

22 February 2024

Ref. ARY-024/2024

Subject: Explanation of changes more than 20% in the Company's operating performance for the year 2023

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 1/2024 held on 22 February 2024, the BOD of Areeya Property Public Company Limited ("the Company") has approved financial statements for the year ended 31 December 2023. The Company and its subsidiaries ("the Group") had a net loss and net comprehensive loss for the year of Baht 374.29 million and Baht 339.4 million, respectively.

The details are as follows;

	For the year ended		Unit : Million Baht		Note
	31 December 2023	31 December 2023	Inc/(dec)	%	
Revenues from sale of real estate	2,124.4	2,946.8	(822.4)	(27.9%)	A
Revenues from construction services	514.7	294.6	220.1	74.7%	C
Total revenues	2,639.1	3,241.4	(602.3)	(18.6%)	
Costs of sale of real estate	(1,527.1)	(1,975.8)	(448.7)	(22.7%)	B
Costs of construction services	(495.9)	(314.9)	181.0	57.5%	D
Total costs	(2,023.0)	(2,290.7)	(267.7)	(11.7%)	
Gross profit	616.1	950.7	(334.6)	(35.2%)	
Other income	60.0	81.2	(21.2)	(26.1%)	E
Distribution costs	(365.8)	(335.1)	30.7	9.2%	
Administrative expenses	(366.0)	(392.6)	26.6	(6.8%)	
Other expense	(50.7)	0.0	50.7	100.0%	F
Profit (loss) from operating activities	(106.4)	476.5	(582.9)	(122.3%)	
Finance costs	(305.8)	(326.8)	(21.0)	(6.4%)	
Profit (loss) before income tax expenses	(412.2)	149.7	(561.9)	(375.4%)	
Income tax expenses	37.9	(20.4)	(58.3)	(285.8%)	G
Net profit (loss) for the period	(374.3)	129.3	(503.6)	(389.5%)	
Other comprehensive income (loss) for the period	34.9	0.0	34.9	100.0%	H
Total comprehensive income (loss) for the period	(339.4)	129.3	(468.7)	(362.5%)	

The Company would like to report herewith the operation results for the year 2023 which changing more than 20% in comparison with 2022 due to the following main reasons.

A: Revenue from real estate is as follows:

	For the year ended 31 December					
	2023	%	2022	%	Inc/ (dec)	%
Towhouse & single house	1,769.8	83.3%	2,276.7	77.3%	(506.9)	(22.3%)
Condominium	192.6	9.1%	387.0	13.1%	(194.4)	(50.2%)
Land	162.0	7.6%	283.1	9.6%	(121.1)	(42.8%)
Total	2,124.4		2,946.8		(822.4)	(27.9%)

Revenue from real estate for the year 2023 was Baht 2,124.4 million which decreased from 2022 of Baht 2,946.8 million. The main reason was a decrease in both of revenue from Townhouse & single house due to the decrease in number of units transferred. The main factors are the decreasing of customer's purchasing power, stricter in approval of household loan for customer, the increasing of the policy interest during the year, these factors are impact to the customer's purchasing power. Meanwhile, the revenue from sales of condominium was decreased because there was no new project ready to transfer to customers in 2023. New condominium projects already launched, pre-sales and in the construction process and expect to record revenue in 2025. In additional, the revenue from sold of land bank was decreased of Baht 121.1 million when compare with 2022.

B: Cost of sale of real estate

The cost of sale of real estate was decreased in line with the decreasing of revenue. The gross margin was decreased due to high gross profit margin from sold of land bank.

C: Revenue from construction services

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 increased when compared to the previous year. This mainly from the Company revised the total budget and recorded loss due to increased in construction material which gradually increased since 2022.

E: Other income

The other income was decreased when compared to 2022, 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. However, the Company had other income from written-off liabilities of Baht 10 million in 2023.

F: Loss from the disposal of property, plant and equipment

The other expense of Baht 50.7 million came from the sale of a piece of land which was recorded in property, plant and equipment. This plot of land was measured by revaluation method, the original cost of this land was Baht 34.4 million and revalued to Baht 152.3 million, the surplus from revaluation of 117.9 million was recorded in surplus from revaluation. However, the Company sold this plot of land at the net price of Baht 101.5 million which lower than the latest revaluation value at Baht 50.7 million and presented as other expenses.

G: Income tax expense (income)

Income tax income mainly from the recording of deferred tax assets from tax loss carry forward that can be credited in the future, while, the Group had net profit so the income tax expenses were recorded.

H: 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