

27 February 2023

Ref. 067/2023

Subject: Explanation of changes more than 20% in the Company's operating performance for the year 2022

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 1/2023 held on 27 February 2023, the BOD of Areeya Property Public Company Limited ("the Company") has approved financial statements for the year ended 31 December 2022. The Company and its subsidiaries ("the Group") had a net profit for the year of Baht 134.3 million and net comprehensive income of Baht 143.4 million, net profit increased by Baht 479.9 million or 138.9% and the comprehensive income increased by Baht 482.2 million or 142.3%, compared to a net loss of Baht 345.6 million and net comprehensive loss of Baht 338.8 million in 2021.

The Company would like to report herewith the operation results for 2022 with a difference more than 20% in comparison with 2021 due to the following main reasons.

1. Revenue from real estate is as follows:

Unit : Million Baht

	2022	%	2021	%	Increase/ (Decrease)	%
Towhouse & single house	2,276.7	77.4%	2,125.9	80.6%	150.8	7.1%
Condominium	387.0	13.1%	424.3	16.1%	(37.3)	(8.8%)
Land	283.1	9.6%	86.9	3.3%	196.2	225.8%
Total	2,946.8		2,637.1		309.7	11.7%

Revenue from real estate for the year 2022 was Baht 2,946.8 million, increased by Baht 309.7 million or 11.7%, compared to previous year of Baht 2,637.1 million. The main reason from increase of revenues from Townhouse & single house, as the companies launch new projects during the year which received good feedback from customer including continuously sold of old projects. In addition, the increasing of revenues from sold of land. Meanwhile the revenues from condominium was decreased due to the fact that there was no new project ready to transfer to customer in 2022.

2. Cost of sale of real estate

Cost of sale of real estate for the year 2022 was Baht 1,975.8 million, decreased by Baht 84.3 million or 4.1%, compared to the previous year of Baht 2,060.1 million which contrast with the increased of revenues from real estate. The main reason was the adjusting selling price according to the Company's policy, in addition, the high gross profit from sold of land, so the gross profit was increased when compared with 2021.

3. Revenue from construction service

Revenue from construction service for the year 2022 was Baht 294.6 million, decreased by Baht 236.4 million or 44.5%, compared to previous year of Baht 531.0 million. As a result of the construction of 1 condominium project out of 2 projects that was completed in 2022, so the revenue recognition was decreased compared to the previous year.

4. Cost of construction service

Cost of construction service for the year 2022 was Baht 314.9 million, decreased by Baht 224.8 million or 41.6%, compared to the previous year of Baht 539.7 million. It decreases in proportion to the revenue from construction service.

Cost of construction services was higher than revenue from construction services due to the revision of budget according to the increased of material price when compare with the original budget.

5. Distribution cost

Distribution cost for the year 2022 was Baht 335.1 million, increased by Baht 87.2 million or 35.2%, compared to the previous year of Baht 247.9 million. This is due to increase of marketing expenses for create brand and increase of online and offline marketing according to the Company's policy. In addition, the specific business taxes and transfer fees that are slightly increased in proportion to the revenue.

6. Unrealized gain on fair value of investment properties

Unrealized gain on fair value of investment properties for the year 2022 was Baht 172.3 million, increased by Baht 184.4 million or 1,530.2%, compared to the previous year which losses by Baht 12.1 million. The main reason was the Group change the fair value measurement method to comply with the maximum utilization of the property. The measurement method is Cost method by comparing land price with market price (Market approach) together with replacement cost of building.

7. Finance costs

Finance costs for the year 2022 was Baht 326.8 million, decreased by Baht 26.7 million or 7.5%, compared to the previous year of Baht 353.5 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.

8. Income tax expense

Income tax expense for year 2022 was Baht 20.4 million, increased by Baht 4.5 million or 28.1%, compared to the previous year of Baht 15.9 million. As a result of increase of net profit of the Group and a subsidiary so the income tax expenses were increased.

Please be informed accordingly.

Sincerely yours,



(Mr. Anat Pinrat)
Company
Secretary