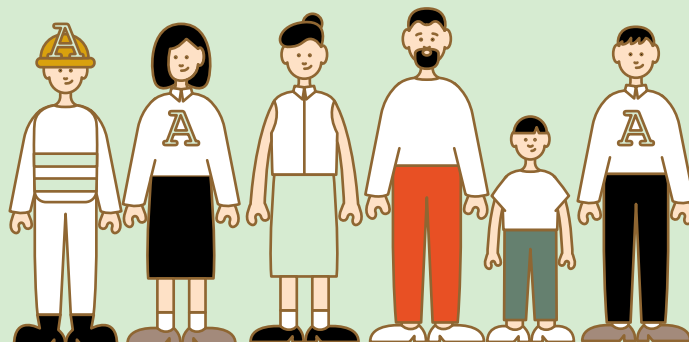


SUSTAINABILITY STARTS WITH YOU

SUSTAINABLE HAPPINESS



WHY SUSTAINABILITY

Because 'a home'... is built on a basis of 'Happiness'...
if happiness of every family begins with a strong foundation
from within, ultimately that happiness will be ready to continue
for a sustainable development in the society.

Our happiness begins here... at home,
with the family, and yourself.

SUSTAINABILITY STARTS WITH YOU

Everlasting happiness starts from creativity...

It starts from the cooperation from one to another,
hand in hand... From yourself, expanding to society
and environment...

Therefore, Areeya conveyed this concept and derived
to the idea of designing Reuse Bags replacing the traditional
one-time-use packaging for our 2018 Annual Report

We have made the start, and so can you... by reusing this bag
for the environment... for the everlasting happiness



**BUY LESS, CHOOSE WELL, MAKE IT LAST.
QUALITY RATHER THAN QUANTITY: THAT
IS TRUE SUSTAINABILITY. IF PEOPLE ONLY
BOUGHT BEAUTIFUL THINGS RATHER
THAN RUBBISH, WE WOULDN'T HAVE
CLIMATE CHANGE!**

– VIVIENNE WESTWOOD –

6 aspects of Sustainable Happiness

Throughout the past years, Areeya Property Public Company Limited operates business based on social responsibility. It focuses on the good quality of living which derives from the 'quality society' initiated by living together harmoniously in the community of generosity, under a good environment and a healthy living. These are the keys to the concept 'Sustainable Happiness' aiming to bring happiness to all 6 aspects of the society to create sustainable happiness altogether.

6 aspects of Sustainable Happiness according to Areeya's concept consist of;

1

Happiness of Builders

The happiness of property builders who are our essential workforce

2

Happiness of Proprietors

The happiness of dedicated Areeya employees

3

Happiness of Residents

The happiness of Areeya's sustainable and heartfelt family

4

Happiness of Neighbors

The happiness of partners and contractors, the friendship we always trust

5

Happiness of Society

The happiness that apprehends society and communities

6

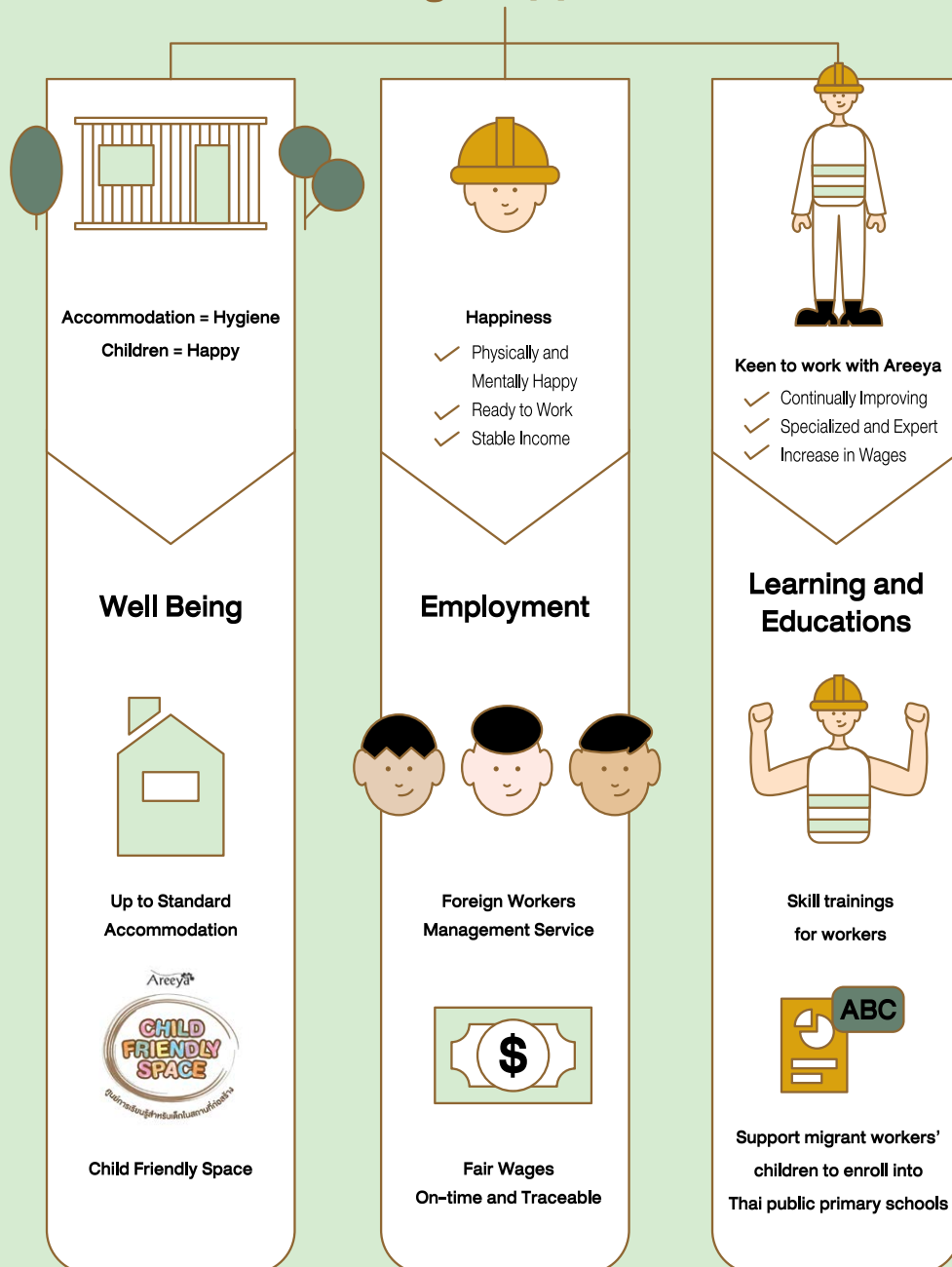
Happiness of Environment

The happiness of utilizing alternative energies for the greener society



Happiness of Builders: The happiness of 'property builders' who are our essential workforce

3 Strategic Approaches



Areeya believes, if our builders are happy and paid fairly, they will strive for a better working performance. We therefore have a framework of caring for our 'property builders' to have sustainable happiness in all aspects by managing foreign workers systematically, paying attention to their well-beings with standard accommodations and skill development trainings to cover all scope of works. Their families and children are provided with a learning center in the construction site called 'Child-Friendly Space'.

Awards and achievements in workforce care

1



Building Futures in Thailand: Support Children Living in Construction Site Camps

Areeya is invited by UNICEF to join the recognition event as well as publishing the accomplishment to the public.

2



Asia Responsible Enterprise Awards 2018: Investment in People category

Areeya Property Public Company Limited, one of the leaders in real estate development in Thailand, receives the prestigious Asia Responsible Enterprise Awards 2018 (AREA), under the category of 'Investment in People' from the project 'Better Life for Our House Builders'. The project is created in alignment with the concept of 'Sustainable Happiness'. It focuses on promoting and caring for workforce to create 'Sustainable Happiness' and social responsibility on human rights principles and international standards.

This awards proves that Areeya – a Thai company – has built products and services on par with international standard, and this with utmost honor to be recognized in this region. Furthermore, it also helps to encourage entrepreneurs in Asia to take social responsibility into account.

