

9 August 2023

Subject: Clarification of the quarter 2Q 2023 Operating Results

To: President

The Stock Exchange of Thailand

Ananda Development Public Company Limited (the “Company”) would like to clarify its and its subsidiaries’ operating results of 2Q2023 for following:

งบกำไรขาดทุนเบ็ดเสร็จ	Q2/2023		Q2/2022		Increased (Decreased)	
	ล้านบาท	ร้อยละ	Million Baht	%	Million Baht	%
Revenues						
Revenue from sales of real estate	486.0	59.4	697.3	67.7	(211.3)	(30.3)
Revenue from project management services and commission income	138.7	17.0	169.1	16.4	(30.4)	(18.0)
Revenue from rental and services	64.9	7.9	54.1	5.3	10.8	19.9
Other incomes	128.6	15.7	109.1	10.6	19.6	17.9
Total Revenues	818.2	100.0	1,029.7	100.0	(211.5)	(20.5)
Cost of goods sold						
Cost of real estate sold	369.2	45.1	542.3	52.7	(173.1)	(31.9)
Cost of project management services and commission	88.5	10.8	99.3	9.6	(10.8)	(10.9)
Cost of rental and services	48.1	5.9	38.8	3.8	9.3	23.9
Total Cost of goods sold	505.7	61.8	680.4	66.1	(174.6)	(25.7)
Profit before selling & administration expenses	312.5	38.2	349.3	33.9	(36.8)	(10.5)
Selling & Administrative Expenses	394.0	48.2	352.2	34.2	41.8	11.9
Selling expenses	98.8	12.1	90.0	8.7	8.8	9.8
Administrative expenses	295.2	36.1	262.2	25.5	33.0	12.6
Operating Profit (loss)	(81.5)	(10.0)	(2.9)	(0.3)	(78.6)	2,683.0
Finance cost	(250.0)	(30.6)	(163.1)	(15.8)	(87.0)	53.3
Tax income (expenses)	(28.6)	(3.5)	26.7	2.6	(55.3)	(206.9)
Profit (loss) before share of profit from investments in joint ventures	(360.2)	(44.0)	(139.3)	(13.5)	(220.9)	158.6
Share of profit from investments in joint ventures	277.9	34.0	133.9	13.0	144.0	107.6
Profit (loss) for the periods from continuing operations	(82.2)	(10.1)	(5.4)	(0.5)	(76.8)	1,415.7
Profit (loss) for the periods from discontinuing operations	-	-	(1.9)	(0.2)	1.9	(100.0)
Profit (loss) for the period	(82.2)	(10.1)	(7.4)	(0.7)	(74.9)	1,015.9
Profit attributable to non-controlling interests	2.3	0.3	36.1	3.5	(33.8)	(93.7)
Profit (loss) attributable to equity holders of the Company	(84.5)	(10.3)	(43.4)	(4.2)	(41.1)	94.6

Net Profit

For operating results for the 2Q 2023, the Company and its subsidiaries reported profit (loss) for the period from their operations in its core business or continuing operations of Baht (82.2) million, a decrease of Baht 74.9 million, or greater than 100% from the same period last year, mainly due to a decrease in Revenue from sales of real estate of Baht 211.3 million, or 30.3 %. Selling & Administrative Expenses an increase of Baht 41.8 million, or 11.9% and Finance Cost an increase of Baht 87 million, or 53.3%

Share profit (loss) from investments in joint ventures of Baht 277.9 million, an increase of baht 144.0 million, or greater than 100% from the same period last year. Due to the Company continued transferring Ideo Chula – Samyan project and Ideo Rama 9 – Asoke project.

In 2Q 2023, the Company reported profit (loss) attributable to equity holders of the Company amounting to Baht (84.5) million, whereas in 2Q 2022 the Company's and its subsidiaries' core business had an EBITDA loss of Baht (81.5) million.

Share of Profit (Loss) from Investments in Joint Ventures

In 2Q 2023, share of profit (loss) from investments in joint ventures was Baht 277.9 million, an increase of Baht 144.0 million, or greater than 100.0%, from the same period last year. Mainly positive response of completed condominium projects in the joint ventures that continued transferring in 2Q 2023, namely Ideo Chula – Samyan and Ideo Rama 9 – Asoke.

Revenue

Total revenue in 2Q 2023 accounted for Baht 818.2 million, a decrease of Baht 211.5 million, or 20.5%, from the same period last year. This was mainly due to a decrease in revenue from sales of real estate of Baht 211.3 million, or 30.3%, and a decrease in revenue from project management services and commission of Baht 30.4 million, or 18.0%.

Cost of Goods Sold and Operating Expenses

In 2Q 2023, total cost of goods sold accounted for Baht 505.7 million, decreasing by Baht 174.6 million, or 25.7%, from the same period last year, mainly due to a decrease in Cost of real estate sold by Baht 173.1 million, or by 31.9%.

In addition, selling and administration expenses in 2Q 2023 accounted for Baht 394 million, increasing Baht 41.8 million, or 11.9% from the same period last year. Due to company have expenses of sales and marketing activities to support company's revenue.

Finance Costs

In 2Q 2023, finance costs of the Company and its subsidiaries were total Baht 250 million, an increase of Baht 87 million, or 53.3% from same period last year, Mainly in the end of 1Q 2023 the Company issued senior unsecured debentures of Baht 4,000 million and Overview the cost of financial market has increased, Be a cause of the company's financial cost has increased.

As of 30 June 2023, the Company and its subsidiaries' Net Interest-Bearing Debt to Equity Ratio (Net IBD/E ratio) stood at 1.72 times, which was at a controllable level.

Ashton Asoke Case

On July 27, 2023, the Supreme Administrative Court issued a verdict in the first case, upholding the verdict rendered by the Central Administrative Court. As a result, the permit for construction and modification of the condominium project was revoked. The reason for the permit revocation is that the Mass Rapid Transit Authority (MRTA) is unauthorized to the use of its land as part of the Ashton Asoke Project's entrance – exit because this action is considered contrary to the purpose of expropriation and is subject to rights reserved in access permit issued to the Project. Consequently, the use of such land violates the Ministerial Regulation No. 33 issued under the Building Control Act B.E. 2522, with retroactive effect to the date of permit issuance. Despite the Supreme Administrative Court revoking the permit for construction, modification, demolition, relocation or change of purpose for the Project building. But Ananda MF presently is in the process of evaluating various approaches with relevant government agencies. Subsequently, the joint venture plans to schedule a meeting with these government agencies for further discussion. Ananda MF is confident that it will be able to rectify the issue of revocation of the construction intent notification receipt under the legal framework.

Presently, the Company is unable to determine the potential impacts financially due to the uncertainties. We expect there will be a clear alternative soon and we will consider the determination of the provisions in the next quarter.

Please be informed accordingly.

Sincerely yours,

(Mr. Chanond Ruangkritya)

Chief Executive Officer