

August 15, 2022

Ref. 421/2022
Subject: Explanation on percentage of changes more than 20% in company's operating performance for the 2nd quarter of 2022

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 4/2022 held on August 15, 2022, the BOD of Areeya Property Public Company Limited ("The Company") has approved financial statements for the 3-month and the 6-month period ended June 30, 2022. The Group had a net profit for the 3-month of Baht 79.2 million increased by Baht 127.5 million or 264 percent, compared to a net loss of Baht 48.3 million in the same period of 2021.

The Group had a net profit for the 6-month period ended June 30, 2022 of Baht 111.9 million which increased by Baht 195.7 million or 233.5 percent, compared to a net loss of Baht 83.8 million in the same period of 2021.

The Company would like to report herewith the operation results for the 3-month and 6-month period ended June 30, 2022 with a difference more than 20% in comparison with the same period of previous year due to the following main reasons.

1. Revenue from real estate is as follows:

Unit : Million Baht

	3-month period ended June 30,2022						6-month period ended June 30,2022					
	2022	%	2021	%	Increase/ (Decrease)	%	2022	%	2021	%	Increase/ (Decrease)	%
Towhouse & single house	534.5	62.7%	514.0	85.0%	20.6	4.0%	1,267.8	74.7%	1,048.4	77.8%	219.3	20.9%
Condominium	112.1	13.1%	90.6	15.0%	21.6	23.8%	222.1	13.1%	244.4	18.1%	(22.3)	(9.1%)
Land	207.1	24.3%	0.0	0.0%	207.1	100.0%	207.1	12.2%	54.3	4.0%	152.8	281.4%
Total	853.7		604.5		249.2	41.2%	1,696.9		1,347.1		349.8	26.0%

1.1 Revenue from real estate for the 3-month period ended June 30, 2022 was Baht 853.7 million, increased by Baht 249.2 million or 41.2 percent, compared to the same period of previous year, Baht 604.5 million. The main reason from sold of land of Baht 207.1 million during the period.

1.2 Revenue from real estate for the 6-month period ended June 30, 2022 was Baht 1,696.9 million, increased by Baht 349.7 million or 26 percent, compared to the same period of previous year, Baht 1,347.2 million. The main reason from increase of sold of land and Townhouse & single house.

2. Cost of sale of real estate

2.1 Cost of sale of real estate for the 3-month period ended June 30, 2022 was Baht 526.9 million, increased by Baht 85 million or 19.2 percent, compared to the same period of previous year, Baht 441.9 million. It increased from the increase in revenue from real estate. The gross margin profit was higher from the same period of previous year due to adjusting selling price which follow by the company's strategy and high margin from sale of land.

2.2 Cost of sale of real estate for the 6-month period ended June 30, 2022 was Baht 1,110.8 million, increased by Baht 102.7 million or 10.2 percent, compared to the same period of previous year, Baht 1,008.1 million. It increased from the increase in revenue from real estate. The gross margin profit was higher from the same period of previous year due to adjusting selling price which follow by the company's strategy and high margin was from sale of land.

3. Revenue from construction service

- 3.1 Revenue from construction service for the 3-month period ended June 30, 2022 was Baht 30 million, decreased by Baht 121.3 million or 80.2 percent, compared to the same period of previous year, Baht 151.3 million. As a result of the construction of 1 condominium project out of 2 projects that were almost completed in the period, so the revenue recognition was decreased compared to the same period of the previous year.
- 3.2 Revenue from construction service for the 6-month period ended June 30, 2022 was Baht 142.8 million, decreased by Baht 180.1 million or 55.8 percent, compared to the same period of previous year, Baht 322.9 million. As a result of the construction of 1 condominium project out of 2 projects that were almost completed in the period, so the revenue recognition was decreased compared to the same period of the previous year.

4. Cost of construction service

- 4.1 Cost of construction service for the 3-month period ended June 30, 2022 was Baht 43.5 million, decreased by Baht 95.4 million or 68.7 percent, compared to the same period of previous year, Baht 138.9 million. It decreases in proportion to the revenue from construction service. The gross profit margin of construction service decreased from previous year due to the increase of estimated budget mainly from the increase of construction material price.
- 4.2 Cost of construction service for the 6-month period ended June 30, 2022 was Baht 111.2 million, decreased by Baht 185 million or 62.5 percent, compared to the same period of previous year, Baht 296.2 million. It decreases in proportion to the revenue from construction service. The gross profit margin of construction service increased from previous year due to the increase of estimated budget mainly from the increase of construction material price while the Company recognized the profit from provision recorded in previous year.

5. Distribution cost

- 5.1 Distribution cost for the 3-month period ended June 30, 2022 was Baht 95.4 million, increased by Baht 33.1 million or 53.1 percent, compared to the same period of previous year, Baht 62.3 million. This is due to specific business taxes and transfer fees that are increased in proportion to the revenue and increased in marketing expenses.
- 5.2 Distribution cost for the 6-month period ended June 30, 2022 was Baht 168.5 million, increased by Baht 47 million or 38.7 percent, compared to the same period of previous year, Baht 121.5 million. This is due to specific business taxes and transfer fees that are increased in proportion to the revenue and increased in marketing expenses.

6. Income tax expense

- 6.1 Income tax expense for the 3-month period ended June 30, 2022 was Baht 6 million, decreased by Baht 1.6 million or 21.1 percent, compared to the same period of last year, Baht 7.6 million. As a result of decrease of net profit of a subsidiary while no tax payable for increasing of net profit for other companies due to tax loss credit.
- 6.2 Income tax expense for the 6-month period ended June 30, 2022 was Baht 22.7 million, increased by Baht 6.7 million or 41.9 percent, compared to the same period of last year, Baht 16 million. As a result of increase of net profit of a subsidiary while no tax payable for increasing of net profit for other companies due to tax loss credit.

Please be informed accordingly.

Sincerely yours,



(Mr. Anat Pinrat)
Company Secretary