3



Thailand Property Awards

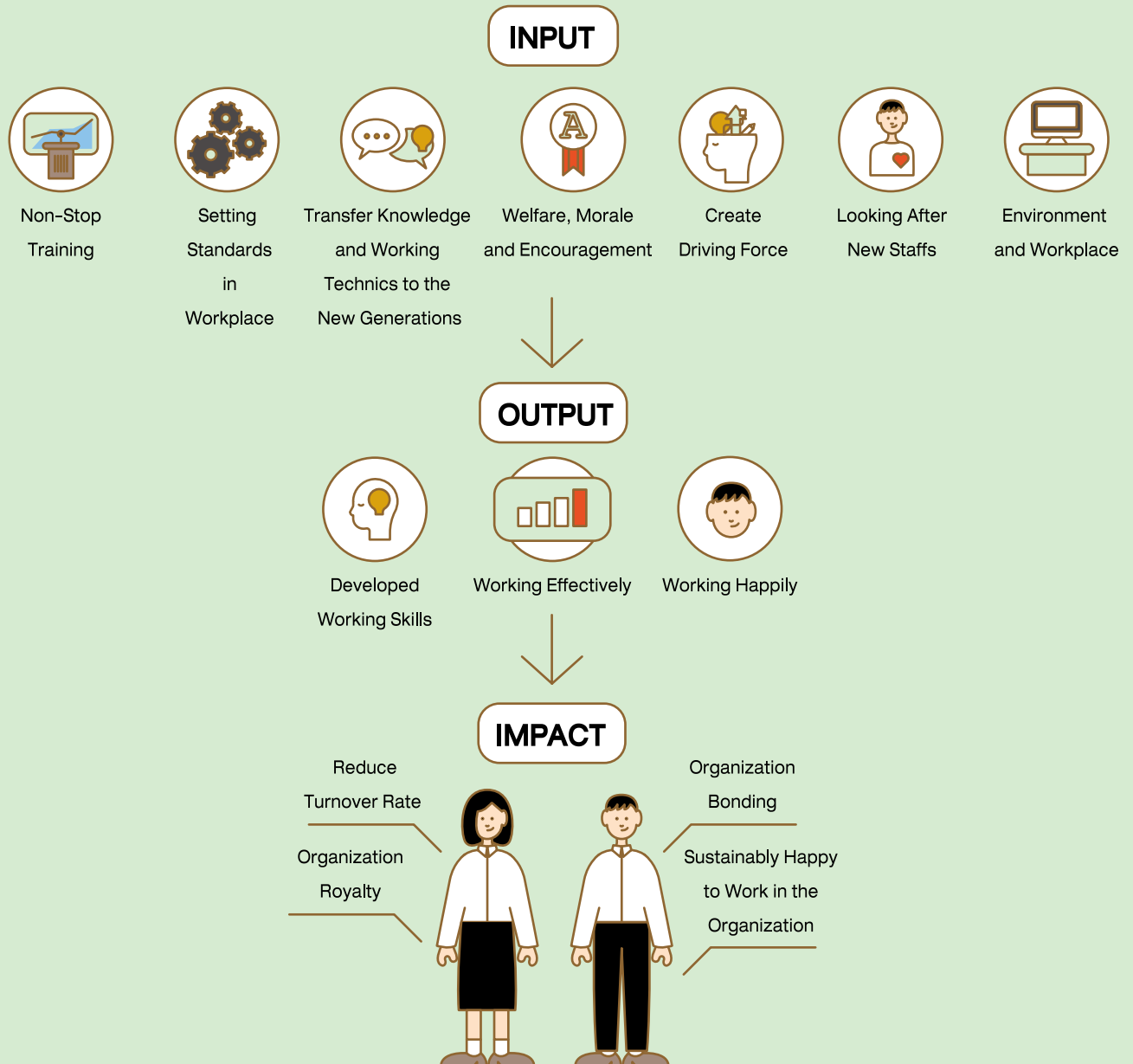
Areeya won 2 achievements from the 13th 'Property Guru Thailand Property Awards', strengthening its leadership in social responsibility and environment.

Developer Award: The Special Recognition in CSR (Projects that are recognized and notable for Social Events).

Special Awards: Rak Thai Special Recognition for Community Project Award (Rak Thai, a project noteworthy for the community) that has supported the policy on employee rights, social events and sustainable property development.



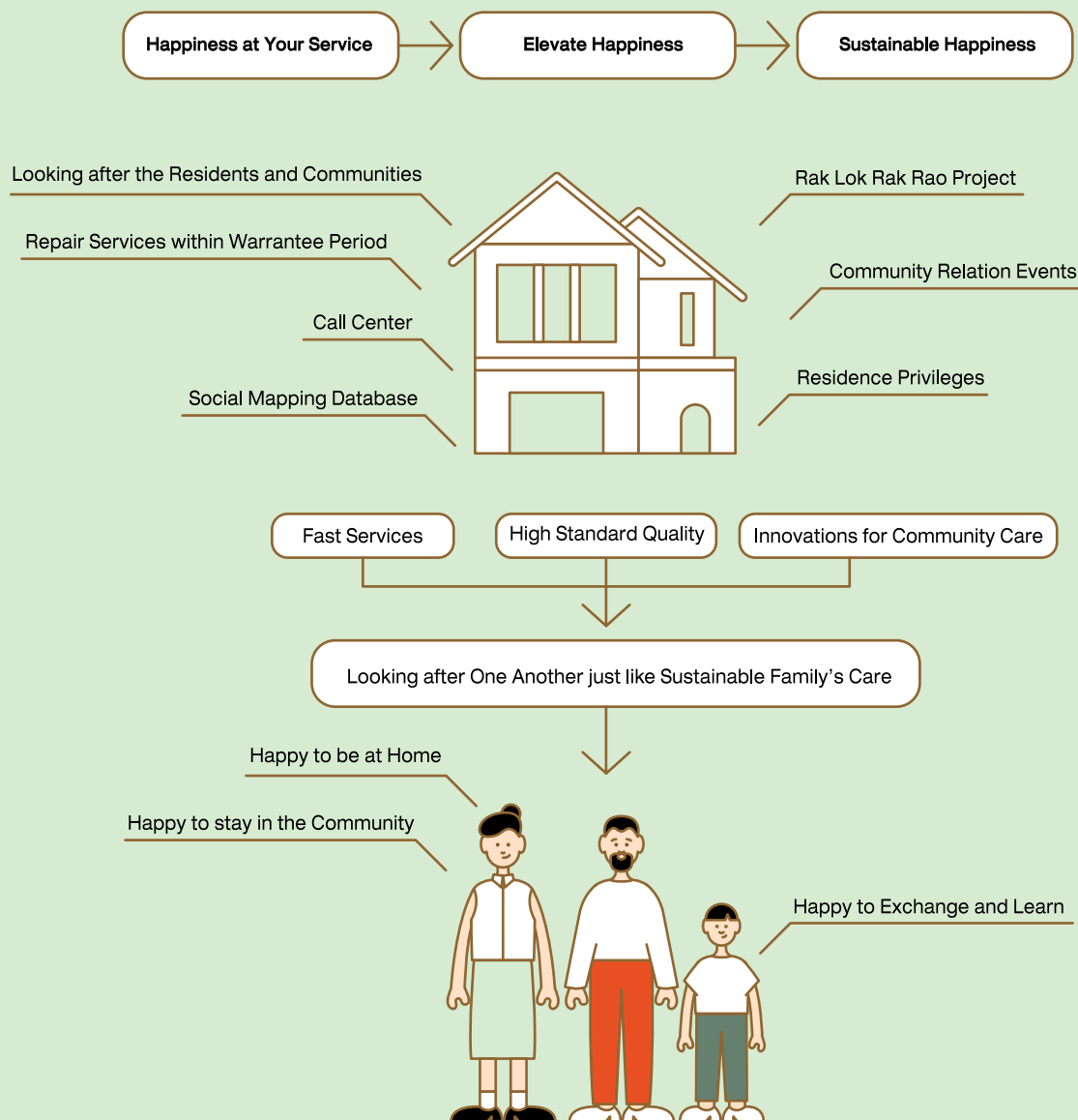
Happiness of Proprietors: The happiness of dedicated Areeya employees



Areeya takes care of all employees and as an employer who provides benefits and welfare, a good quality working life to create bonding relationship and loyalty to the organization. It starts from preparing employees from the very first step with orientations for new employees, establishing a Happy Workplace and creating good working atmosphere. It also provides comprehensive employee benefit programs, motivation, and the importance of recognizing dedicated employees. To complete the employment cycle, we organize employee activities to build good relationships, employee trainings with performance evaluation system, and career development to elevate the level of happiness to everyone.



Happiness of Residents: The happiness of Areeya's sustainable and heartfelt family



‘Because happiness... starts at home’, we therefore do our best to ensure our residents happiness from the very first step of becoming one of Areeya’s family by designing products to fit all living lifestyles, taking the environment into account and reducing the burden of future expenses... Our ultimate goal of quality living is to provide sustainable happiness for all of our residents.

Community Services

It supervises community management from basic services such as cleanliness, safety and security, after sales services through Areeya Family Application. It ensures a peace of mind with a call center that provides comprehensive information to all queries.



Building relationships that promote sustainable development activities

It organizes activities for children focusing on 3 benefits which are emotion, health and environment, to support the SDGs goal to resulting in a sustainable society.



Plook Puk Plook Ruk Activity

It is a network of residents joining together as a A Hero. Its mission to grow organic vegetable plantations in the communal area. This helps create a sense of community among residents for a harmonious society and generosity. There is 'Green Market', a flea market for the conscious young generation.

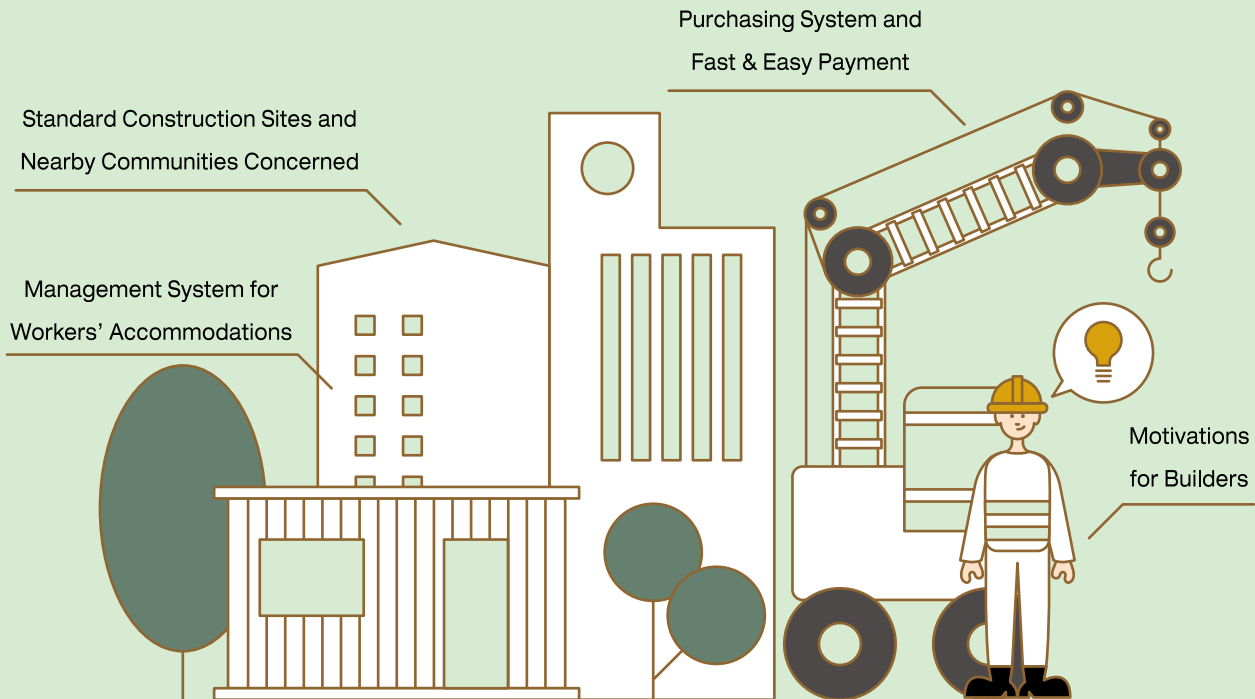


DIY Activity

It is a campaign to raise awareness of waste separation according to the 3R principles of Reuse, Reduce and Recycle through DIY activities. This is to prepare for the actual waste separation, such as DIY decorating potted plants from household wastes, DIY decorating tote bags and DIY clocks from hoops.



