



**Ananda Development Public Company Limited**

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29 February 2024

Subject: Clarification of 2023 Operating Results

To: President

The Stock Exchange of Thailand

Ananda Development Public Company Limited (the “Company”) would like to clarify the 2023 company’s operating results and its subsidiaries as following details:

Statement of profit (loss) for the Year Ended 31 December 2023

(Consolidated Financial Statement)						
Statement of Comprehensive Income	2023		2022		Increased (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues</b>						
Revenue from sales of real estate	2,547.6	66.7	2,428.0	60.1	119.5	4.9
Revenue from project management services and commission income	546.1	14.3	417.7	10.3	128.3	30.7
Revenue from rental and services	261.5	6.8	218.9	5.4	42.6	19.5
Other incomes	464.0	12.1	974.1	24.1	(510.1)	(52.4)
<b>Total Revenues</b>	<b>3,819.1</b>	<b>100.0</b>	<b>4,038.7</b>	<b>100.0</b>	<b>(219.7)</b>	<b>(5.4)</b>
<b>Cost of goods sold</b>						
Cost of real estate sold	2,295.8	60.1	1,872.8	46.4	423.0	22.6
Cost of project management services and commission	352.6	9.2	392.7	9.7	(40.1)	(10.2)
Cost of rental and services	175.9	4.6	157.5	3.9	18.4	11.7
<b>Total Cost of goods sold</b>	<b>2,824.3</b>	<b>74.0</b>	<b>2,423.0</b>	<b>60.0</b>	<b>401.4</b>	<b>16.6</b>
<b>Profit before selling &amp; administration expenses</b>	<b>994.8</b>	<b>26.0</b>	<b>1,615.8</b>	<b>40.0</b>	<b>(621.0)</b>	<b>(38.4)</b>
<b>Selling &amp; Administrative Expenses</b>	<b>1,834.4</b>	<b>48.0</b>	<b>1,583.8</b>	<b>39.2</b>	<b>250.6</b>	<b>15.8</b>
Selling expenses	527.2	13.8	419.2	10.4	108.0	25.8
Administrative expenses	1,307.2	34.2	1,164.6	28.8	142.7	12.2
<b>Operating Profit (loss)</b>	<b>(839.6)</b>	<b>(22.0)</b>	<b>32.0</b>	<b>0.8</b>	<b>(871.6)</b>	<b>(2,723.9)</b>
Finance cost	(780.2)	(20.4)	(711.9)	(17.6)	(68.3)	9.6
Tax income (expenses)	(58.7)	(1.5)	52.3	1.3	(111.0)	(212.3)
<b>Profit (loss) before share of profit from investments in joint ventures</b>	<b>(1,678.6)</b>	<b>(44.0)</b>	<b>(627.6)</b>	<b>(15.5)</b>	<b>(1,051.0)</b>	<b>167.5</b>
Share of profit from investments in joint ventures	792.3	20.7	467.7	11.6	324.6	69.4
<b>Profit (loss) for the periods from continuing operations</b>	<b>(886.2)</b>	<b>(23.2)</b>	<b>(159.8)</b>	<b>(4.0)</b>	<b>(726.4)</b>	<b>(454.4)</b>
Profit (loss) for the periods from discontinuing operations	-	-	(3.1)	(0.1)	3.1	(100.0)
<b>Profit (loss) for the period</b>	<b>(886.2)</b>	<b>(23.2)</b>	<b>(163.0)</b>	<b>(4.0)</b>	<b>(723.2)</b>	<b>(443.8)</b>
Profit attributable to non-controlling interests	0.8	0.0	132.8	3.3	(132.0)	(99.4)
<b>Profit (loss) attributable to equity holders of the Company</b>	<b>(887.0)</b>	<b>(23.2)</b>	<b>(295.8)</b>	<b>(7.3)</b>	<b>(591.2)</b>	<b>(199.9)</b>

Net Profit

The operating results for 2023, the Company and its subsidiaries reported the loss of Baht 886.2 million, increasing of Baht 723.2 million, or increased by 100% YoY.

The gross profit (loss) has been decreased for Baht 621.0 million, or 38.4% YoY, mainly from the increase of real estate cost that the company has recognized a provision allowance for loss on diminution in project value added in cost of real estate sold and the decrease in other incomes, compared to YoY, in which the special profits from the sale of investments in subsidiaries amounting Baht 537.0 million is recorded.

In the year 2023, the Company has loss in the part of attributable to equity holders amounting Baht 887.0 million and had an EBITDA of Baht 154.0 million.

