

11 May 2023

Ref. ARY-147/2023

Subject: Explanation of changes more than 20% in the Company's operating performance for the 3-month period ended March 2023

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 2/2023 held on 11 May 2023, the BOD of Areeya Property Public Company Limited ("the Company") has approved financial statements for the 3-month period ended 31 March 2023. The Company and its subsidiaries ("the Group") had a net profit and net comprehensive loss of Baht 105.2 million decreased by Baht 138.0 million or 421.6%, compared to a net profit and net comprehensive income of Baht 32.7 million in the same period of 2022.

The Company would like to report herewith the operation results for the 3-month period ended 31 March 2023 which changing more than 20% in comparison with the same period of 2022 due to the following main reasons.

1. Revenue from real estate is as follows:

Unit : Million Baht

	January - March 2023	%	January - March 2022	%	Increase/ (Decrease)	%
Towhouse & single house	441.4	86.6%	733.3	87.0%	(291.9)	(39.8%)
Condominium	68.6	13.5%	109.9	13.0%	(41.3)	(37.6%)
Total	510.0		843.2		(333.2)	(39.5%)

Revenue from real estate for the 3-month period ended 31 March 2023 was Baht 510.0 million, decreased by Baht 333.2 million or 39.5%. The main reason was decreases in both of revenues from Townhouse & single house due to decrease in number of unit transferred and condominium due to the fact that there was no new project ready to transfer to customer.

2. Cost of sale of real estate

Cost of sale of real estate for the 3-month period ended 31 March 2023 was Baht 365.3 million, decreased by Baht 218.5 million or 37.4%, compared to the same period of previous year of Baht 583.9 million which inline with decreasing of revenue.

3. Revenue from construction service

Currently, the Group has 1 condominium construction project. Revenue from construction service for the 3-month period ended 31 March 2023 was Baht 135.1 million, increased by Baht 22.3 million or 19.7%, compared to same period of previous year of Baht 112.8 million which resulted from the increasing of progression of the construction work.

4. Cost of construction service

Cost of construction service for the 3-month period ended 31 March 2023 was Baht 133.6 million, increased by Baht 65.9 million or 97.4%, compared to the same period of previous year of Baht 67.7 million. The main reason was the Group adjusted the budget cost in 2022 due to the increasing of construction cost.

5. Other income

Other income for the 3-month period ended 31 March 2022 was Baht 22.9 million, increased by Baht 13.5 million or 142.2%, compared to the same period of previous year of Baht 9.5 million. The main reason was the written-off liabilities of Baht 10.0 million.

6. Distribution cost

Distribution cost for the 3-month period ended 31 March 2023 was Baht 102.6 million, increased by Baht 29.6 million or 40.5%, compared to the same period of previous year of Baht 73.0 million. This is due to an increase in selling expenses of Baht 41.6 million used for launching 3 new projects in 2023. Meanwhile, the specific business taxes and transfer fees that are slightly decreased in proportion to the revenue by Baht 12.0 million.

7. Finance costs

Finance costs for the 3-month period ended 31 March 2023 was Baht 90.1 million, decreased by Baht 8.6 million or 8.7%, compared to the same period of previous year of Baht 98.6 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 the 3-month period ended 31 March 2023 was income taxes income of Baht 6.3 million, increased by Baht 23.0 million or 137.9%, compared to the income taxes expenses in the same period of previous year of Baht 16.7 million. This is mainly from the Group recorded deferred tax assets from tax loss carry forward of 2 subsidiaries because they are under construction period of the project and had net loss. While the Group had net profit in 2022.

Please be informed accordingly.

Sincere yours,



Terakarn Watprapasak
Company Secretary