Happiness of Neighbors: The happiness of partners and contractors, the friendship we always trust



**Quality Performance, On-time Completion to Construction and Sales Plans
Resulting in Company's Creation of Revenue Recognition**



Clean and
Safe Accommodation



Motivated to
Quality Performance



Continuing Progress
according to Project Plan



Happy to Work for
the Company



Expert Workers Developed
among Suppliers



Error Reduction at Work

It is with a great concern for Areeya to ensure the living quality of all our contractors, inclusive of construction material suppliers, who are considered as our neighbors. By looking after their quality of lives, the followings are Areeya's principles to treat our partners;

Construction Site Standards

—

Allocating clean environment of the project, safe and secure with standard requirements covering every step from the entrance of the premise to the completion of the project.

A Subcontract

—

Quality management of construction, to reduce the risk of project delays by conducting business with other contractors who are reliable, through audits for quality constructions that meet Areeya standards.

A Supplier Online System

—

Online billing and delivery system that helps leaning the process, documents and time, facilitating business partners to be able to place billings every day.

Safety

—

'A Model for Better Life', one of the processes to improve the quality of workers' lives in all aspects, both economically and socially with an important goal to solve the shortage of skilled workers.

Supplier ABC

—

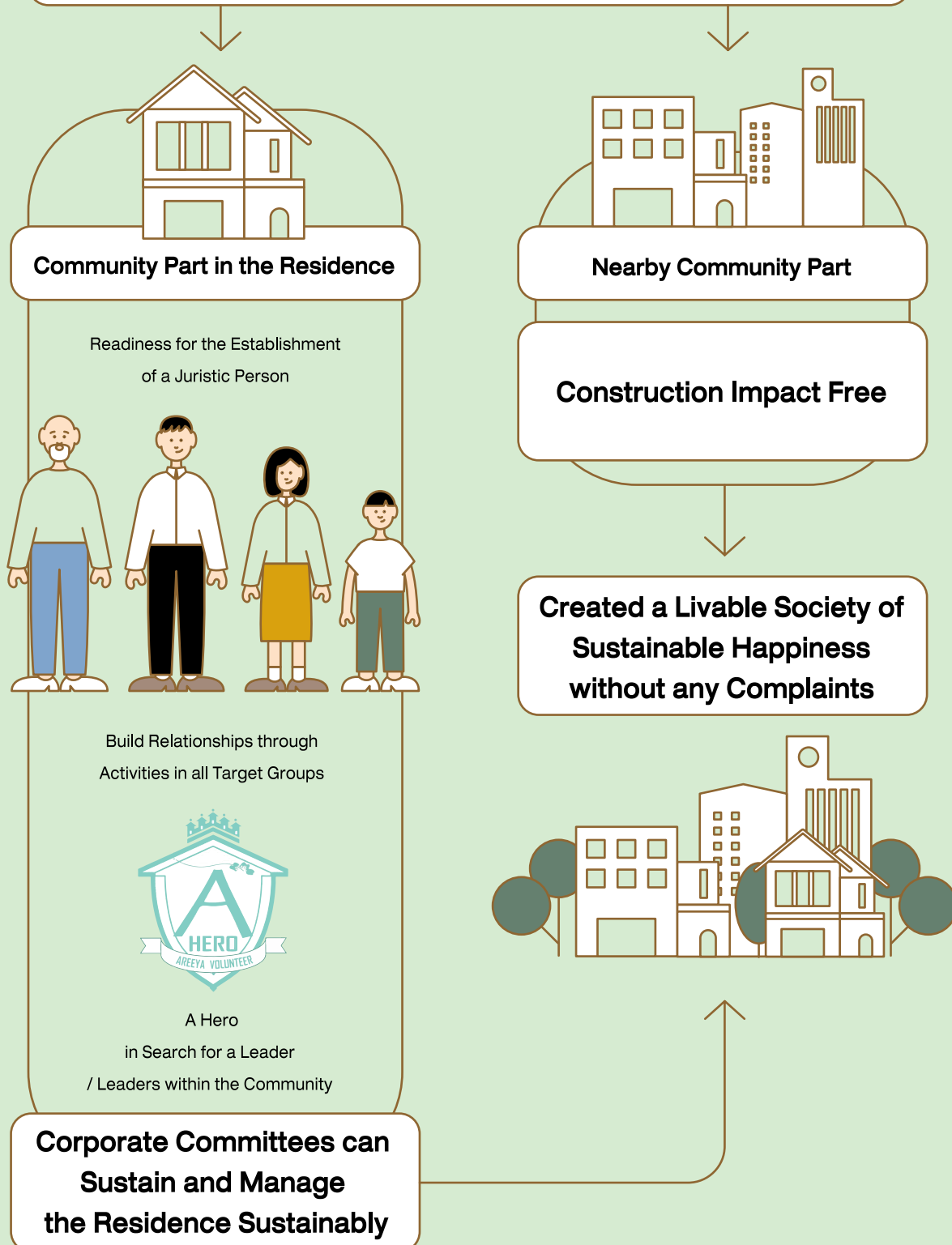
Areeya has extensive experiences and a quality team to carry out reliable construction performances with standard quality, project timeline and intelligent cost management which are the key factors to achieve our goals.

With measures to control different standards of both ISO system and QC system for efficiency and effectiveness, as well as elevating the level of business competitiveness that leads us to internationalization.



Happiness of Society: The happiness that apprehends society and communities

The Goal is to create a Livable Society and Sustainable Happiness



As a part of the society and community surrounding the projects, Areeya provides fairness to all parties in order to bring happiness, good relations and strength to become 'Sustainable Community' in accordance with Sustainable Happiness principle because Areeya believes that living together in a friendly society is the beginning of the true happiness.

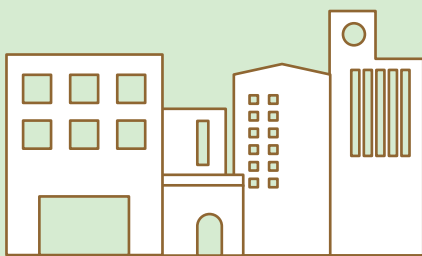
1



Looking after the community within the project

- Prepare for the establishment of a juristic person by building relationships through activities for all the target groups.
- A Hero – Finding a leader/leaders within the community.
- Selecting the juristic committee to maintain and manage the residential sustainably.

2



Taking care of communities

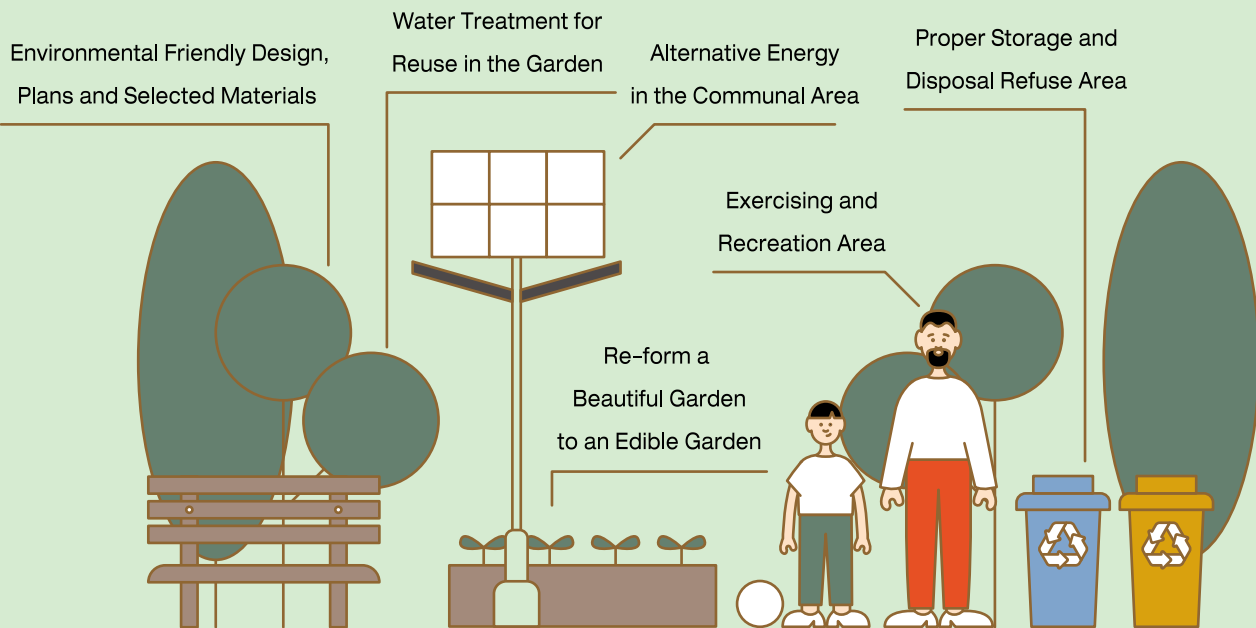
- Operate risk-protected construction since its start until completion in accordance with the specified standards.
- Avoid any impact to communities, creating a livable society without complaints from the surroundings.