Throughout the year 2023, the company has arranged the sales campaigns consistently, especially during the last quarter. The company organized the largest campaign together with variety of promotions and discounts such as ANANDA DADDY CLEARANCE SALE, during 6<sup>th</sup>-8<sup>th</sup> October at 1/F Siam Paragon Shopping Mall. In addition, the last marketing activities of the year 2023 with the campaign “Carzy Deal” and “FINAL CALL” received positive response.

### Revenue

Total revenue in the year 2023 is accounted for Baht 3,819.1 million, a decrease of Baht 219.7 million, or 5.4% YoY.

Revenue from sales of real estate accounted for Baht 2,547.6 million, an increase of Baht 119.5 million or 4.9% YoY. In 2023, the group of companies and its subsidiaries continue to generate revenues from ready-to-move (RTM) projects of housing and condominiums, such as Artale Asok-Rama 9 which recognized its first transfers in 3Q2023, Coco Parc, ANDA Ratchaphruek-Chaengwattana, Q PRASARNMIT, AIRI Chaengwattana, UNiO Town Srinakarin Bangna, Unio Seri-Thai, and Ideo Mobi Sukhumvit 40.

Revenue from project management services and commission income accounted for Baht 546.1 million, an increase of Baht 128.3 million or 30.7% YoY, mainly from revenues of project management services increasing Baht 90.5 million or 37.1%. Such part of the revenue is mainly from joint venture projects managed by the Company. In addition, Rabbit Holdings Public Company Limited, the owner of The Residences 38, a world-class residential project, appointed the company as the project manager, this resulted the recognition of revenue from those project management.

Revenue from rental and services is accounted for Baht 261.5 million, an increase of Baht 42.5 million or 19.5% YoY, mainly from the rental of retail space within the company project.

Other incomes are accounted for Baht 464.0 million, a decrease of Baht 510.1 million or 52.4% YoY, mainly from the decrease during the same period of the year 2022, the company recorded extra gain from sold investment

of subsidiaries of Baht 537.0 million. If the special profit recorded in the previous year was excluded, the company would have had an increase in other income of Baht 26.9 million 2023.

#### **Share of Profit (Loss) from Investments in Joint Ventures**

In 2023, share of profit (loss) from investments in joint ventures are accounted for Baht 792.3 million, an increase of Baht 324.6 million, or 69.4 % YoY. In 2023, the significant projects contributing to revenue recognition included IDEO Chula – Samyan (which recognized its first transfers in 1Q2023) and Ideo Rama 9. Additionally, the other projects continue to generate revenues from ready-to-move (RTM) projects of housing and condominiums such as Ideo Q Sukhumvit 36, Elio Del Nest, Elio Sathorn – Wutthakat, and Ideo Mobi Sukhumvit Eastpoint.

#### **Cost of Goods Sold**

In 2023, total cost of goods sold is accounted for Baht 2,824.3 million, increased of Baht 401.4 million, or 16.6%, YoY, mainly from:

1. The cost of real estate sold increased of Baht 423.0 million, or 22.6%, YoY mainly from the increase of the company recognized a provision allowance for loss on diminution in project value added in cost of real estate sold in 2023 totalling Baht 321.0 million, especially in the 3Q2023 the significant recognized a provision allowance such as Ashton Residence 41 Project and Q Prasarnmit Project.
2. Cost of project management services and commission was decrease by Baht 40.1 million, or 10.2%, YoY, mainly from the decrease in commission amounting Baht 28.3 million, or 17.6%.

#### **Selling & Administrative Expenses**

In 2023, Selling and administration expenses is accounted for Baht 1,834.4 million, a increase of Baht 250.6 million, or 15.8% YoY.

Selling expenses are increased of Baht 108.0 million, or 25.8% YoY, mainly from marketing activities to support sales and transfers throughout 2023.

Administrative expenses are increased of Baht 142.7 million, or 12.2% YoY, mainly from the increase of the company recognized a reserve allowance for depreciated in Intangible assets at approximate of Baht 52.0 million.

#### **Finance cost**

Finance cost is accounted for Baht 780.2 million, an increase of Baht 68.3 million, or 9.6%, YoY. In 2023, the debentures are decreased comparing to 2022; however the interest rates has been continuously increased

resulting the increase to financial cost in terms of the issuance cost of new debentures and the loan from financial institutions YoY.

Tax income (expenses) is decreased by Baht 111.0 million, more than 100%, YoY.

