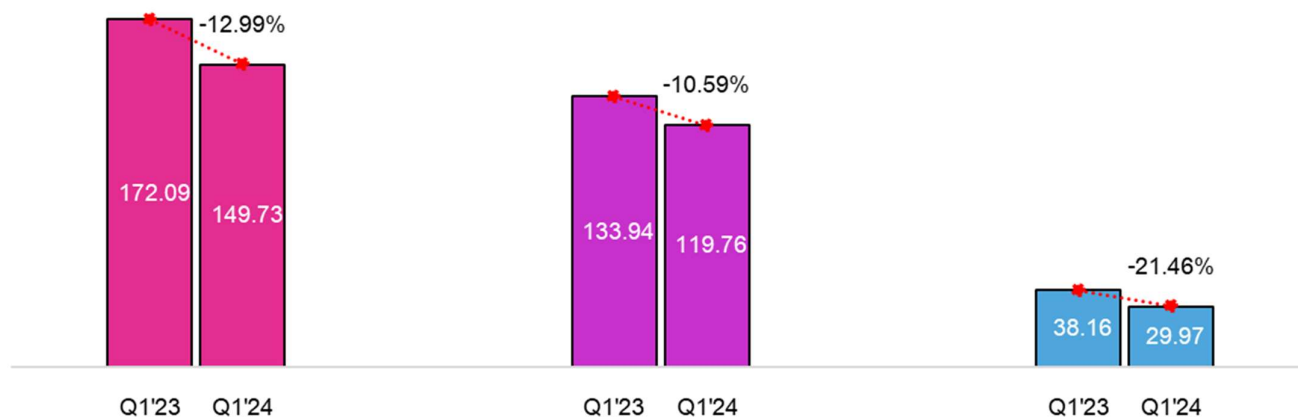
Revenue

TRANSFER BREAKDOWN BY PRODUCT (MB.)



Cost of sales

Gross profit



Revenue from sales of real estates

In Q1'2024, revenue from sales of real estates decreased by THB 22.36 million or 12.99% compared to the same period last year, from THB 172.09 million to THB 149.73 million. The reason for the company's decreased revenue from real estate sales is attributed to the slow recovery of the Thai economy, influenced by the global economic slowdown, resulting in negative export growth of -0.20% in Q1'2024 compared to the same period of the previous year. Additionally, delays in announcing the utilization of the fiscal year 2024 budget law have affected the government sector's spending capacity. Furthermore, high interest rates have made it increasingly difficult for

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customers to obtain mortgage loans. For the remaining period of the fiscal year 2567, the government has implemented measures to stimulate the real estate sector by reducing transfer and mortgage registration fees to 0.01% for residential properties priced below 7.00 million baht, along with an anticipated decrease in interest rates in the latter half of the year, which is expected to support the recovery of the real estate sector.

Cost of sales

In Q1'2024, cost of sales decreased by THB 14.18 million or 10.59% compared to the same period last year from THB 133.94 million to THB 119.76 million. The decrease in cost of sales was proportional to the decrease in revenue. The cost of sales to revenue ratio increased from 77.83 percent to 79.98 percent due to increased sales promotion to stimulate purchase decisions. In the case of Projects Kunalai Daisy and Navara Rama 2, which accounted for 76.61 percent of the revenue from real estate sales in Q1'2024, there was a perception of revenue from the group of high-cost houses higher than the average cost of other houses in the project. Since these types of houses had decreased in number, it is expected that the cost of sales to revenue ratio will decrease in the next quarter.

Gross Profit

In Q1'2024, gross profit decreased by THB 8.19 million or 21.46% compared to the same period last year from THB 38.16 million to THB 29.97 million. The initial profit margin to revenue ratio decreased from the year 2023, while for the remaining period of the year 2024, the company anticipates an upward trend in the initial profit margin due to accelerated sales and transfer volumes of Projects Navara Rangsit Klong 2 and Navara Rama 2, which are projects with higher initial profit margins than the average of the company group.

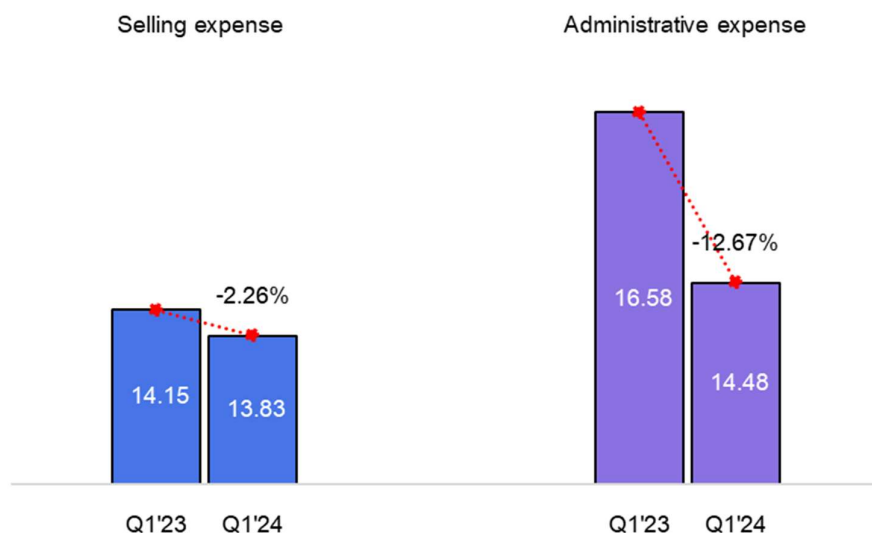
Other income

In Q1'2024, other income increased by THB 0.02 million or 2.27% compared with the same period last year from THB 0.88 million to THB 0.86 million.