Happiness of Environment: The happiness of utilizing alternative energies for the greener society

Project Design Innovation

Outside the Organization



Community Care and Administration Innovation

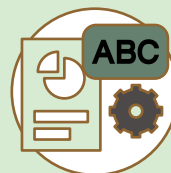
Within the Organization



Enhance Knowledge, Generate the Love for the Environment



Campaigns to Encourage Participation



Develop Project Management Process



Development to Urban Standards



Method

- Awareness Campaign
- Provide Information to Raise Awareness
- Examples set by Executives for fellow Employees

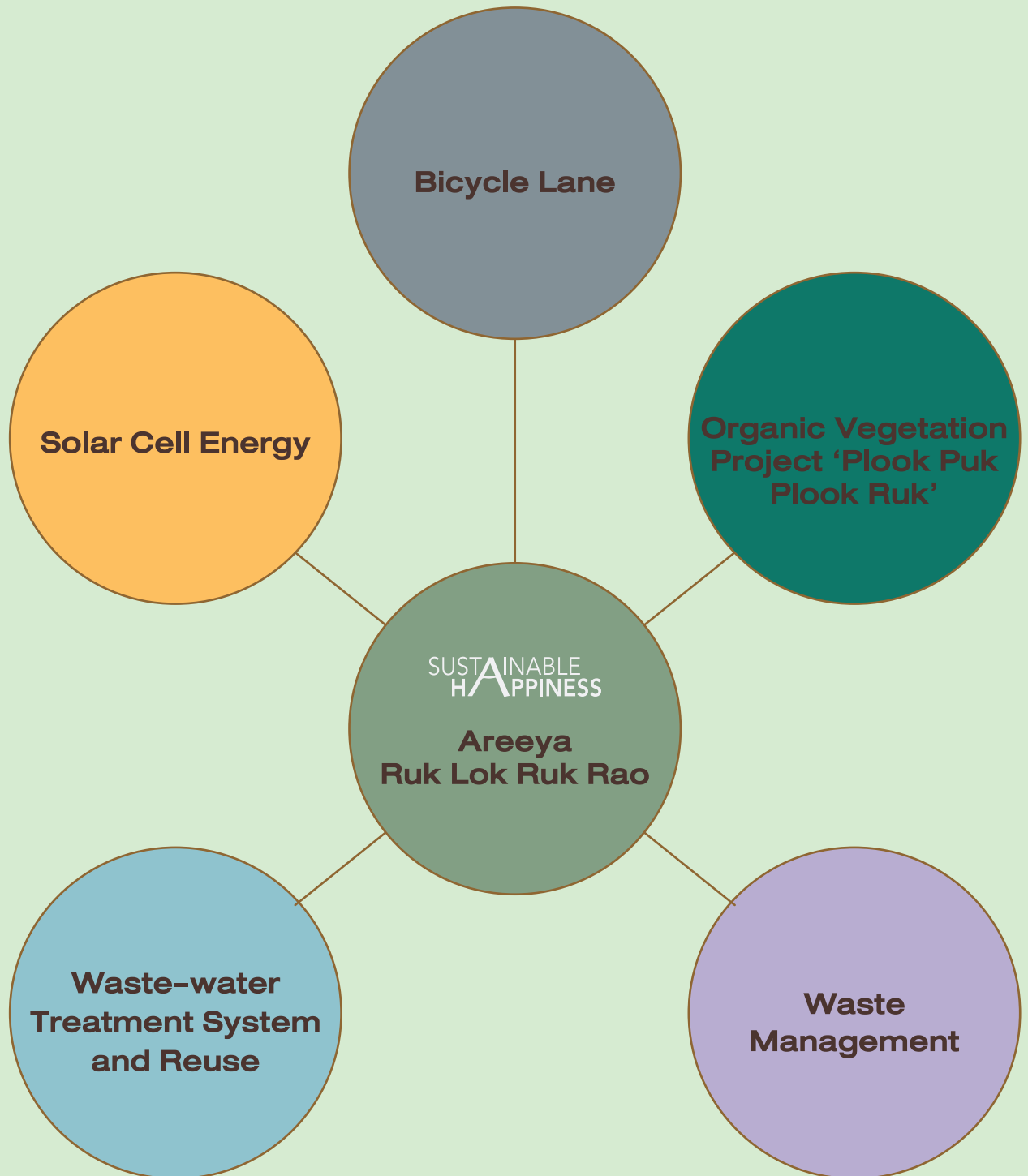
Energy Consume Reduction in the Organization

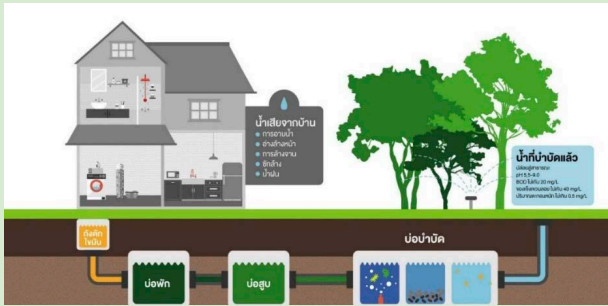
- Utilize Technology to Replace Papers
- Select Environmental Friendly Goods and Products
- Water and Electricity Saving within the Organization

Results

Energy Consumption in the Organization is Sustainably Reduced

With the awareness of environmental issues, we are ready to be a part of global warming reduction. Areeya continues to implement the Sustainable Happiness policy. In 2018 we have implemented 5 aspects of happiness and environmental sustainability as follows;





Waste-water Treatment System and Reuse

Maintaining proper quality of waste water in a holistic manner by creating a new drainage system for the whole project to treat waste water from every household through the treatment to the standard value. Then, the treated water will be re-used in the common area which helps reduce sustainably the use of tap water and the central cost.



Solar Cell Energy

Sustainable use of clean energy is an important objective, in response to the SDGs goal of environmental category. Areeya therefore opts in the use of natural energy by replacing electricity with solar energy in the communal area of the project. in order to reduce the communal cost long term.



Bicycle Lane

Areeya extends the premise to promote exercising within the project such as providing bicycle lanes, develop a standard running track and provide other fitness areas such as basketball court.



Organic Vegetation Project

‘Plook Puk Plook Ruk’

‘Plook Puk Plook Ruk Project’ began from the health-conscious Areeya residents. Together, they develop the green area to its maximum benefits. The project created vegetable plantation and perennial plants that can be consumed, with the goal of providing fresh organic vegetables for the residents. With the participation of the whole community, whether planting or growing, it creates an endless sustainable society.

In addition, ‘A Green Market’, a market for a health conscious new generation people, is set up. There are environmental and consumer friendly products to promote organic vegetables, no plastic bags or foam containers, reminding the residents and the surrounding communities of the future sustainable health and environments.



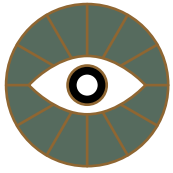
Waste Management

The campaign for the residents to conduct waste sorting, reduce waste amount and recycle for the ultimate goal of becoming a Zero Waste society. For example;

- Encourage the residents to understand how to sort waste more efficiently through ‘Waste Sorting Campaign Guide’.
- Raise awareness of environmental issues via ‘Areeya Ruk Lok Facebook Fanpage’.
- ‘Waste Sorting Campaign through DIY’, an event to support and promote products creation from recycling waste, giving back the happiness to the society.
- ‘Recycling Day’ event (a day when we buy your recycled waste) with the appointments to buy recycling waste right from your door by registering through Recycle Day application.

A

CORPORATE



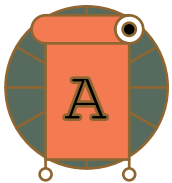
Corporate vision and mission

Vision

To become Thailand's leading real estate developer by creating everlasting happiness, making a distinctive difference in design, quality constructions and services for the residents, communities and society for healthier and happier livings.

Mission

To operate a comprehensive real estate business and become a sustainable business leader with a mission to look after for the stakeholders, employees, customers and society.



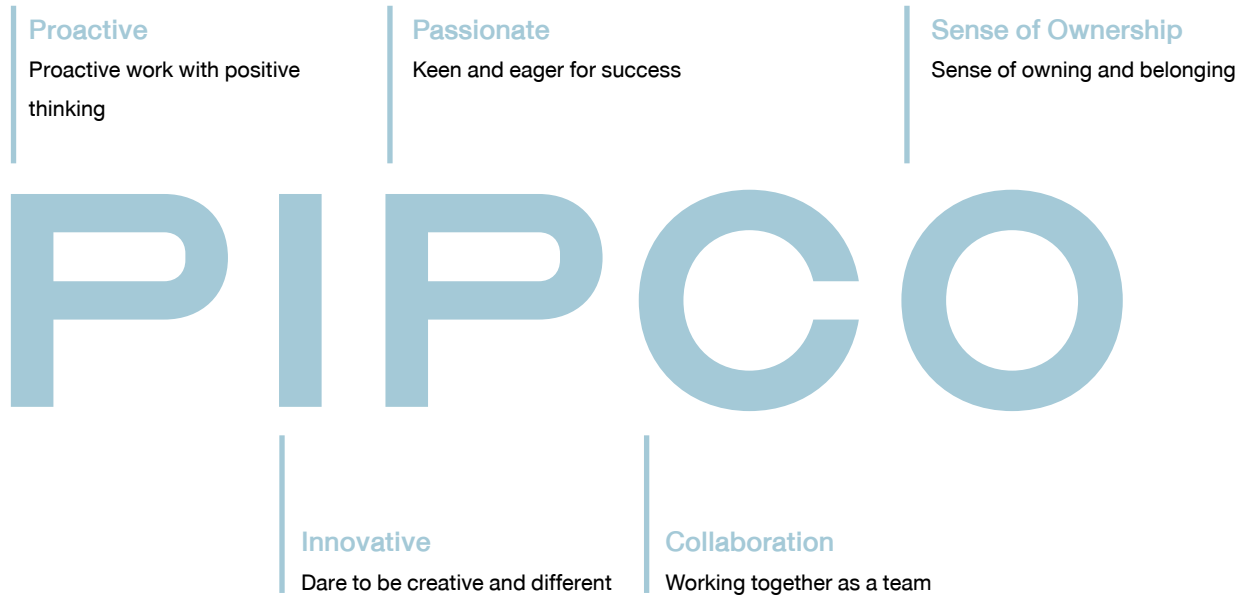
Corporate philosophy

Building a 'home' is not just developing a property or the environment within the premises, but it means to be a part of the community and developing for a better living with a loving family and a sustainable future.

