

8 May 2024

Subject: Management Discussion and Analysis for the first quarter ended 31 March 2024

To President  
The Stock Exchange of Thailand

Quality Houses Public Company Limited and its subsidiaries (“The Company”) would like to report its operating results for the first quarter ended 31 March 2024 and 2023 with the detail as follows:

### I Operating revenue breakdown by business segment

(Unit: Million Baht)

	<u>First quarter</u>			%
	<u>2024</u>	<u>2023</u>	<u>Change</u>	
Revenue from sales of real estate	1,336	1,590	(254)	(16)
Revenue from hotel operations	368	280	88	31
Revenue from office rental operations	31	33	(2)	(6)
Other income	62	62	-	-
Total revenues	<u>1,797</u>	<u>1,965</u>	<u>(168)</u>	(9)

In summary, the Company generated total revenues for the first quarter ended 31 March 2024 and 2023 at Baht 1,797 million and Baht 1,965 million respectively, decreasing by Baht 168 million or 9% decrease compared to the same period of 2023. Details are as follows:

1. **Revenue from sales of real estate** for the first quarter of 2024 decreased by Baht 254 million or 16% decrease compared to the same period of 2023. This was due to the decrease in revenue from housing projects decreased by Baht 194 million or 13% decrease and the revenue from condominium projects decreased by Baht 60 million or 45% decreased compared to the same period of 2023.

In the first quarter of 2024, the Company closed 1 sold-out project.

2. **Revenue from hotel operations** for the first quarter of 2024 increased by Baht 88 million or 31% increase compared to the same period of 2023. This was due to the increase in both Thai and international tourists.

3. **Revenue from office rental operations** for the first quarter of 2024 decreased by Baht 2 million or 6% decrease compared to the same period of 2023.

### II Operating cost breakdown by business segment

(Unit: Million Baht)

	<u>First quarter</u>			
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>%</u>
Cost from sales of real estate	923	1,056	(133)	(13)
Cost from hotel operations	203	166	37	22
Cost from office rental operations	11	15	(4)	(27)
Total costs	<u>1,137</u>	<u>1,237</u>	<u>(100)</u>	<u>(8)</u>

The Company's total costs for the first quarter of 2024 decreased by Baht 100 million or 8% decrease compared to the same period of 2023. This was due to cost from sales of real estate decreased by Baht 133 million or 13% decrease. While the cost of hotel operations increased by Baht 37 million or 22% increase. These were in line with the revenues.

### III Share of profit from investments in associates

In the first quarter of 2024, the Company's share of profit from investments in associates was Baht 445 million, which decreased by Baht 7 million or 2% decrease compared to the same period of 2023. Details of the Company's share of profit from 4 associate companies are as follows:

(Unit: Million Baht)

	<u>First quarter</u>			
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>%</u>
Home Product Center Plc.	340	320	20	6
LH Financial Group Plc.	55	92	(37)	(40)
Quality Houses Leasehold Property Fund	32	28	4	(14)
Quality Houses Hotel and Residence Freehold and Leasehold Property Fund	<u>18</u>	<u>12</u>	<u>6</u>	<u>50</u>
Total	<u>445</u>	<u>452</u>	<u>(7)</u>	<u>(2)</u>

#### IV Expenses

	(Unit: Million Baht)			
	First quarter			
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>%</u>
Selling expenses	122	122	-	-
Administrative expenses	406	361	45	12
Finance cost	55	61	(6)	(10)
Income tax expenses	33	45	(12)	(27)

1. Selling expenses for the first quarter of 2024 are equal to the same period of 2023
2. Administrative expenses for the first quarter of 2024 increased by Baht 45 million or 12% increase compared to the same period of 2023, mainly due to the increase of litigations.
3. Finance cost for the first quarter of 2024, consisting of interest expenses, bank fees, decreased by Baht 6 million or 10% decrease compared to the same period of 2023 due to due to loan repayment.
4. Income tax expenses for the first quarter of 2024 decreased by Baht 12 million or 27% decrease compared to the same period of 2023 which was in line with the operating profit (excluding share of profit from investments in associates).

#### V Net Profit

	(Unit: Million Baht)			
	First quarter			
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>%</u>
Net Profit	490	592	(102)	(17)

The Company's net profit for the first quarter of 2024 decreased by Baht 102 million, or 17% decrease compared to the same period of 2023. This was mainly due to gross profit from sales of real estate decreased by Baht 121 million, gross profit from hotel operations increased by Baht 51 million, share of profit from investments in associates decreased by Baht 7 million. Meanwhile, selling and administrative expenses increased by Baht 45 million, income tax expenses decreased by Baht 12 million and finance cost decreased by Baht 6 million.

## VI Financial Position

(Unit: Million Baht)

	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>Change</u>	<u>%</u>
Total assets	44,095	43,442	653	2
Total liabilities	15,201	15,070	131	1
Total shareholders' equity	28,894	28,372	522	2

- **Financial position**

As of 31 March 2024, the Company's total assets increased by Baht 653 million or 2% increase from the end of 2023 (as of 31 December 2023), mainly increase from investments in associates by Baht 436 million , land and construction in progress decreased by Baht 52 million and land and project development cost increase by Baht 218 million. Moreover, total liabilities increased by Baht 131 million or 1% increase from the end of 2023 (as of 31 December 2023), due to during this period the Company issued unsecured debentures amount of Baht 2,500 million , short term loan increased by Baht 1,000 million , repayment of unsecured debentures at amount of Baht 3,000 million and repayment of long term loan at amount of Baht 375 million.

- **Shareholders' Equity**

As of 31 March 2024, total shareholders' equity of the Company increased by Baht 522 million or 2% increase from the end of 2023 (as of 31 December 2023). This was because the Company recognized net profit of Baht 490 million for the first quarter of 2024. Moreover, other components of shareholders' equity increased during the period amount of Baht 32 million from the share of other comprehensive income of associates.

Please be informed accordingly.

Sincerely yours,

(Miss Apinya Jarutrakulchai)

Senior Executive Vice President

Accounting and Finance Department

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