

13 May 2024

Ref. ARY-064/2024

Subject: Explanation of changes more than 20% in the Company's operating performance for the 1<sup>st</sup> quarter of 2024

Attn: Director and Manager  
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 2/2024 held on 13 May 2024, the BOD of Areeya Property Public Company Limited ("the Company") has approved financial statements for the 3-month period ended 31 March 2024. The Company and its subsidiaries ("the Group") had a net loss and net comprehensive loss for the year of Baht 70.9 million. The details are as follows.

	For the year ended		Unit : Million Baht		Note
	31 March 2024	31 March 2023	Inc/(dec)	%	
Revenues from sale of real estate	341.3	510.0	(168.7)	(33.1%)	A
Revenues from construction services	28.3	135.1	(106.8)	(79.1%)	B
Total revenues	369.6	645.1	(275.5)	(42.7%)	
Costs of sale of real estate	(218.7)	(365.3)	(146.6)	(40.1%)	A
Costs of construction services	(24.1)	(133.6)	(109.5)	(82.0%)	B
Total costs	(242.8)	(498.9)	(256.1)	(51.3%)	
Gross profit	126.8	145.2	(18.4)	(13.3%)	
Other income	13.2	22.9	(9.7)	(42.4%)	C
Distribution costs	(55.2)	(102.6)	(47.4)	(46.2%)	D
Administrative expenses	(93.4)	(88.0)	(5.4)	6.1%	
Profit (loss) from operating activities	(8.6)	(21.5)	12.9	(60.0%)	
Finance costs	(58.2)	(90.0)	(31.8)	(35.3%)	E
Profit (loss) before income tax expenses	(66.8)	(111.5)	44.7	(40.1%)	
Income tax expenses	(4.1)	6.3	10.4	(165.1%)	F
Net profit (loss) for the period	(70.9)	(105.2)	34.3	(32.6%)	
Other comprehensive income (loss) for the period	0.0	0.0	0.0	0.0%	
<b>Total comprehensive income (loss) for the period</b>	<b>(70.9)</b>	<b>(105.2)</b>	<b>34.3</b>	<b>(32.6%)</b>	

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

**A: Revenue and cost from sold from real estate is as follows:**

	For the 3-month period ended 31 March					
	2024	%	2023	%	Inc/ (dec)	%
Towhouse & single house	284.3	13.4%	441.4	15.0%	(157.1)	(35.6%)
Condominium	5.0	0.2%	68.6	2.3%	(63.6)	(92.7%)
Land	52.0	2.4%	-	0.0%	52.0	0.0%
<b>Total</b>	<b>341.3</b>		<b>510.0</b>		<b>(168.7)</b>	<b>(33.1%)</b>

Revenue from real estate for the 1<sup>st</sup> quarter pf 2024 was Baht 341.3 million which decreased from 2022 of Baht 168.7 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 2024. New condominium projects already launched, pre-sales and in the construction process and expect to record revenue in 2026. In addition, the company had sold the land bank of Baht 52 million in 2024 while there is no land bank sold in 1<sup>st</sup> quarter of 2023.

Cost of real estate sold was decreased in line with the decreasing of revenue but in the smaller portion. Revenue decreased by 33% while cost decreased by 40%, it's mean that the gross profit margin is higher, this came from the sold of land bank which had high profit margin.

**B: Revenue and cost from construction services**

Currently, the Group has 1 condominium construction project which will be completed in 2024. The construction progress is almost completed, so the revenue and cost from construction services which recognize by percentage of completion method is decreased.

**C: Other income**

The other income was decreased when compared to 2023. The mainly reason was the written-off liabilities of Baht 10 million in 2023.

**D: Distribution costs**

Distributions costs was decreased by Baht 47 million from main 2 reasons. First is the decrease of transferred fee and specific business tax which decreased in line with decreased of revenue from real estate. The second was the cost reduction of marketing expenses. Moreover, in 1<sup>st</sup> quarter of 2023 the company had expenses for launching new project which are high value condominium and low-rise projects while no new project launched during 1<sup>st</sup> quarter of 2024.

**E: Finance costs**

Finance costs were decreased from the additional invest in real estate development projects, so the interest expenses can be more capitalized as a part of the real estate development project.

**F: Income tax expense (income)**

Income tax expense mainly from the reversal of deferred tax assets from unused tax loss carried forward, while in 2023 main of them are recording the deferred tax asset.

Please be informed accordingly.

Sincerely yours,



Terakarn Watprapasak  
Company Secretary