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Selling expenses

In Q1'2024, selling expenses decreased by THB 0.32 million or 2.26% compared to the same period last year from THB 14.15 million to THB 13.83 million. Selling expenses consist of sales expenses and marketing expenses, where sales expenses vary with the company's revenue recognition. Therefore, the decrease in sales revenue resulted in a decrease in selling expenses. The increase in marketing expenses is due to increased advertising and promotion of the company's projects, both online and offline.

Administrative expenses

In Q1'2024, administrative expenses decreased by THB 2.10 million or 12.67% compared to the same period last year from THB 16.58 million to THB 14.48 million. The main reason for this decrease is that the company has been controlling administrative expenses more efficiently.

Finance cost

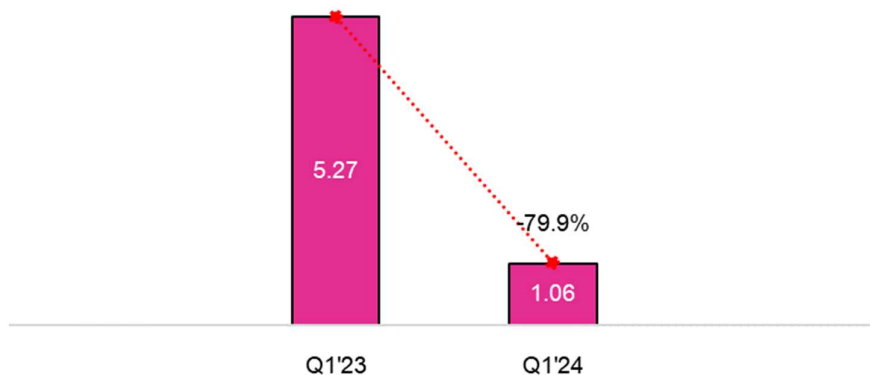
In Q1'2024, finance cost decreased by THB 0.84 million or 52.50% compared to the same period last year from THB 1.60 million to THB 0.76 million.

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Net Profit



Net profit

Overall performance of the Company for the 3 month period ended 31 March 2024 was net profit of THB 1.06 million, compared to net profit of THB 5.27 million, the company had decreased of 79.89% compared to the same period last year. This decline is attributed to reduced revenue from real estate sales and decreased gross profit margins. With the government's stimulus measures in the real estate sector, the company anticipates positive outcomes from these measures. Therefore, it is expected that the company's performance trend will improve in the remaining period of 2024.

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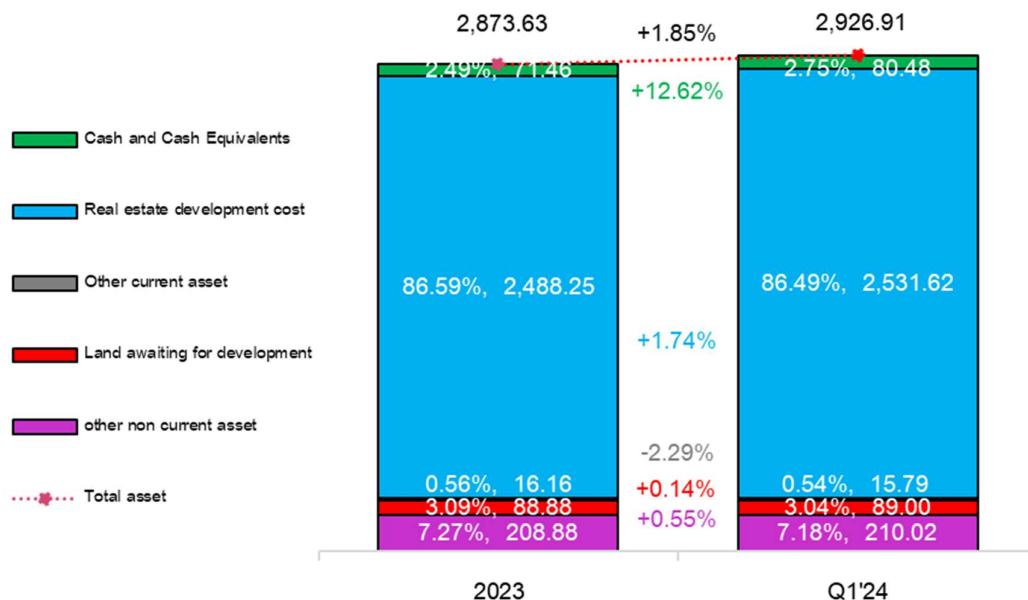
Statement of Financial Position	Q1'2024	2023	Movment	
Assets				
Current assets	2,627.89	2,575.87	52.02	2.02%
Non-current assets	299.02	297.76	1.26	0.42%
Total assets	2,926.91	2,873.63	53.28	1.85%
Liabilities and equity				
	-	-		
Current liabilities	1,081.22	1,062.53	18.69	1.76%
Non-current liabilities	1,066.02	1,032.49	33.53	3.25%
Total liabilities	2,147.24	2,095.02	52.22	2.49%
Equity				
	-	-		
Issued and paid-up share capital	374.56	374.56	-	0.00%
Premium on paid-up capital	223.88	223.88	-	0.00%
Warrants	6.79	6.79	-	0.00%
Retained earnings				
Appropriated - Legal reserve	27.80	27.80	-	0.00%
Unappropriated	158.76	157.68	1.08	0.69%
Other components of equity	(13.67)	(13.67)	-	0.00%
Non-controlling interests	1.54	1.56	(0.02)	-1.53%
Total equity	779.66	778.61	1.06	0.14%
Total liabilities and equity	2,926.91	2,873.63	53.29	1.85%