「Not only we build houses,
but we design the society,
the living and the lifestyles」



Corporate value & DNA



PIPICO is a method that all executives and employees of Areeya work together to create a collaborative way and direction of work by taking into account the creation and development of the best results. These are the core values or the corporate culture cultivated as one of our DNA.

Areeya develops residential properties to answer the needs of customers in all aspects. It eyes to become a Leading Boutique Developer.



Corporate background & heritage

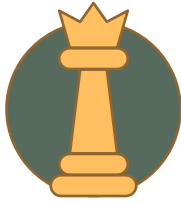
According to Areeya, a 'Home' is where a family is built as a fundamental. The meaning of happiness is different from one another. It depends upon moments created and the meaning of one's happiness. Therefore, Areeya would like to be the representative to build the foundation that is strong, healthy and sustainable which is Areeya's pleasure to create and hand over to every home. It is important for Areeya to share and spread the everlasting happiness.

Today, with a 20-year extensive experience, Areeya guarantees that we have a good understanding of the changing needs with times by being able to design the society and the well-being for all the generations of all residents.

Our Heritage

Introduced Areeya Property in 1999 (19 years)

* Current 2018			** Future 2019		Total	
Product Type	No. of Project	Amount (MB)	No. of Project	Amount (MB)	No. of Project	Amount (MB)
SDH / Twin House	14	7,634	1	700	15	8,334
Townhome	37	16,271	2	950	39	17,221
Condominium	11	18,997	2	12,900	13	31,897
Total	<u>62</u>	<u>42,902</u>	<u>5</u>	<u>14,550</u>	<u>67</u>	<u>57,452</u>



4 Key strategic pillars

‘Aesthetic of Living’ is the fundamental concept that is carried on to the residents who will experience the well-being of living through meticulousness and strong intention developed to create each project at its highest quality. Outstanding with design, perfect with functionalities and services to create everyday happiness you can touch.

There are 4 important key strategies that are considered the core of products and services developed to deliver to every home and every family.

Aesthetic design & Premium quality

- Glasshouse is designed to help houses save energy and better exposed to natural light to bring the beauty from the green outdoor areas to partake in the home living. Giving the sense of being one with the nature.
- Hybrid kitchen appeases cooking lovers by creating unlimited happiness in the kitchen with adjustable kitchen style from Thai to Western.
- Water & light system is a utility system that selects only high quality materials for safety and ensure peace of mind in home living.
- Quality structure provides standard quality of unique structural design.

Innovative living

- Smart home intelligent system allows residents to control their houses via mobile, making life easier than ever.
- Double gate & security guard center is designed to ensure safety with enhanced security systems.
- 24 hrs. Full HD CCTV monitor both in and out of the project all day and everyday.
- Easy Pass Access aims to provide no hassles for entering and exiting with Easy Pass system.

Sustainable happiness

- Areeya clean living technology is an air circulation system that creates clean energy and saves more.
- Large urban green space is a large green area surrounding the project. It is a playground, a leisure pavilion or a bicycle parking space.
- Sustainable concept creates sustainable happiness.

Best in class after sales services; Best home care services from the very beginning and after sales

- Areeya Family Application, is an application that helps facilitate the resident in placing complaints or requests, and receiving latest information
- Areeya call center, is a dedicated phone line to provide project information and receive complaints from the residents.
- Areeya & You member, is a special privilege with great activities that are available for Areeya’s residents.



Our 'Areeya' brand

Areeya is a leading boutique developer

Having a better quality of life is not only just about improving the comfort at home but it also includes raising the spirit of ones living at a home at the same time...

「Living without aesthetics is just like
living without any meaning.」

Strategic communications

Today, Areeya has grown beyond to the contribution of the 'aesthetics of life', we also intend to deliver 'Happiness is in the air' that residents will experience in every moment of your life. A tiny happiness that happens from things surrounding us and it can happen every day.

In 2018, Areeya launches 'Happiness is in the air', a unique and stylish characteristic of Areeya as a 'Boutique Developer', focusing on housing development on prime locations in the heart of the city with the society and a large communal community with not less than 2,500 households, with an emphasis on developing toward the lifestyle of the residents.

This campaign was created and communicated in accordance with consumers' taste and modernization as well as communicating the focus of physical and mental health of the urban life. The most important aspect is the happiness around us, especially in our home.

The 'Happiness is in the air' campaign is launched on September 14, 2018, throughout all forms of communication channels such as TVC, OOH (Out Of Home) media, including the new look of the main website, www.areeya.co.th, to be more modern, user-friendly and easily navigated for information. Furthermore, Areeya Facebook page also has improved on the contents which helps to gain access to the targets faster and easier, making it more relevant.

OUR PRODUCTS

To Grow with Thai Consumer Lifestyle
& Modern Living

New projects in 2018

Areeya never stops. We strives for quality products and services to deliver 'homes' in every style that is able to answer to modern living of imagination. It is designed with a class that meets the needs of customers with unique lifestyle for the ultimate purpose of delivering sustainable happiness and passing on to the next generation.

New projects and new locations in 2018

Single House

—

AREEYA BUSABA

Ladprao – Serithai

BUSABA
by Areeya

AREEYA BUSABA

Ladprao – Serithai

'Family Always Comes First'

Starts 12.9 MB*



Single House

—

AREEYA COMO PRIMO

Bangna – Wongwaen

COMO
PRIMO
by Areeya

AREEYA COMO PRIMO

Bangna – Wongwaen

'Smart is the New Luxury'

Starts 6.69 MB*



Single House

—

THE VILLAGE

Bangna – Wongwaen 3



THE VILLAGE

Bangna – Wongwaen 3

‘Happy Colonial’

Starts 4.29 MB*



Home + Office

—

THE PARTI

Kaset – Nawamin



THE PARTI

Kaset – Nawamin

‘Creative – Community –
Connectivity’

Starts 12.9 MB*



Premium Townhome

MANDARINA

Ekkamai – Ramintra

MANDARINA
by Areeya

MANDARINA
Ekkamai – Ramintra
'A Statement of your own'
Starts 6.69 MB*



Townhome

THE COLORS

Bangna – Wongwaen



THE COLORS
Bangna – Wongwaen
'Color up your Life'
Starts 2.49 MB*



Condo

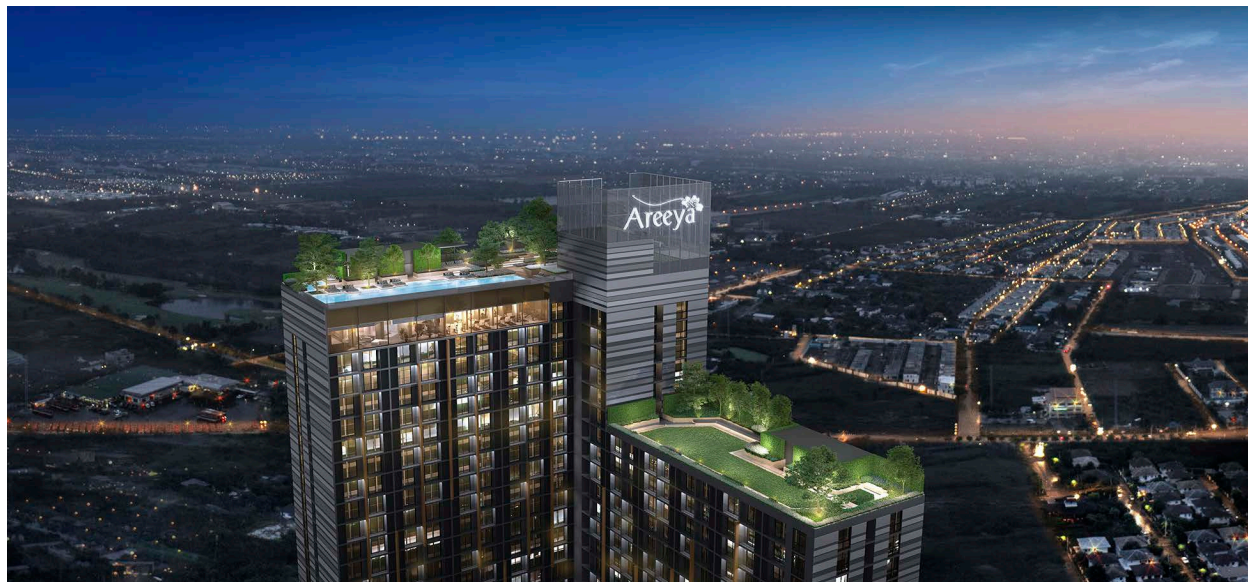


A SPACE MEGA 2

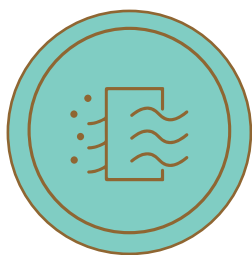
'Live a MEGA Life'

Starts 1.69 MB*

A SPACE MEGA 2



2 new technologies for Areeya's homes



Clean Air & Energy Saving Technology

Smarter with Clean Living Technology that lets you breathe in cleaner and fresher air while saving the energy from clean and natural fresh air within the project premises.



Self-Managed Home Automation at Fingertips

Smarter with Home Control Automation Technology at your fingertips.

Our services

Areeya cares about every aspect of all services, especially the customer care unit. We, as a developer, are looking forward to welcoming and creating good interactions. Our professional 'sales representatives' are to welcome you from the very beginning of every project.

Our sales representatives are well trained with Areeya's unique standards enabling everyone to have good understandings of the products and services, including coordination. We aim to provide excellent after-sales service even after the completion of the sales.

