



Ananda Development Public Company Limited

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Subject: Clarification of the quarter 2Q2024 Operating Results

To: President

The Stock Exchange of Thailand

Ananda Development Public Company Limited (the “Company”) would like to clarify 2Q2024 of the Company’s operating results and its subsidiaries as following details:

Statement of profit (loss) for the quarter 1Q2024 ended 30 June 2024

งบกำไรขาดทุนเบ็ดเสร็จ	2Q2024		2Q2023		Increased (Decreased)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from sales of real estate	1,097.3	58.0	486.0	59.4	611.3	125.8
Revenue from project management services and commission income	128.3	6.8	138.7	17.0	(10.4)	(7.5)
Revenue from rental and services	68.8	3.6	64.9	7.9	3.9	6.1
Other incomes	597.7	31.6	128.6	15.7	469.1	364.7
Total Revenues	1,892.0	100.0	818.2	100.0	1,073.8	131.2
Cost of goods sold						
Cost of real estate sold	829.4	43.8	369.2	45.1	460.2	124.6
Cost of project management services and commission	98.5	5.2	88.5	10.8	10.1	11.4
Cost of rental and services	46.9	2.5	48.1	5.9	(1.2)	(2.4)
Total Cost of goods sold	974.8	51.5	505.7	61.8	469.1	92.8
Profit before selling & administration expenses	385.8	20.4	312.5	38.2	73.3	23.5
Selling & Administrative Expenses						
Selling expenses	231.3	12.2	98.8	12.1	132.4	134.0
Administrative expenses	205.0	10.8	295.2	36.1	(90.2)	(30.6)
Total Selling & Administrative Expenses	436.2	23.1	394.0	48.2	42.2	10.7
Operating Profit (loss)	481.0	25.4	(81.5)	(10.0)	562.5	689.8
Finance cost	(114.4)	(6.0)	(250.0)	(30.6)	135.6	54.2
Tax income (expenses)	(249.9)	(13.2)	(28.6)	(3.5)	(221.3)	(774.3)
Profit (loss) before share of profit from investments in joint ventures	116.7	6.2	(360.2)	(44.0)	476.8	132.4
Share of profit from investments in joint ventures	33.9	1.8	277.9	34.0	(244.0)	(87.8)
Profit (loss) for the periods from continuing operations	150.5	8.0	(82.2)	(10.1)	232.8	283.1
Profit (loss) for the periods from discontinuing operations	-	-	-	-	-	-
Profit (loss) for the period	150.5	8.0	(82.2)	(10.1)	232.8	283.1
Profit attributable to non-controlling interests	45.6	2.4	2.3	0.3	43.4	1,901.8
Profit (loss) attributable to equity holders of the Company	104.9	5.5	(84.5)	(10.3)	189.4	224.1

Net Profit

The operating results for 2Q2024, the Company and its subsidiaries reported the profit of Baht 150.5 million, increasing of Baht 232.8 million, or increased by 283.1% YoY, mainly from the increase in revenue from sales of real estate and the company’s recognition of profits from the sale of common equity investments in a joint venture engaged in the development of serviced apartments projects, amounting to Baht 513.2 million.

The gross profit (loss) accounted for Baht 385.8 million, an increased for Baht 164.5 million, or 74.3% YoY, mainly from revenue from sales of real estate increased for Baht 611.3 million, or 125.8% YoY

In 2Q2024, the Company has continued to launch campaigns to boost sales, starting with the summer campaign in April, "ANANDA SUMMER JOY DEALS," with 24 quality projects in prime locations across Bangkok, close to BTS stations, with fully furnished and ready to move units. In May 2024, the Company introduced the ANANDA BRANDING 2024 campaign with "ANANDA JOYFUL LIVING" promoting urban living that brings joy every day with Condominiums near BTS stations. Then in June 2024, the Company launched the "ANANDA READY TO JOY" campaign, offering 13 condominium projects near BTS stations, with fully furnished in various styles to match with different preferences (The all-new series), free common area for up to 5 years, and free transfer for all units at all prices.

Revenue

Total revenue in 2Q2024 accounted for Baht 1,892.0 million, an increase of Baht 1,073.8 million, or 131.2% YoY.

Revenue from sales of real estate accounted for Baht 1,097.3 million, an increase of Baht 611.3 million or 125.8% YoY. The main reason is the increase in the transfer of the Ready to Move projects, such as the Ideo Chula-Samyan project, Coco Parc, and Artale Asoke-Rama 9 project.

Revenue from project management services and commission income accounted for Baht 128.3 million, a decrease of Baht 10.4 million or 7.5% YoY, due to a decrease in the number of joint venture projects YoY.

Revenue from rental and services is accounted for Baht 68.8 million, an increase of Baht 3.9 million or 6.1% YoY, mainly from the Company's rental income collection.

