



## M.K. Real Estate Development Public Company Limited

### Management Discussion and Analysis

For the Three-month Period ended 31 March 2026

#### Business Overview

M.K. Real Estate Development Public Company Limited (“the Company” “the Group”) operate in the real estate development business, consisting of:

(1) Residential real estate development for sale.

The Company's low-rise residential development projects primarily target customers seeking homes for their own residence, as well as first-home buyers, under the “Chuan Chuen” brand, which is recognized for its quality, functional living space, and value-for-money pricing. These projects are further enhanced by a comprehensive well-being care concept. The Company focuses on high-potential locations situated near public transportation routes and in areas where it already has an established customer base.

(2) Real estate development for rental and services, comprising:

2.1 Factory and warehouse rental business under the “Bangkok Free Trade Zone” or “BFTZ” brand, developed by Prospect Development Company Limited. Currently, the BFTZ brand is highly recognized among both domestic and international customers. Clients have strong confidence in the brand and continue to demand rental space consistently. In addition, Prospect Development Company Limited also provides property management services for the Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust, as well as for joint ventures.

2.2 Rental space for healthcare businesses and wellness rehabilitation accommodation, consisting of rental areas at the RAKxa Integrative Wellness project in Bang Krachao, Samut Prakan, and the RXV Wellness Village project in Sam Phran, Nakhon Pathom.

#### Summary of Operating Results

The Company would like to report its consolidated financial results for the three-month period ended 31 March 2026. The consolidated statement of comprehensive income showed a net loss of THB 155.60 million, representing a loss per share of THB 0.11. This compares to a net operating loss of THB 126.66 million or a loss per share of THB 0.09 Q1-2025. This represents an increase in the net loss of THB 28.94 million. The details are as follows:

Unit : THB'000				
Operating results	Q1-2026	Q1-2025	Increase (Decrease)	%
Total revenues	344,649	394,991	<b>(50,342)</b>	<b>(12.75)</b>
Revenue from Sale and Services				
1. Revenue from sale of real estate				
Revenue	82,129	80,540	<b>1,589</b>	<b>1.97</b>
Gross profit	19,692	15,319	<b>4,373</b>	<b>28.55</b>
Gross profit margin (%)	23.98	19.02		
2. Revenue from rental and rendering of services				
Revenue	62,733	186,710	<b>(123,977)</b>	<b>(66.40)</b>
Gross profit	15,207	84,027	<b>(68,820)</b>	<b>(81.90)</b>
Gross profit margin (%)	24.24	45.00		
3. Revenue from management of real estate				
Revenue	44,580	37,311	<b>7,269</b>	<b>19.48</b>
Gross profit	32,371	25,140	<b>7,231</b>	<b>28.76</b>
Gross profit margin (%)	72.61	67.38		
All businesses				
Sales & Services revenue	189,442	304,561	<b>(115,119)</b>	<b>(37.80)</b>
Gross profit	67,270	124,486	<b>(57,216)</b>	<b>(45.96)</b>
Gross profit margin (%)	35.51	40.87	-	-
Total other revenues	155,207	90,430	<b>64,777</b>	<b>71.63</b>
Total costs & expenses	294,221	323,384	<b>(29,163)</b>	<b>(9.02)</b>
Cost of businesses	122,172	180,075	<b>(57,903)</b>	<b>(32.15)</b>
Selling and administrative expenses	128,299	143,309	<b>(15,010)</b>	<b>(10.47)</b>
Foreign exchange loss	43,750	-	<b>43,750</b>	-
Profit from operations	50,428	71,607	<b>(21,179)</b>	
Finance costs	(215,034)	(202,165)	<b>12,869</b>	<b>6.37</b>
Profit sharing under equity method	381	1,211	<b>(830)</b>	<b>(68.54)</b>
Income tax income	6,931	1,169	<b>5,762</b>	<b>492.90</b>
Non-controlling interests	(1,699)	(1,519)	<b>180</b>	<b>11.85</b>
Net Loss	(155,595)	(126,659)	<b>28,936</b>	
Net loss margin (%)	(45.15)	(32.07)		
Net loss per share (Baht)	(0.11)	(0.09)		