At Areeya, the top priority is that all our sales representatives must be presentable and represent the personalities that indicate our Brand DNA of Areeya, which are;

- Good personality
- Good manners and modest
- Good mood with smiling face
- Proper etiquettes
- Pay attention to customers at all levels

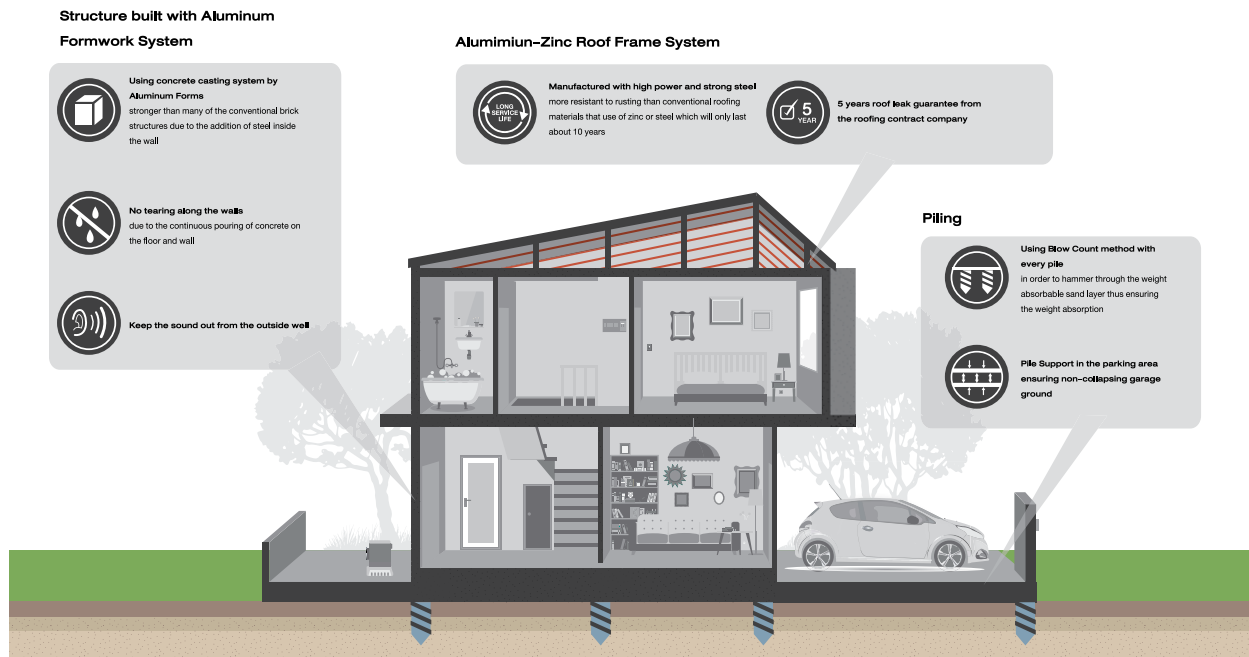
After Sales Services

One of our four key aspects of Areeya's operations is to be the Best in Class after Sales Services. With utmost care and attention from the beginning and after sales, in the past year, Areeya has implemented many projects with diversity such as Bare Specification Policy, Knock Door Campaign and Areeya Application.

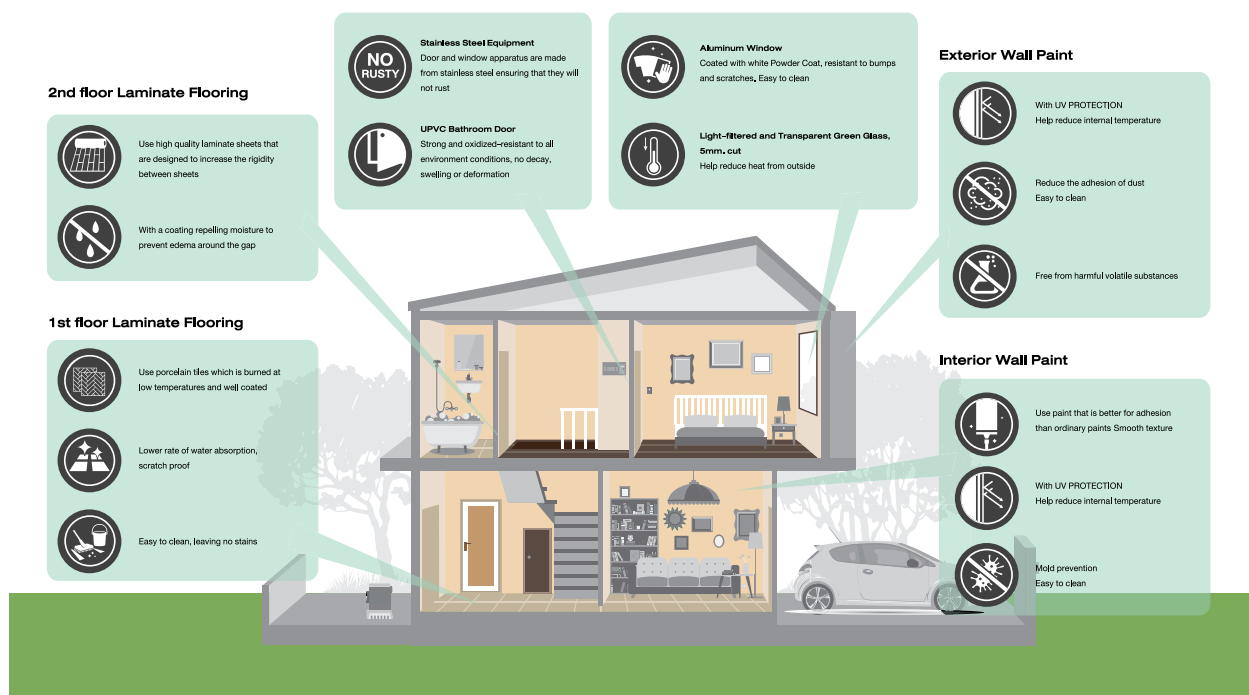
Bare Specification Policy

To build confidence in the quality of the construction and to show customers that Areeya only selects high quality materials, we created this policy of showing the construction specification to customers, as follows;

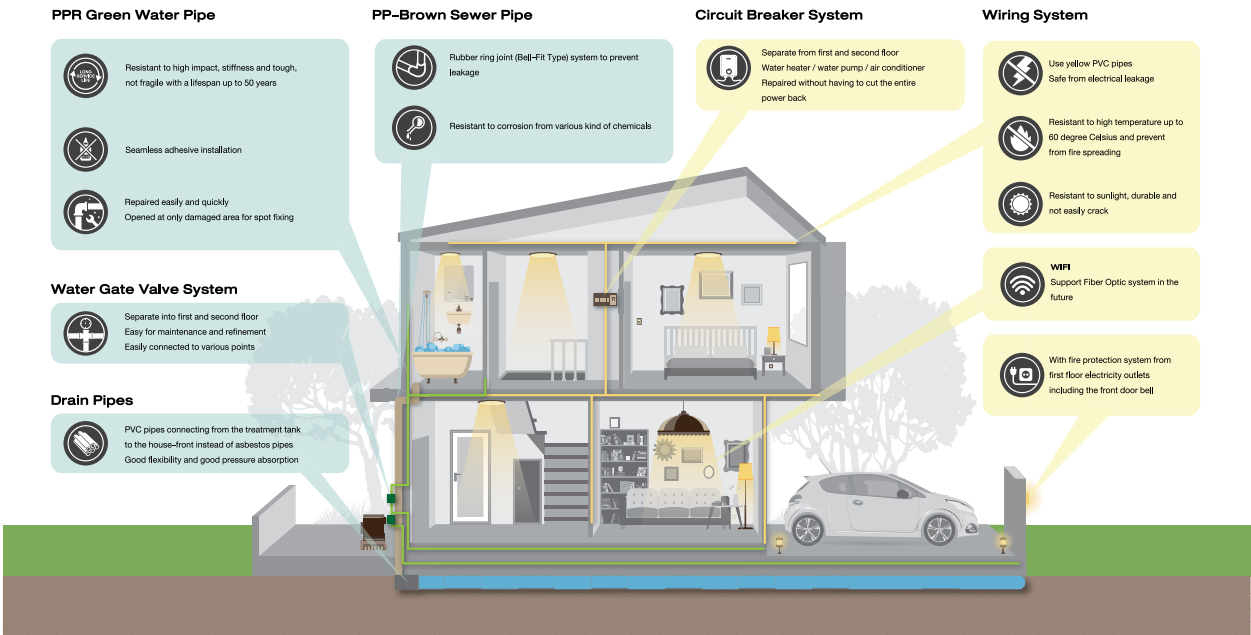
STRUCTURE



ARCHITECTURE



WATER & LIGHTING SYSTEM



Structural work

- Pile hammering uses the Blow Count method to count each pile in order to hammer through the weight absorbable sand layer, such as The Colors project which uses the same size of housing pile to support the parking garage enabling the residents to extend the roof for the parking area without any further construction works.



Aluminum-zinc roof frame system

- The finished structure roof with alu-zinc coating which prevent rusting and extend its lifespan longer, stronger and tougher than other type of roof structures. Material warranty up to 15 years and 5-year leaking guarantee.



Leveled water gate valve system

- Easy to use and to maintain, it can be disassemble for specified area repair.



Forming high walls at roof height (room forming)

- Enhancing security for townhomes, preventing crossing over via the roof top to the adjacent house.



Structure built with aluminum formworks system

- By forming the concrete wall as a one-piece for the entire house. House structure with this Aluminum Forms is stronger than typical brick structures due to the addition of steel inside the seamless wall, thus reducing the problem of water seepage from the wall and also good for sound proof.



PPR green water pipe

- Free from carcinogens. No concern on leakage problems because it uses heat to connect the joints, high impact resistance and not fragile.



PP-brown sewer pipe

- Strong and resistant to chemical corrosion at both high and low temperatures. No leakage with Bell-Fit Type ring joint system, easy for installation and convenient for future maintenance.



Circuit breaker system with separate flooring

- When the power failure occurs, the repair can be done at only the problematic floor without any interruption to the non-damaged floor.



