

No. CHEWA 24-05/01

15 May 2024

Subject: Explanation and analysis of management for the first quarter of the 2024 period, ending 31 March 2024.

Attention: Directors and Managers Stock Exchange of Thailand

Performance result overview

The real estate market in the first quarter of 2024 showed a promising recovery, driven by positive factors such as government stimulus measures that reduced transfer and mortgage registration fees from 3% to 0.01%, along with expanding the price ceiling from 3 million to 7 million Baht by the end of 2024. However, there are still several negative factors, such as the steady interest rate policy since the end of the previous year, which is likely to remain unchanged throughout 2024. This might slow down the market recovery despite government stimulus policies. This situation impacts development project costs, leading to higher prices and affecting purchasing power at middle and lower levels.

However, the Company still has plans to expand both low-rise and high-rise with 1-2 projects this year. The Company also continues to focus on online marketing across all platforms to respond to the changing lifestyle trends of the modern era. Furthermore, the Company emphasizes the consumer's perspective in various dimensions to align with the current situation. In terms of cost and expense management policies, the Company prioritizes policies that provide value. Additionally, the Company focuses on adopting the principles of environmental, social, and governance (ESG) sustainability to apply to the Company's management. Regarding the environment, the Company has implemented the "CHEWA Goes Green" project to raise awareness, instill a sense of energy conservation, resource preservation, and proper waste separation, as well as add value to waste by upcycling it to create benefits in the future. This also helps reduce some of the Company. Regarding society, the Company provides employee welfare, builds good relationships, and provides opportunities for employees to communicate their opinions, suggestions, and ideas that are beneficial to the Company with top executives under the "Boon Ror Fung" project. The project also serves as a channel for receiving concerns in order to help reduce the risk of corruption. The Company also continuously develops employees' skills to assist in maximizing product quality and organizational growth, ensuring the business operates securely and sustainably.

Chewathai Public Company Limited (Chewa) would like to clarify the operating result for the Quarter ended 31 March 2024 of the Company and its subsidiaries as follows.

Table for performance comparison during three-month and nine-month periods as of 31 March 2024 and 2023.

(Unit: Million Baht)

Statement of comprehensive income	For the period 3 month			
	2024	2023	Change	%
Revenue				
Revenue from sale of real estate	491.22	371.67	119.55	32.17
Other income	48.82	8.00	40.82	510.25
Total Revenue	540.04	379.67	160.37	42.24
Expenses				
Cost of real estate sold	353.82	264.72	89.10	33.66
Selling expenses	106.50	48.89	57.61	117.84
Administrative expenses	47.20	39.83	7.37	18.50
Total Expenses	507.52	353.44	154.08	43.59
Profit before share of loss from investments in joint venture and associate, finance costs and income tax	32.52	26.23	6.29	23.98
Share of loss from investment in joint venture	(2.79)	(1.66)	1.13	68.07
Share of loss from investments in associates	-	(0.07)	(0.07)	(100.00)
Profit before finance income, finance costs and income tax	29.73	24.50	5.22	21.31
Finance costs	(4.05)	(13.95)	(9.90)	(70.97)
Profit before income tax	25.68	10.55	15.13	143.41
Income tax expenses	(8.81)	(3.44)	5.37	(156.10)
Profit from operation	16.87	7.11	9.76	137.27
Comprehensive income for the period	(0.61)	1.11	(1.71)	(154.05)
Profit for the period	16.26	8.22	8.05	97.93

Gross Profit Margin from sales of real estate (%)	27.97%	28.78%
Net profit (loss) (%)	3.01%	2.17%

Operating Income

1. Real estate sales revenue

(Unit: Million Baht)

Revenue from sale of real estate	For the 3 months			
	2024	2023	Change	%
Condominiums	326.28	216.59	109.69	50.65
Townhomes/Home offices	65.55	98.08	(32.53)	(33.16)
Single-detached houses	88.75	46.40	42.35	91.26
Renue	10.64	10.61	0.04	0.33
Total	491.22	371.67	119.55	32.17

For the first quarter of 2567, the company generated revenues from real estate sales amounting to 491.22 million Baht, representing 90.96% of total revenues. This marked an increase from the same quarter of the previous year, which amounted to 119.55 million Baht, reflecting a growth of 32.17%.

- **Income from condominium projects**

Revenue from condominium amounted to 326.28 million Baht, accounting for 66.42% of the total revenue from real estate sales. This represents an increase from the same quarter of the previous year, which amounted to 109.69 million Baht, indicating an increase of 50.65%. The primary contributors to this growth were sales from the Chewathai Hallmark Ladprao - Chokchai 4 Phase 1 and 2, Chewathai Pinklao, and Chewathai Kaset - Nawamin.