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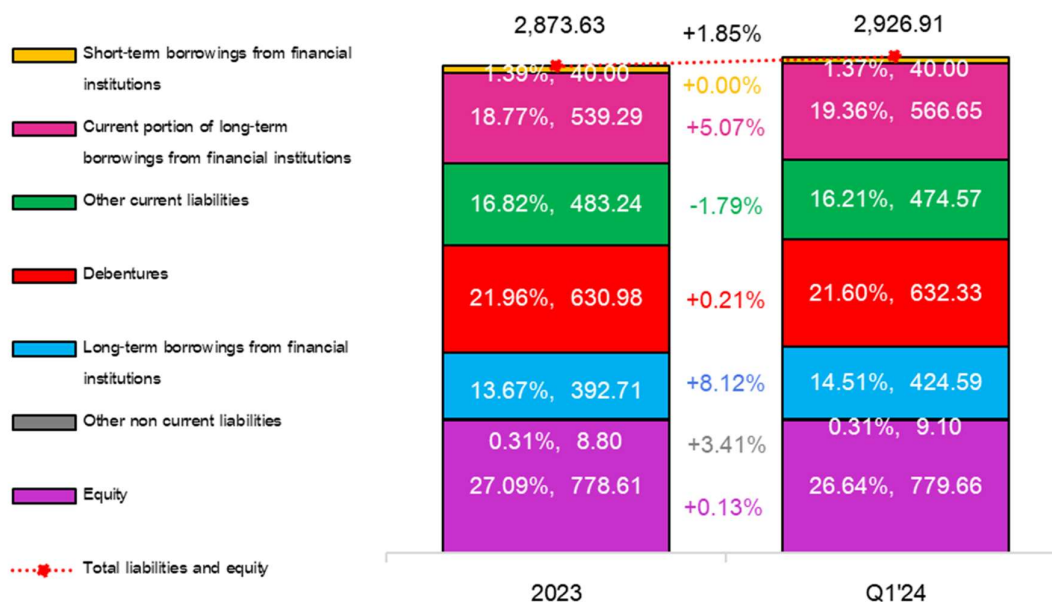
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Asset



Liabilities & Equity



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Statement of Financial Position

Total Assets

Total assets increased by THB 53.28 million or 1.85% from THB 2,873.63 million to THB 2,926.91 million.

Cash and cash equivalents

Cash and cash equivalents increased by THB 9.02 million or 12.62% from THB 71.46 million to 80.48 million

Real estate development costs

Real estate development costs increased by THB 43.37 million or 1.74% from THB 2,488.25 million to THB 2,531.62 million. This increase is due to the company's additional investment in projects under development.

Land awaiting for development

Land awaiting for development increased by THB 0.12 million or 0.14% from THB 88.88 million to THB 89.00 million. This increase is due to the company's reclassification of expenses incurred before the start of projects, which were originally recorded as part of the real estate development costs, to be a part of the land awaiting for development.

Total liabilities

Total liabilities increased by THB 52.22 million or 2.49% from THB 2,095.02 million to THB 2,147.24 million. This increase is due to the company's utilization of project credit facilities, including revolving credit facilities from financial institutions, for the development of projects under development by the company group. This was used as working capital, leading to an increase in total liabilities.

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Total equity

Total equity increased by THB 1.05 million or 0.13% from THB 778.61 million to THB 779.66 million. Main reason for the rise of equity was net profit for the three month period of THB 1.05 million.



Please be informed accordingly.

Villa Kunalai Public Company Limited

Mr. Suradech Prachubsrirat

Chief Financial Office

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