Knock Door Campaign

Areeya organizes a campaign to ensure customer satisfactions. 'Nai Amphor Yod Rak Project' is created to meet and explore the residents' pains in order to help solve all issues. As well as the 'Knock Door' campaign which is the post-sales management department together with the legal team visiting residents to do satisfaction surveys by sending an informing letter prior to the visit. Souvenirs were also given out to show that Areeya has taken into account all contexts relating to the well-being of the residents.

Areeya Application

With a commitment to develop living property by focusing on the quality as the top priority and to emphasis on being the leader in all aspects, Areeya elevates excellence in services with 'Areeya Family' application. This is indeed an important matter to Areeya to deliver the creativity of the highest convenient facilities to all the residents.

'Areeya Family' application supports both IOS and Android OS so everyone is able to access and use as an additional channel to receive special privileges, give suggestions and feedbacks, issues reporting and complaints to legal entities and customer service center. The Highlights of 'Areeya Family' application are as follows;





AREEYA FAMILY

แอปพลิเคชัน
ที่จะช่วยให้ชีวิตคุณง่ายขึ้น

หมดกังวลเรื่องการแจ้งซ่อม
อัปเดตข้อมูลข่าวสาร จัดการเรื่องบ้าน
ได้ง่าย ครบ จบในแอปเดียว

FREE DOWNLOAD




ดูรายละเอียด คลิก!

CALL CENTER
☎ 1797



In addition, Areeya continues to develop software applications for residential purposes to meet the needs in the future and for the happiness of the residents in a sustainable manner. You can download the application 'Areeya Family' at www.areeya.co.th/AreeyaFamilyApplication



&

AREEYA & YOU



Our Customers

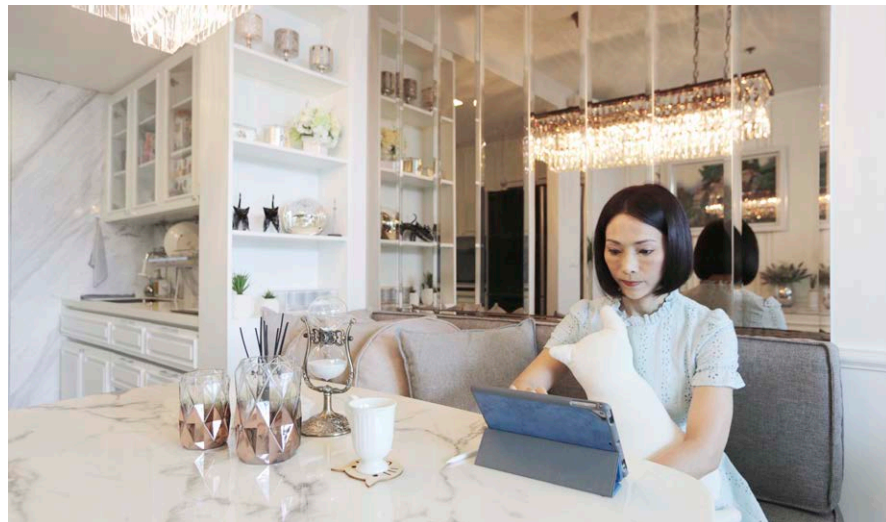
Areeya & You Activity

the forth 'Areeya Kids on Ice'. We invite children to practice and refine their ice skating skill and a special activity to let them paint on the ice rink, first time ever in Thailand at Sub Zero Ice Skate, Mega Bangna.



Customers Satisfaction Survey

Open up to 360 degrees of residents' happiness through surveys, expressing opinions and perspectives. Happiness is being true to who you are.



「Creating every corner in the condo
to become my world」

Khun Nudjaree Tanjapipatkul (Khun Aor)

December 25, 2018

A SPACE ID Asoke-Ratchada resident



「The more relaxing the space, the
more relaxed you can be」

Khun Warut Sorakij (Khun Khem)

December 25, 2018

Areeya COMO Ladkrabang – Suvarnabhumi resident



「The garden I love is the relaxing
corner that boosts up my energy」

Khun Chalalai Vethayatheerang (Khun Sai)

December 25, 2018

Areeya COMO Bangna – Wongwaen resident



「A home must meet every need of everyone in the family」

Khun Narisa Mestasri (Khun Bib)

December 25, 2018

Areeya To Be Kaset – Nawamin

Download the video clips via below QR code



In 2018, the target of resident satisfaction was at 95%, which consists of;

1

The Speed of Service

2

Quality Service

3

Standard Service and Training

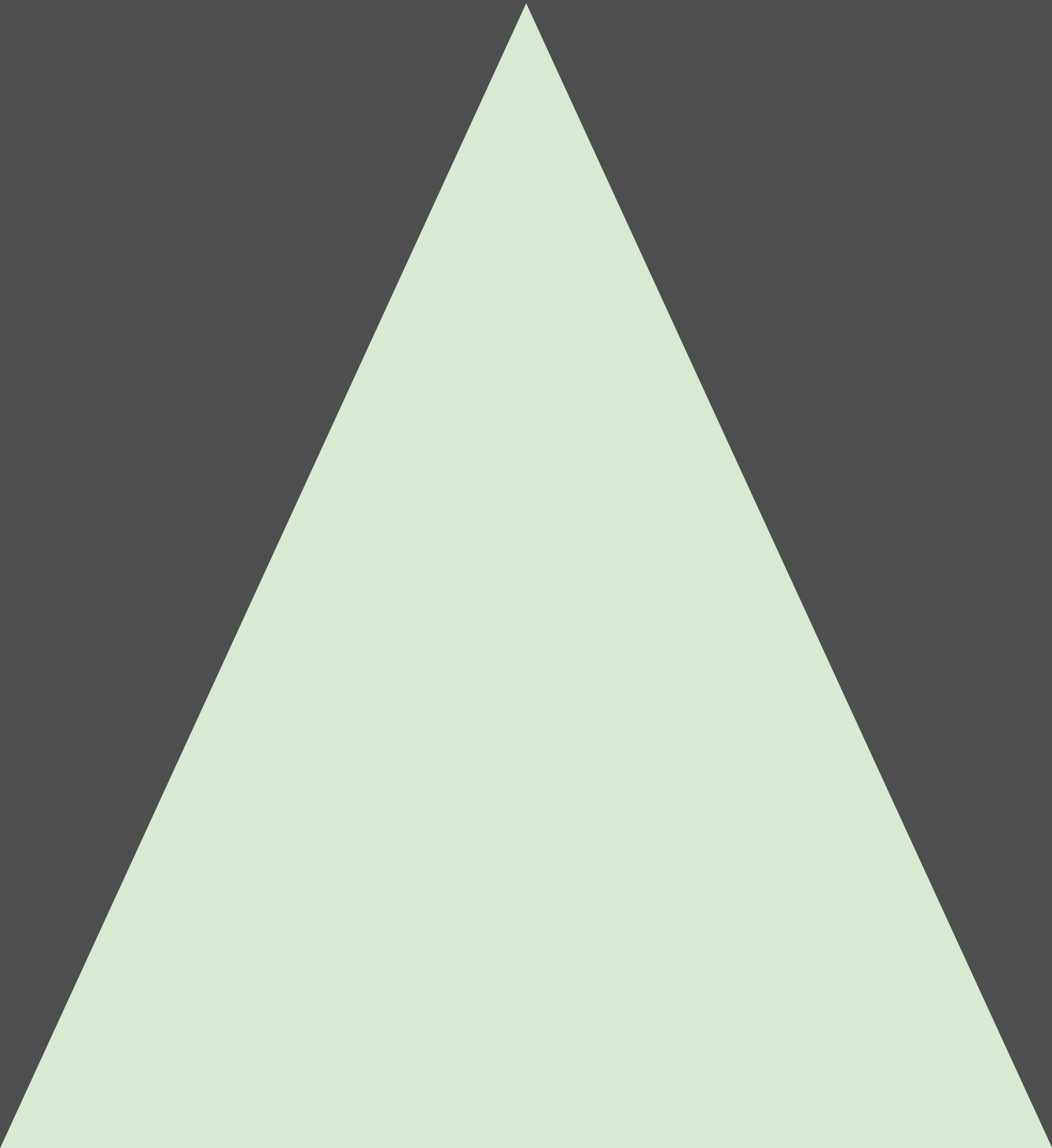
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Accessibility to Services at your fingertips via Areeya Family application

In addition, Areeya considers the quality of services by using technology to control the quality of the audit work. Such as;

- Installing cameras with trackable real time GPS onto Foreman's caps
- Standard security management plan within the project, such as basic security system monitoring with CCTV cameras in the guard booths and around the premise with follow-ups according to protocols
- 'Nai Amphor Yod Rak Project' providing a monthly visit and hear out the residents' issues in order to provide highest satisfactions
- 'Before-Warranty-End Visiting Program' is a program to check in every stage to ensure that Areeya has met all satisfaction

OUR STAKEHOLDERS



Press release on March 6, 2018

**Areeya Property aims to grow 30% in 2018
by using the strategy of Aesthetic of Living.**



Areeya offers both functional and emotional engagement through the concept of Aesthetic of Living and 4 key business strategies which are Areeya's highlight aspects;

- Aesthetic design & Premium quality
Outstanding and unique design that comes with exceptional quality reinforcing Areeya as a leader in innovation and construction systems, delivering the best for customers
- Sustainable happiness
Areeya adheres to the principle of creating 6 sustainable happiness in the environment; 1. Happiness of Builders; 2. Happiness of Proprietors; 3. Happiness of Residents; 4. Happiness of Neighbors; 5. Happiness of Society; 6. Happiness of Environment
- Innovative living
Areeya plans to launch Areeya Family application version 2 to the residents in order to facilitate the after-sales services within the warrantee period
- Best in class after sales services
Providing best services to the residents from the beginning and after sales

In 2018, the target of residents satisfaction was at 95%, which consisted of;

1. The Speed of Service
2. Quality Service
3. Standard Service and Training
4. Accessibility to Services at your Fingertips via Areeya Family application

Press release on April 23, 2018

Areeya Property held the prototype of the development of knowledge and skills for labor workers' offspring, piloting a 'Learning Center for Children and Youth at the Construction Site'



Areeya Property Public Company Limited, a leader in low-rise and high-rise real estate development in Thailand, operates the business based on good governance and has been focusing on sustainable happiness and the environment for 3 years (Sustainable Happiness), has piloted to build a learning center at the construction site. Aiming to develop knowledge and skills for children of labor workers to encourage and take care at all level of personnel, to create a happy workplace, 'Sustainable Happiness starts from building the foundation'. Resulting in

effective performances by setting up labor quality standards to provide comprehensive care for them as well as keeping the children in safe areas. No risk of accidents within the construction area, as well as receiving useful teachings.