Total revenue for the first quarter of 2026 amounted to THB 344.65 million, decreasing by THB 50.34 million, or 12.75%, compared to Q1-2025. Revenue from sales and services totaled THB 189.44 million, representing a decrease of THB 115.12 million, or 37.80%, from Q1-2025. Revenue was generated from the core businesses operated by the Company and its subsidiaries, consisting of:

#### 1) Revenue from sale of real estate

The overall residential real estate market in 2026 remains under pressure from the global energy crisis and conflicts in the Middle East. Although the policy interest rate has gradually decreased to 1.25% (as of December 2025), weak purchasing power due to high household debt levels has deteriorated the creditworthiness of home loan applicants. Combined with uncertainty about future income, this has led consumers to postpone their home purchase decisions to observe the situation. However, the government has introduced stimulus measures for the housing sector, including reducing the transfer fee from 2% to 0.01% and the mortgage fee from 1% to 0.01% for properties priced up to THB 7 million. Additionally, the LTV (Loan-to-Value) rule has been eased, allowing 100% financing for second home loans until 30 June 30 2026, aiming to encourage buyers ready to make a purchase. In this context, the Company has prioritized inventory management and adjusted its housing construction plans to align with the current sales volume while the market remains weak.

For the first quarter of this year, the Company recorded revenue from real estate sales totaling THB 82.13 million, consisting of 1.1) Revenue from residential housing project sales amounting to THB 54.41 million, decreasing by THB 26.13 million, or 32.44%, compared to Q1-2025, due to the impacts of the various factors mentioned above; and 1.2) Revenue from the sale of undeveloped land amounting to THB 27.72 million (there was no such revenue in Q1-2025). Overall, revenue from real estate sales increased by THB 1.59 million, or 1.97%, compared to THB 80.54 million in Q1-2025. This business segment generated a gross profit of THB 19.69 million (gross profit margin of 23.98%). Gross profit increased by THB 4.37 million compared to gross profit of THB 15.32 million (gross profit margin of 19.02%) in Q1-2025.

#### 2) Revenue from rental and rendering of services

For Q1-2026, Revenue from rental and services amounted to THB 62.73 million, consisting of: 2.1) Revenue from the factory and warehouse rental business totaling THB 37.20 million, compared to THB 161.30 million in Q1-2025, representing a decrease of THB 124.10 million, or 79.8%, due to a reduction in leasable space following the sale of assets to the Prospect Logistics and Industrial Freehold and Leasehold Real Estate Investment Trust ("PROSPECT REIT"); and 2.2) Revenue from rental space for health and wellness business totaling THB 25.53 million, unchanged from Q1-2025. Overall, the rental and services business generated a gross profit of THB 15.21 million, representing a gross profit margin of 24.24%. Gross profit decreased by THB 68.82 million from THB 84.03 million (gross profit margin of 45%) recorded in Q1-2025.

#### 3) Revenue from rental and rendering of services

The Group also generated revenue from property management services totaling THB 44.58 million, increasing by THB 7.27 million, or 19.48%, due to the expansion of leasable space in PROSPECT REIT, which is managed by the Company's subsidiaries. This business segment recorded a gross profit of THB 32.37 million,

representing a gross profit margin of 72.61%. Gross profit increased by THB 7.23 million from THB 25.14 million (gross profit margin of 67.38%) in Q1-2025.

In summary, the Company was able to manage costs of its core businesses. As a result, the Company recorded a gross profit for the first quarter of 2026 of THB 67.27 million (a gross profit margin of 35.51%), a decrease of THB 57.22 million or 45.96% from a gross profit recorded in Q1-2025.