Statement of financial position for the Year Ended 31 December 2023

Statement of financial position	2566	2565	เพิ่มขึ้น (ลดลง)	ร้อยละ
Assets				
Current assets				
- Cash and cash equivalents	4,678.8	6,922.9	(2,244.1)	-32.4%
- Real estate development costs	17,143.8	16,070.8	1,073.0	6.7%
- Other current assets	2,676.7	2,274.5	402.2	17.7%
Total current assets	24,499.3	25,268.2	(768.9)	-3.0%
Non-current assets				
- Investments in joint ventures	4,603.0	6,648.3	(2,045.3)	-30.8%
- Land held for development	1,679.0	1,632.2	46.8	2.9%
- Other non-current assets	6,251.5	8,426.8	(2,175.3)	-25.8%
Total non-current assets	12,533.5	16,707.3	(4,173.9)	-25.0%
Total assets	37,032.7	41,975.5	(4,942.8)	-11.8%

Assets.

In 2023, the company had total assets of Baht 37,032.7 million, a decrease of Baht 4,942.8 million, or 11.8% YoY.

Current assets are accounted for Baht 24,449.3 million, a decrease of Baht 768.9 million or 3.0% YoY, mainly from the decrease in cash and cash equivalents and equivalents of Baht 2,244.1 million as the Company has made a repayment on debentures amounting to Baht 1,768.8 million in July 2023 and Baht 746.6 million in October 2023 respectively. In December 2022, the Company has issued debentures amounting to Baht 3,500 million while the company has only issued a debenture in March 2023.

Real estate development costs are increased of Baht 1,073.0 million, or 6.7% YoY. In 2023, the Company has committed to continuously develop the housing project: Artale Asok-Rama 9, Condominium project: Culture Chula, Condominium project: Culture Thonglor, Condominium project: Ideo Ramkhamhaeng Lamsalee, and Condominium project: IDEO Sukhumvit-Rama4.

Non-current assets are accounted for Baht 12,533.5 million, a decrease of Baht 4,173.9 million or 25.0% YoY, mainly from the reduction of investments in joint ventures, amounting to Baht 2,045.3 million or 30.8%, The Company has no need to inject additional investment and the re-purchased shares in joint ventures from 5 companies, namely:

1. Ananda MF Asia Wongwian Yai Co., Ltd.
2. Ananda MF Asia Victory Monument Co., Ltd.
3. Ananda MF Asia Asoke Co., Ltd.
4. AMF Asia Samyan Co., Ltd.
5. AMF Asia Bangphlat Co., Ltd.

**Statement of financial position for the Year Ended 31 December 2023**

<b>Statement of financial position</b>	<b>2566</b>	<b>2565</b>	<b>เพิ่มขึ้น (ลดลง)</b>	<b>ร้อยละ</b>
Liabilities and shareholders' equity				
Current liabilities				
- Short-term loans from financial institutions	2,592.6	3,858.7	(1,266.1)	-32.8%
- Current portion of long-term debentures	7,050.1	5,600.3	1,449.7	25.9%
- Current portion of long-term loans	1,090.2	835.1	255.1	30.6%
- Other current liabilities	4,023.9	3,259.1	764.9	23.5%
<b>Total current liabilities</b>	<b>14,756.8</b>	<b>13,553.2</b>	<b>1,203.6</b>	<b>8.9%</b>
Non-current liabilities				
- Long-term debentures - net of current portion	8,047.9	11,076.9	(3,029.0)	-27.3%
- Long-term loans - net of current portion	1,870.7	996.4	874.3	87.7%
- Other non-current financial liabilities	520.3	566.0	(45.6)	-8.1%
<b>Total non-current liabilities</b>	<b>10,438.9</b>	<b>12,639.3</b>	<b>(2,200.4)</b>	<b>-17.4%</b>
<b>Total liabilities</b>	<b>25,195.7</b>	<b>26,192.5</b>	<b>(996.8)</b>	<b>-3.8%</b>
<b>Total shareholders' equity</b>	<b>11,837.1</b>	<b>15,783.1</b>	<b>(3,946.0)</b>	<b>-25.0%</b>
<b>Total liabilities and shareholders' equity</b>	<b>37,032.7</b>	<b>41,975.5</b>	<b>(4,942.8)</b>	<b>-11.8%</b>

**Liabilities**

In 2023, the company's total liabilities are accounted for Baht 25,195.7 million, a decrease of Baht 996.8 million, or 3.8% YoY.