- **Income from low-rise projects**

Revenue from horizontal projects amounted to 154.30 million Baht, accounting for 31.41% of the total revenue from real estate sales. This represents an increase from the same quarter of the previous year, which amounted to 9.82 million Baht, indicating an increase of 6.80%.

For the performance of low-rise projects, it is divided into townhomes/commercial buildings with revenue of 65.55 million Baht, a decrease from the same quarter of the previous year, which amounted to 32.53 million Baht, indicating a decrease of 33.16%. with notable contributions from Chewa Home Krungthep – Pathum and Chewa Home Rangsit-Pathum.

and single-house projects with revenue of 88.75 million Baht, an increase from the same quarter of the previous year, which amounted to 42.35 million Baht, indicating a decrease of 91.26%. Primarily

due to higher sales from Chewawan Pinklao-Sathorn and Chewarom New Ratchaphruek, which received favorable responses from customers.

- **Income from Renue projects**

Revenue from second-hand home projects amounted to 10.64 million Baht, remaining stable compared to 2566. The company anticipates sales growth in 2567, recognizing the opportunities and growth potential in the second-hand home market.

2. Other Income

The company had other incomes of 48.82 million Baht, or 9.04% of total revenue. Other incomes consist of the revenue from management, rental assets and interest income. For the first quarter of 2024, other income increased by 40.82 million Baht, representing 510.25%, due to the company's sale and transfer of ownership of commercial units in the Chewathai Phetkasem 27 to unrelated person.

Cost of sales and gross profit

For the first quarter of 2024, the Company had cost of real estate sales of 353.82 million Baht or 65.52% of total revenue, there was an increase of 89.10 million Baht from the previous year or 33.66%. Aligned with the increase in real estate sales.

For the gross profit from real estate sales was 137.40 million Baht and 160.09 million Baht, an increase of 30.45 million Baht compared to the same quarter of the previous year. The gross profit rate is 27.97%.

Selling and administrative expenses

The company had selling and administrative expenses to total revenue (SG&A) for the first quarter of 2024, the amount was 153.70 million Baht, increasing by 64.98 million Baht or 73.24%. Primarily from selling expenses, which align with the increase in real estate sales.

Share profit (loss) from investment in joint ventures

For the share of profit (loss) from investment in joint venture, it was a recognition of share of profit (loss) from the Company's investment with 70% shares in Chewa Heart Company Limited ("CWH"), the Company's investment with 70% shares in Chewa Work Industrial Company Limited ("CWI") and the Company's investment with 51% shares in Chewathai Estate Company Limited ("CWE"). Thus, the Company had a recognition of share of loss from investment in joint venture amounted to 2.79 million Baht.

Net profit

From the operational results of the first quarter of 2024, both the company and its subsidiaries incurred a net profit from operations for the 3-month period amounting to 16.26 million Baht. The net profit increased from the same quarter of the previous year, amounting to 8.05 million Baht, representing an increase of 97.93%.

Financial status analysis comparison during the period ended 31 March 2024 and 31 December 2023.

(Unit: million Baht)

Financial Statement	31 Mar 24	31 Dec 23	Change	%
Total Asset	5,602.03	5,906.43	(304.40)	(5.15)
Total Payables	3,685.19	4,005.85	(320.66)	(8.00)
Shareholder's Equity	1,916.84	1,900.58	16.26	0.86

Total Asset

On 31 March 2024, the Company had total assets of 5,602.03 million Baht, which decreased from the previous year by 304.40 million Baht, or a decrease of 5.15%. This change is mainly due to the increased transfer of high-rise projects, and Capital's control over Chewathai Estate Company Limited was changed. Therefore, the status of Chewathai Estate Company Limited changed from subsidiary to joint venture of Capital, resulting in a decrease in the company's net assets.

Total liabilities

On 31 March 2024, the Company had total liabilities of 3,685.19 million Baht, which decreased from the previous year by 320.66 million Baht or a decrease of 8.00%. This reduction is attributed to the company repaying long-term loans from financial institutions and fulfilling its obligations by redeeming outstanding debentures within the year.

Debt to Equity Ratio (D/E) according to the financial statements as of 31 March 2024 at the rate of 1.92 times and as of 31 December 2023 at the rate of 2.11 times. according to the conditions as specified by the bank.

Shareholder's Equity

The shareholders' equity as of 31 March 2024 was 1,916.84 million Baht, an increase from the previous year by 16.26 million Baht or 0.86 %. Due to the profit in this quarter.

Other**Auditor's Report**

Auditor expressed an unqualified opinion, nothing has come to their attention that causes them to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

For your information.

Best regards,

(Mr. Boon Choon Kiat)

Managing Director