In addition, other income for Q1-2026 and Q1-2025 consisted of gain on disposal of investments and investments income and other income totaling THB 155.21 million and THB 90.43 million, respectively. Other income increased by THB 64.78 million, or 71.63%, primarily due to gains from the disposal of investments classified as assets held for sale. Investment income mainly comprised dividend income, while other income primarily consisted of common area income prior to the establishment of juristic persons for residential real estate projects, as well as income from repair and renovation services for warehouse and factory rental buildings. These services are part of the ordinary business operations of the subsidiary engaged in warehouse rental, and the size of each transaction depends on the nature of the work and customer requirements.

Total cost of business for Q1-2026 amounted to THB 122.17 million, a decrease of THB 57.90 million or 32.15% from Q1-2025, due to lower sales and service revenue and improved cost management. The selling and administrative expenses totaled THB 128.30 million, compared to THB 143.31 million in Q1-2025, representing a decrease of THB 15.01 million, or 10.47%. Other expenses consisted of an unrealized foreign exchange loss of THB 43.75 million arising from foreign currency-denominated loans. Finance costs amounted to THB 215.03 million, increasing by THB 12.87 million, or 6.37%, compared to the same period of the previous year, due to higher funding costs incurred in refinancing maturing debentures.

#### Summary of Financial Position

Unit : THB million

Major Components	31 Mar 26	31 Dec 25	Increase (Decrease)	%
<b>Total Assets</b>	17,020.0	16,399.8	<b>620.3</b>	<b>3.78</b>
Investment properties	5,743.9	5,729.5	<b>14.4</b>	<b>0.25</b>
Real estate development for sale & Land held for development	2,243.0	2,283.8	<b>(40.8)</b>	<b>(1.78)</b>
Property, plant and equipment	2,059.3	2,054.9	<b>4.4</b>	<b>0.21</b>
Short-term loans to related parties	1,933.9	1,912.9	<b>21.0</b>	<b>1.10</b>
Investments in JVs & associates	1,528.6	1,392.4	<b>136.2</b>	<b>9.78</b>
<b>Total Liabilities</b>	12,240.3	11,481.2	<b>759.2</b>	<b>6.61</b>
Interest bearing debts (loan agreement terms)	9,080.2	7,981.8	<b>1,098.5</b>	<b>13.76</b>
Other liabilities	3,160.1	3,499.4	<b>(339.3)</b>	<b>(9.70)</b>
Equity attributable to owners of the parent	4,736.6	4,874.7	<b>(138.2)</b>	<b>(2.83)</b>

The Group's total assets amounted to THB 17,020 million, increasing by THB 620.3 million, or 3.78%, compared to the end of 2025. The main components of assets include investment properties, accounting for 33.7%; real estate development for sale and land held for development, accounting for 13.2%, which decreased due to the sale of housing units and land during the period; property, plant, and equipment, accounting for 12.1%; short-term loans to related parties, accounting for 11.4%; and investments in joint ventures and associates, accounting for 9%, which increased due to additional investments in associate.

Total liabilities amounted to THB 12,240.3 million, increasing by THB 759.2 million, or 6.61%, from the end of 2025. The increase was mainly driven by interest-bearing liabilities, which rose by THB 1,098.5 million, or 13.76%, due to fund raising for the repayment of maturing debentures. Interest-bearing liabilities consist of loans from other parties (49.5%), debentures (26.6%), project loans (18.9%), and loans from related parties (5%).

Total equity amounted to THB 4,779.7 million, while equity attributable to owners of the parent company amounted to THB 4,736.6 million, decreasing by 2.83% from THB 4,874.7 million at the end of 2025. The decrease was due to a net loss of THB 155.6 million and other comprehensive income of THB 18.4 million. The book value per share was THB 3.33.

As of 31 March 2026, the current ratio was 0.65 times, decreasing from 0.74 times at the end of 2025, due to current liabilities increasing at a higher rate than current assets. Current assets increased by 3.66%, while current liabilities increased by 18.26%, mainly due to fundraising for the repayment of maturing debentures. The debt-to-equity ratio and the interest-bearing debt-to-equity ratio (in accordance with loan covenants) as of the end of Q1-2026 were 2.56 times and 1.88 times, respectively, compared to 2.33 times and 1.55 times at the end of 2025. The increase was driven by higher liabilities, while equity decreased during the period.