Other incomes are accounted for Baht 597.7 million, an increase of Baht 469.1 million or 364.7% YoY. The main reason is the recognition of profits from the sale of common equity investments in a joint venture engaged in the development of serviced apartment projects, amounting to Baht 513.2 million.

Share of Profit (Loss) from Investments in Joint Ventures

In 2Q2024, share of profit (loss) from investments in joint ventures are accounted for Baht 33.9 million, a decrease of Baht 244.0 million, or 87.8 % YoY, mainly from the decrease in the number of projects within joint ventures YoY. However, the Company continues to recognize the revenue from the ongoing transfers of Ready to Move (RTM) projects such as Ideo Rama 9, Ideo Mobi Sukhumvit Eastpoint, the Elio Del Nest, the Ideo Q Sukhumvit 36, and Ashton Asoke-Rama 9.

Cost of Goods Sold

In 2Q2024, the total cost of goods sold is accounted for Baht 974.8 million, an increase of Baht 398.9 million, or 69.2%, YoY, mainly from the cost of real estate sold that increased of Baht 460.2 million, or 124.6% in accordance with the increase in revenue from sales of real estate.

Selling & Administrative Expenses

In 2Q2024, selling and administration expenses are accounted for Baht 436.2 million, an increase of Baht 112.5 million, or 34.7%, YoY.

- Selling expenses sold increased of Baht 132.4 million, or 134.0% due to the increase in commission fees, transaction costs, and specific business taxes arising from property transfers.
- Administrative expenses decreased of Baht 20.0 million, or 8.9%, YoY.

Finance Cost

Finance cost is accounted for Baht 114.4 million, decreased of Baht 135.6 million, or 54.2%, YoY.

The main reason is the decrease in current debenture. As of the 2Q2024, the current debenture amounted of Baht 11,318.7 million, a reduction of approximately of Baht 6,340.7 million.

Tax income (expenses) is increased by Baht 221.3 million, or more than 100%, YoY. Such increase is due to the reversal of deferred tax assets that the Company had previously recognized.

Statement of financial position for the quarter 2Q2024 ended 30 June 2024

	Unit : Million Baht			
Statement of financial position	Quarter 2/2024	2023	Increased (Decreased)	%
Assets				
Current assets				
- Cash and cash equivalents	1,612.63	4,678.8	(3,066.2)	-65.5%
- Real estate development costs	16,640.16	17,143.8	(503.6)	-2.9%
- Other current assets	4,847.32	2,676.7	2,170.6	81.1%
Total current assets	23,100.11	24,499.3	(1,399.2)	-5.7%
Non-current assets				
- Investments in joint ventures	3,661.11	4,603.0	(941.9)	-20.5%
- Land held for development	1,591.03	1,679.0	(87.9)	-5.2%
- Other non-current assets	4,243.05	6,251.5	(2,008.4)	-32.1%
Total non-current assets	9,495.2	12,533.5	(3,038.3)	-24.2%
Total assets	32,595.3	37,032.7	(4,437.4)	-12.0%

Assets.

In 2Q2024, the Company had total assets of Baht 32,595.3 million, a decrease of Baht 4,437.4 million, or 12.0% from the end of year 2023.

Current assets are accounted for Baht 23,100.1 million, a decrease of Baht 1,399.2 million or 5.7% from the end of year 2023, mainly from the decrease in cash and cash equivalents of Baht 3,066.2 million. Additionally, Real estate development costs in 2Q2024 decreased by 503.6 million Baht, or 2.9% from the end of year 2023, due to an increase in transfers of Ready to move (RTM) projects by the Company and its subsidiaries, such as Ideo Chula-Samyang, Coco Park, and Artale Asoke-Rama 9.

Additionally, the other current assets are increased of Baht 2,170.6 million, or 81.1% from end of year 2023 mainly from the increase in Trade and other receivables by Baht 2,591.4 million. This increase is attributed to the sale of common equity investments in a joint venture engaged in the development of serviced apartment projects, amounting to Baht 2,540 million.

Non-current assets are accounted for Baht 9,495.2 million, a decrease of Baht 3,038 million or 24.2% from end of year 2023, mainly from the reduction in investments in joint ventures by Baht 941.9 million, or 20.5%, and a decrease in long-term loans and interest receivables from related parties by Baht 1,515.2 million, or 41%, due to the sale of common equity investments in a joint venture engaged in the development of serviced apartment projects during this quarter.