Current liabilities are accounted for Baht 14,756.8 million, a increase of Baht 1,203.6 million, or 8.9% from YoY, mainly from the long-term debentures that will be due within 1 year amounting Baht 7,050.1 million, an increase of Baht 1,449.7 million or 25.9% YoY that the long-term debenture will be due within 1 year totalling Baht 5,600.3 million.

Non-current liabilities are accounted for Baht 10,438.9 million, a decrease of Baht 2,200.4 million or 17.4% YoY, mainly from long-term debentures that will be due more than 1 year of 2023 amounting Baht 8,047.9 million, a decrease of Baht 3,029.0 million or 27.3% YoY that long-term debentures will be matured over 1 year, totalling Baht 11,076.9 million.

As of 30 December 2023, the Company and its subsidiaries have Net Interest-Bearing Debt to Equity Ratio (Net IBD/E ratio) according to the terms of the bond covenant at 1.67 times. The company is able to maintain its financial ratio of the requirement of bond covenant not exceeding 2.5 times.

### Shareholders' equity

In 2023, the shareholders' equity is accounted for Baht 11,837.5 million, a decrease of Baht 3,946.0 million, or 25.0% YoY, mainly from the redemption of perpetual bonds amounting Baht 2,000 million, the re-purchase of subsidiary stock in Ashton Asoke Phraram 9 Limited amounting Baht 818.0 million, and the decrease of accumulated profit of Baht 1,163.5 million.

### 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 (MRTA) is unauthorised to permit the use of its land as part of the 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, there are potential alternative solutions available to resolve the issue without the need to demolish the building, and the subsidiary, as the Project owner, is allowed to re-apply for a construction permit.

On 17 October 2023, representative residents of Ashton Asoke project submitted a letter seeking justice to the Ministry of Transport. The purpose of the letter was to request the MRTA to expedite the resolution of the project's entrance and exit issues. On 24 October 2023, the Deputy Minister of Transport issued Ministry of Transport Rules No. 1109/2023 regarding the appointment of a working group responsible for addressing and seeking solutions to the problems faced by those affected by the permission to use the area of the MRTA. The working group will consist of representatives from relevant government agencies and will have the authority and duty to study information related to such issues in a complete and comprehensive manner in accordance with various laws, rules, and regulations including coordinating with relevant agencies to establish guidelines and recommendations for solving problems and mitigating impacts on affected individuals as soon as possible.

In addition, in 2017 the Siam Society under the Royal Patronage filed a lawsuit against three government officials with the Central Administrative Court, requesting that the court suspend the construction and demolish the Project's building which was constructed unlawfully ("the second case"). The court opined that the subsidiary, as the Project owner, may be affected by the judgement or the court order, and therefore requested the subsidiary, as the Project owner, to be the first interpleader of the second case. In addition, the court determined that available facts suffice for the consideration, and thus scheduled 3 October 2022 as the date for the end of ascertaining facts. On 21 October 2022, the Central Administrative Court issued a notice for the first trial date which was held on 14

November 2022. The Central Administrative Court conducted the first hearing and scheduled 24 November 2022 as the hearing date. The Central Administrative Court ordered that the three defendants jointly consult with the first interpleader and the second interpleader to seek a solution to provide a side road that is at least 12 meters in length connecting to a public road on the land used as the project location. The land acquisition could be in any lawful mean that makes the project location comply with No.2 second paragraph of the Ministerial Regulation No. 33 and must be completed within 180 days from the date the case is finalised. If it cannot be resolved, the first defendant and/or the third defendant must comply with the court's order.

In December 2022, the subsidiary, as the Project owner, the plaintiff and the defendant filed an appeal against the judgment of the Central Administrative Court with the Supreme Administrative Court. The second case is under consideration by the Supreme Administrative Court.

In addition, as of 31 December 2023, Ananda MF Asia Asoke Co., Ltd. has been involved in other cases related to compensatory damages claimed totalling Baht 122 million. The outcomes of the certain cases above and other cases have not yet been finalised, are currently unpredictable, and have no impact on the operations of the Company. The Company has therefore not set aside the provision for losses that may result from such cases.

Presently, the subsidiary's management is actively seeking collaboration with the relevant government agencies in ascertaining appropriate alternative to the solution. Therefore, the Company's management is unable to determine the potential impacts financially on both the separate and consolidated financial statements of the Company for year ended 31 December 2023 appropriately until when a clear alternative is known and approved by relevant government agencies.

Please be informed accordingly.

Sincerely yours,

- *Mr. Chanond Ruangkritya* -  
(Mr. Chanond Ruangkritya)  
Chief Executive Officer

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