

10 August 2023

Ref. ARY-234/2023

Subject: Explanation of changes more than 20% in the Company's operating performance for the 6-month period ended June 2023

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 4/2023 held on 10 August 2023, the BOD of Areeya Property Public Company Limited ("the Company") has approved financial statements for the 6-month period ended 30 June 2023. The Company and its subsidiaries ("the Group") had a net loss and net comprehensive loss for the 6-month period ended 30 June 2023 of Baht 224.1 million and Baht 189.5 million, respectively. The net loss and net comprehensive loss for the 3-month period ended 30 June 2023 of Baht 118.8 million and 84.2 million, respectively.

The Group had a net profit and net comprehensive income for the 6-month period ended 30 June 2022 of Baht 111.9 million and net profit and net comprehensive income for the 3-month period then ended of Baht 79.2 million.

The detail are as follows;

Unit : Million Bah

	For the 3-month period ended		Inc/(dec)	%	Note
	30 June 2023	30 June 2022			
Revenues from sale of real estate	485.7	853.7	(368.0)	(43.1%)	A
Revenues from construction services	93.4	30.0	63.4	211.3%	C
Total revenues	579.1	883.7	(304.6)	(34.5%)	
Costs of sale of real estate	(365.1)	(526.9)	(161.8)	(30.7%)	B
Costs of construction services	(93.4)	(43.5)	49.9	114.7%	D
Total costs	(458.5)	(570.4)	(111.9)	(19.6%)	
Gross profit	120.6	313.3	(192.7)	(61.5%)	
Other income	13.7	33.8	(20.1)	(59.5%)	E
Distribution costs	(88.6)	(95.4)	(6.8)	(7.1%)	
Administrative expenses	(89.9)	(99.6)	(9.7)	(9.7%)	
Profit (loss) from operating activities	(44.2)	152.1	(196.3)	(129.1%)	
Finance costs	(75.1)	(66.9)	8.2	12.3%	
Profit (loss) before income tax expenses	(119.3)	85.2	(204.5)	(240.0%)	
Income tax expenses	0.5	(6.0)	(6.5)	(108.3%)	F
Net profit (loss) for the period	(118.8)	79.2	(198.0)	(250.0%)	
Other comprehensive income (loss) for the period	34.6	0.0	34.6	100.0%	G
Total comprehensive income (loss) for the period	(84.2)	79.2	(163.4)	(206.3%)	

	For the 6-month period ended		Unit : Million Baht		Note
	30 June 2023	30 June 2022	Inc/(dec)	%	
Revenues from sale of real estate	995.7	1,696.9	(701.2)	(41.3%)	A
Revenues from construction services	228.4	142.8	85.6	59.9%	C
Total revenues	1,224.1	1,839.7	(615.6)	(33.5%)	
Costs of sale of real estate	(730.4)	(1,110.7)	(380.3)	(34.2%)	B
Costs of construction services	(227.0)	(111.2)	115.8	104.1%	D
Total costs	(957.4)	(1,221.9)	(264.5)	(21.6%)	
Gross profit	266.7	617.8	(351.1)	(56.8%)	
Other income	36.7	43.3	(6.6)	(15.2%)	E
Distribution costs	(191.2)	(168.5)	22.7	13.5%	
Administrative expenses	(178.0)	(192.4)	(14.4)	(7.5%)	
Profit (loss) from operating activities	(65.8)	300.2	(366.0)	(121.9%)	
Finance costs	(165.1)	(165.6)	(0.5)	(0.3%)	
Profit (loss) before income tax expenses	(230.9)	134.6	(365.5)	(271.5%)	
Income tax expenses	6.8	(22.7)	(29.5)	(130.0%)	F
Net profit (loss) for the period	(224.1)	111.9	(336.0)	(300.3%)	
Other comprehensive income (loss) for the period	34.6	0.0	34.6	100.0%	G
Total comprehensive income (loss) for the period	(189.5)	111.9	(301.4)	(269.3%)	

The Company would like to report herewith the operation results for the 6-month period ended 30 June 2023 which changing more than 20% in comparison with the same period of 2022 due to the following main reasons.

A: Revenue from real estate is as follows:

	Unit : Million Baht						Unit : Million Baht					
	3-month period ended 30 June						9-month period ended 30 June					
	2023	%	2022	%	Inc/ (dec)	%	2023	%	2022	%	Increase/ (Decrease)	%
Townhouse & single house	463.7	95.5%	534.5	62.6%	(70.8)	(13.2%)	905.1	90.9%	1,267.8	74.7%	(362.7)	(28.6%)
Condominium	22.0	4.5%	112.1	13.1%	(90.1)	(80.4%)	90.6	9.1%	222.0	13.1%	(131.4)	(59.2%)
Land	-	0.0%	207.1	24.3%	(207.1)	(100.0%)	-	0.0%	207.1	12.2%	(207.1)	(100.0%)
Total	485.7	0.0%	853.7	0.0%	(368.0)	(43.1%)	995.7	0.0%	1,696.9	0.0%	(701.2)	(41.3%)

Revenue from real estate for the 3-month period ended 30 June 2023 was Baht 485.7 million which decreased from the same period in the previous year. The main reason was decreasing in both of revenue 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 customers in 2023. In addition, land blank of Baht 207.1 million was sold in 2022, while no land blank sold in 2023.

B: Cost of sale of real estate

For the 3-month and 6-month period ended 30 June 2023, the cost of sale of real estate were decreased in line with the decreasing of revenue. However, the gross profit margin was decreased, mainly due to the high gross profit margin from sold of land blank in 2022 while no land blank sold in 2023. Therefore, the gross profit margin was decreased.

C: Revenue from construction service

Currently, the Group has 1 condominium construction project. Revenue from construction was increased when compared to the previous year was mainly from the progress of construction that increased from the previous year.

D: Cost of construction service

Cost of construction service was increased in line with increasing of revenue. However, the gross profit margin was decreased when compared to the previous year. This mainly from the increased in construction material which gradually increased since 2022.

E: Other income

For the 3-month period ended 30 June 2023, the other income was decreased when compared to the same period of the previous year, this was mainly from recognizing of other income from selling of condominium units of sold projects in the past of Baht 22 million while it was not occurred in 2023.

For the 6-month period ended 30 June 2023, the other income was decreased when compared to the same period of the previous year, this was mainly from the reason explained in previous paragraph. While the Company written-off liabilities of 10 million in first quarter of 2023.

F: Income tax expense

Income tax expenses decreased when compared to the same period of the previous year, this was mainly from the net loss in the first half of 2023, while the Group had net profit in the first half of 2022.

G: Other comprehensive income

The other comprehensive income of Baht 34.6 million was the gain from the revaluation of a piece of land that is recorded in property, plant, and equipment. This land was measured using the revaluation model. The comprehensive income from the revaluation of the land was Baht 43.2 million, but after deducting deferred tax expenses, the comprehensive income was presented as Baht 34.6 million.

Please be informed accordingly.

Sincerely yours,



Terakarn Watprapasak
Company Secretary