

November 9, 2022

Ref. 519/2022
Subject: Explanation on percentage of changes more than 20% in company's operating performance for the 3rd quarter of 2022

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 6/2022 held on 9 November, 2022, the BOD of Areeya Property Public Company Limited ("The Company") has approved financial statements for the 3-month and the 9-month period ended September 30, 2022. The Group had a net loss for the 3-month of Baht 37.1 million decreased by Baht 65.1 million or 63.7 percent, compared to a net loss of Baht 102.2 million in the same period of 2021.

The Group had a net profit for the 9-month period ended September 30, 2022 of Baht 74.8 million which increased by Baht 260.8 million or 140.2 percent, compared to a net loss of Baht 186 million in the same period of 2021.

The Company would like to report herewith the operation results for the 3-month and 9-month period ended September 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 September 30,2022						9-month period ended September 30,2022					
	2022	%	2021	%	Increase/ (Decrease)	%	2022	%	2021	%	Increase/ (Decrease)	%
Towhouse & single house	485.7	77.3%	474.4	83.7%	11.3	2.4%	1,753.5	75.4%	1,522.9	79.6%	230.6	15.1%
Condominium	93.7	14.9%	82.4	14.5%	11.3	13.7%	315.8	13.6%	326.8	17.1%	(11.0)	(3.4%)
Land	50.0	7.9%	10.0	1.8%	40.0	400.0%	257.1	11.1%	64.3	3.4%	192.8	299.8%
Total	629.4		566.8		62.6	11.0%	2,326.3		1,913.9		412.4	21.5%

1.1 Revenue from real estate for the 3-month period ended September 30, 2022 was Baht 629.4 million, increased by Baht 62.6 million or 11 percent, compared to the same period of previous year, Baht 566.8 million. The main reason from increase of sold of Townhouse & single house, condominium and land.

1.2 Revenue from real estate for the 9-month period ended September 30, 2022 was Baht 2,326.3 million, increased by Baht 412.4 million or 21.5 percent, compared to the same period of previous year, Baht 1,913.9 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 September 30, 2022 was Baht 426.1 million, decreased by Baht 29.6 million or 6.5 percent, compared to the same period of previous year, Baht 455.7 million. 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.

2.2 Cost of sale of real estate for the 9-month period ended September 30, 2022 was Baht 1,536.8 million, increased by Baht 73 million or 5 percent, compared to the same period of previous year, Baht 1,463.8 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 in 2nd quarter.

3. Revenue from construction service

- 3.1 Revenue from construction service for the 3-month period ended September 30, 2022 was Baht 64 million, decreased by Baht 41.4 million or 39.3 percent, compared to the same period of previous year, Baht 105.4 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 9-month period ended September 30, 2022 was Baht 206.8 million, decreased by Baht 221.5 million or 51.7 percent, compared to the same period of previous year, Baht 428.3 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.

4. Cost of construction service

- 4.1 Cost of construction service for the 3-month period ended September 30, 2022 was Baht 61.8 million, decreased by Baht 35.7 million or 36.6 percent, compared to the same period of previous year, Baht 97.5 million. It decreases in proportion to the revenue from construction service.
- 4.2 Cost of construction service for the 9-month period ended September 30, 2022 was Baht 173 million, decreased by Baht 220.7 million or 56.1 percent, compared to the same period of previous year, Baht 393.7 million. It decreases in proportion to the revenue from construction service.

5. Distribution cost

- 5.1 Distribution cost for the 3-month period ended September 30, 2022 was Baht 88.8 million, increased by Baht 29.1 million or 48.8 percent, compared to the same period of previous year, Baht 59.7 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 9-month period ended September 30, 2022 was Baht 257.2 million, increased by Baht 76.1 million or 42 percent, compared to the same period of previous year, Baht 181.1 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. Finance costs

- 6.1 Finance costs for the 3-month period ended September 30, 2022 was Baht 80.4 million, decreased by Baht 21.1 million or 20.8 percent, compared to the same period of previous year, Baht 101.5 million. This is due to the project under development value was increased when compared to previous year, so more interest expenses recorded as a cost of project.
- 6.2 Finance costs for the 9-month period ended September 30, 2022 was Baht 246 million, decreased by Baht 13 million or 5 percent, compared to the same period of previous year, Baht 259 million. This is due to the project under development value was increased when compared to previous year, so more interest expenses recorded as a cost of project.

7. Income tax expense

- 7.1 Income tax expense for the 3-month period ended September 30, 2022 was Baht 9.9 million, increased by Baht 9.3 million or 1,573 percent, compared to the same period of last year, Baht 0.6 million. As a result of increase of net profit of a subsidiary so the income tax expenses were increased.
- 7.2 Income tax expense for the 6-month period ended September 30, 2022 was Baht 32.55 million, increased by Baht 16 million or 96.6 percent, compared to the same period of last year, Baht 16.55 million. As a result of increase of net profit of a subsidiary so the income tax expenses were increased.

Please be informed accordingly.

Sincerely yours,



(Mr. Anat Pinrat)
Company Secretary