Statement of financial position for the quarter 2Q2024 ended 30 June 2024

Unit : Million Baht				
Statement of financial position	Quarter 2/2024	2023	Increased (Decreased)	%
Liabilities and shareholders' equity				
Current liabilities				
- Short-term loans from financial institutions	2,125.5	2,592.6	(467.0)	-18.0%
- Current portion of long-term debentures	8,481.7	7,050.1	1,431.6	20.3%
- Current portion of long-term loans	1,413.5	1,090.2	323.3	29.7%
- Other current liabilities	3,842.8	4,023.9	(181.1)	-4.5%
Total current liabilities	15,863.6	14,756.8	1,106.8	7.5%
Non-current liabilities	-			0.0%
- Long-term debentures - net of current portion	2,810.6	8,047.9	(5,237.3)	-65.1%
- Long-term loans - net of current portion	1,565.3	1,870.7	(305.4)	-16.3%
- Other non-current financial liabilities	489.4	520.3	(31.0)	-5.9%
Total non-current liabilities	4,865.2	10,438.9	(5,573.7)	-53.4%
Total liabilities	20,728.8	25,195.7	(4,466.9)	-17.7%
Total shareholders' equity	11,866.5	11,837.1	29.4	0.2%
Total liabilities and shareholders' equity	32,595.3	37,032.7	(4,437.4)	-12.0%

Liabilities

In 2Q2024, the Company's total liabilities are accounted for Baht 20,728.8 million, a decrease of Baht 4,466.9 million, or 17.7% from Baht 25,195.7 million from year end of 2023.

Current liabilities are accounted for Baht 15,863.6 million, an increase of Baht 1,106.8 million, or 7.5% from Baht 14,756.8 million from year end of 2023, mainly reasons for this increase are Current portion of long-term loans due within one year, which increased of Baht 323.3 million, or 29.7% from year end of 2023, and Current portion of long-term debentures due within one year, which increased of Baht 1,431.6 million, or 20.3% from year end of 2023.

Non-current liabilities are accounted for Baht 4,865.2 million, a decrease of Baht 5,573.7 million or 53.4% from Baht 10,438.9 million at the end of year 2023, mainly from the long-term debentures that will be due more than 1 year a decrease of Baht 5,237.3 million or 65.1% from year end of 2023, due to the non-issuance of debentures and the repayment of debentures due from 2Q2023 to 2Q2024.

As of 30 June 2024, 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 1.42 times. The Company maintains its financial ratio in accordance with the requirement of bond covenant that is not exceeding 2.5 times.

Shareholders' equity

In 2Q2024, the shareholders' equity is accounted for Baht 11,866.5 million, an increase of Baht 29.4 million, or 0.2% from end of year 2023, mainly from the operations amounting Baht 300.4 million. However, there is the interest expenses on perpetual bonds of Baht 137.6 million and the reversal of deferred tax assets amounting Baht 211.6 million.

Ashton Asoke Case

On 27 July 2023, the Supreme Administrative Court rendered a judgement ordering that only the permit for construction and modification of the condominium Ashton Asoke project (“the Project”) be revoked. (The Project is operated by Ananda MF Asia Asoke Co., Ltd., currently a subsidiary of the company (hereinafter referred to as the subsidiary, as the Project owner), In November 2023, the Company acquired addition 49% of ordinary shares in Ananda MF Asia Asoke Co., Ltd. As a result, the status of Ananda MF Asia Asoke Co., Ltd., was changed from a joint venture to a subsidiary). The reason for the permit revocation is that the 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 Ministerial Regulation No. 33 issued under the Building Control Act B.E. 2522., which was issued to the interpleader (the subsidiary owning the project owner and another subsidiary (as the land seller to the subsidiary owning the project)), with retroactive effect to the date of permit issuance (hereinafter referred to as “Case One”). Although the Supreme Administrative Court revoked the construction and modification permit of the condominium project, it is currently in the process of being amended to apply for a new construction permit.

On 24 November 2022, the Central Administrative Court ordered that the three defendants jointly consult with the first interpleader (the subsidiary, as the Project owner), 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 conducted in any lawful means that ensure the project location complies with the second paragraph of Clause 2 of the Ministerial Regulation No. 33 and must be completed within 180 days from the date the case is finalised. If the issued remains unresolved the first defendant and/or the third defendant must comply with the court's order. Issuance (hereinafter referred to as "Case Two") In December 2022, the subsidiary owning the project, the plaintiff, and the defendant filed an appeal against the judgment with the Supreme Administrative Court. Therefore, Case Two is currently under consideration by the Supreme Administrative Court.

In addition, as at 30 June 2024, Ananda MF Asia Asoke Co., Ltd. has been involved in other cases related to the Ashton Asoke Project with compensatory damages claimed totalling Baht 122 million (31 December 2023: 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.

The subsidiary's management is actively seeking collaboration with the relevant government agencies in ascertaining appropriate alternative to the solution. And the subsidiary, as the Project owner is confident that it will be able to resolve the issue of the revocation of the construction permit under the legal framework. Therefore, presently the Company's management is unable to determine the potential impacts financially on both the separate and consolidated financial statements of the Company for three-month and six-month periods ended 30 June 2024 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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