Press release on September 19, 2018

Areeya Property launched 8 new projects in the second half of 2018 and revealing 5 consumer trends that are suitable for the real estate business.



Areeya Property, Thailand's leading real estate developer, launched 8 new projects in the second half of the year 2018 worth a total of more than 7,275 million Baht. Along with the 'Happiness is in the air' campaign to communicate to the 5 consumer trends, the aspect to watch out for real estate business in 2018.

In order to follow customers' trends, the characteristics have been summarized as follow;

1. Cashless Society
2. Automation Becoming the New Norm, a home service technology that is designed to reduce steps and services for

the controllable convenience which has become normal to everyone

3. Ultra-High-Net-Worth-Individuals Meets Ultra Luxury Real Estate Market, elevating the luxury taste of products and services
4. Seek for Green & Clean Living, seeking out for a better living by approaching to nature and focusing on gaining better physical and mental health
5. Life at Home Begins After Sales, after sales services that has become the main decision in buying a home

ANNUAL REPORT

Content

1

Shifting towards a better future

Message from Chairman	53
Organization Structure	54
Board of Directors	57
Achieving Sustainable Growth	66
Summary of Operational Performance in 2018	67
Summary of Financial Information	68
Awards and Achievements	70

2

Corporate Social Responsibility

Sustainable Policy	73
Security Policy	86

5

Adhering to Best Corporate Governance Practices

Corporate Good Governance	197
Anti-Corruption Policy	207
Management Structure	208
Internal Control and Risk Management	215
Litigations and Contingent liabilities	218

6

Promoting Innovation and Integration

Property Market trends in the year 2019	220
Risk Factors & Risk Management	221

3

Taking a Steady
Step Forward

Investment	88
Securities and Shareholding Information	90
Business Revenue	93
Revenue Structure	94
Summary of Real Estate	95
Business Situation in 2018	
Real Estate Situation and Competition	97

4

Upholding Operational
Transparency

Report on Responsibility of the Board of Directors on Financial Reports	100
Independent Auditor’s Report	101
Statements of Financial Position	105
Notes of Financial Statements	115
Management decision and Analysis	165
Company’s Loan	190
Audit Fee	191
Related Transactions	192
Audit Committee Report	194
Executive Committee Report	195

7

Striving to become a
‘Value Organization’

General Information and Other Significant Information	227
Business Operation of Each Product Line	229
Marketing and Competition	231
Current project of the company	234
Asset used in business operation	239

SHIFTING TOWARDS A BETTER FUTURE

MESSAGE FROM CHAIRMAN

In 2018, the overall real estate market remained in a slowdown due to the tightening measures on housing loans and increasing interest rates of financial institutions. High household debt and reduced foreign investment were also the factors causing the slowdown in the business sector, which has continued since the end of 2017.

Although the company's sales in 2018 declined from the previous year owing to the slow market, the company still had satisfactory sales results from condominium and low-rise projects. In terms of operations, in 2018 the company launched 8 new projects, comprising a condominium project and 7 low-rise projects, with a total worth of 5,662 million baht. All new projects were successfully launched and the condominium project was 100% sold out shortly after launching.

In addition, the company strived to adhere to and implement the four key approaches to sustainable business development, consisting of Aesthetic Design & Premium Quality, Best in Class After Sales Services, Sustainable Happiness, and Innovative Living, in a more practical manner with the aims to enhance the company's strengths and ensure steady business growth.

The company would like to thank all shareholders, investors, financial institutions, business partners, customers, and stakeholders for their continued trust and support. The appreciation also extends to all management and staff members, who have put their efforts in contributing to the company's growth. On behalf of Areeya Property Public Company Limited.

I would like to assure that the company will continue to conduct business according to the principles of good corporate governance and social responsibility in order to achieve continuous growth and success in a sustainable way.



Mr. Wisit Laohapoonrungsee
Chairman and Chief Executive Officer

Organization Chart

Chairman

Wisit Laohapoonrungsee

Board of Directors

Audit Committee

Audit Department

Executive Committee

Company Secretary
Anat Pinrat

CEO

Office of the Secretary

Strategic Business
Unit

Wisit Laohapoonrungsee

Design & Business
Development Division

Marketing & Corporate
Branding Division

Construction Division

Archawan

Eiampaiboonphan
(SFEVP)

Business Development
Department

Corporate Branding and
Marketing Communication
Department

Purchasing Department

Living Design
Department

International Business
Department

Construction Management
Department (High Rise)

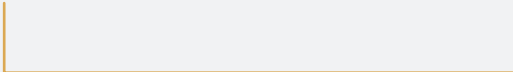
Sales & Marketing
Department

Construction Management
Department (Low Rise)

Cost & Contract Department

QC & Site Standard
Department

Accounting & Finance Division



**Suchaya
Ratanajaipan (EVP)**



Accounting & Operating
Finance Department

Post Finance Department

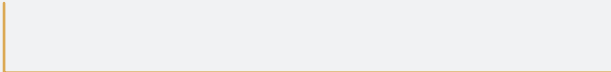
Administration Department

Corporate Finance
Committee

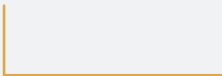


Finance Department

Support Division



**Jiraroj
Wonglerttanakij (EVP)**



Legal Department

Low Rise Community
Management Department

Human Resources
Department

Business Efficiency
Development for Sustainable
Department

Call Center Department

Digital & Innovation
Department

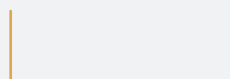
Government Liasion
Department

High Rise Community
Management Department

Organization Structure



Development of real estate project



Areeya Property Public
Company Limited

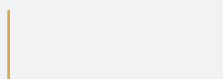
Areeya Management
Co., Ltd.

Cool Space Co., Ltd.

White Living Co., Ltd.

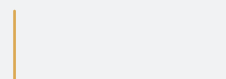
Chill Space Co., Ltd.

Construction service



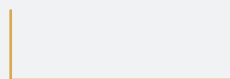
One-up Co., Ltd.

Property management



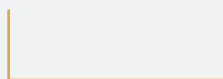
Areeya Management
Co., Ltd.

After-sale service for property and agent



Areeya Service Co., Ltd.

Restaurant & Service



Areeya Hospitality Co., Ltd

Board of Directors



1

**Mr. Wisit
Laohapoonrungsee**

—

Chairman and
Chief Executive Officer

—



5

**Mr. Archawan
Eiampaiboonphan**

—

Director

—



2

**Mr. Viwat
Lauhapoonrungsi**

—

Director

—



6

**Mr. Wanchai
Tantikul**

—

Independent Director and
Chairman of the Audit
Committee

—



3

**Mrs. Niphapat
Romerattanaphun**

—

Director

—



7

**Mr. Preecha
Boonyakida**

—

Independent Director and
Audit Committee

—



4

**Mr. Thun
Thiansuwan**

—

Director

—



8

**Mr. Sompol
Thiensuvan**

—

Independent Director and
Audit Committee

—

Mr. Wisit Laohapoonrungsee

Year of Appointment
as a Director: 2004

Age: 52

Chairman and
Chief Executive Officer



Education

- Bachelor Degree in Accounting, Thammasat University
- Master of Business Administration (Accounting), Thammasat University

Training

- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Work Experiences During the Past Five Years

Listed companies

-None-

Non-Listed companies

- Daily By Areeya Co., Ltd.
- A Attitude Co., Ltd.
- At Home Development Co., Ltd.
- The Colors Co., Ltd.

Any other positions which may cause conflict
of interest with the company

-None-

Government sector

-None-

Work Experiences in the Past

- Senior Vice President, Accounting and Financial Department, Noble Development Public Co., Ltd.
- Accounting Manager, NKG Co., Ltd.

Criminal records during the past 10 years

-None-

Shareholding in the Company

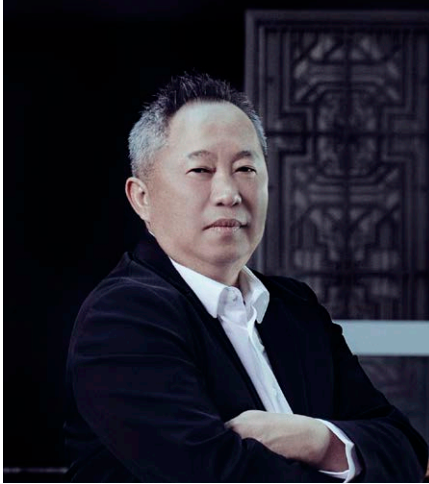
(Including spouse) (as of 31 December 2018)

320,897,000 shares

32.7% of the total issued shares

Mr. Viwat Lauhapoonrungsi

Director



Year of Appointment
as a Director: 2013

Age: 58

Education

- BA. Economics major in econometrics and treasury, Thammasat University

Training

- National Defence College Certificate, 2005
- Capital Market Academy Certificate no.11
- Executives Certificate "Thammasat for society" no.1, Thammasat University
- Certification Program executives of trade and commerce (TEPCoT) no.8
- Certificate in Tourism Management for Executives no.1

Work Experiences During the Past Five Years

Listed companies

-None-

Non-Listed companies

- W Solar & Power Co., Ltd.
- W Power Co., Ltd.
- Tavalamai Co., Ltd.

Any other positions which may cause conflict of interest with the company

-None-

Government sector

-None

Work Experiences in the Past

- Chief executive officer, Lake Garden Development Co., Ltd.
- Chairman, the Warehouse Organization Committee Ministry of Commerce
- Board of The Port Authority of Thailand
- Credit officer, Bank of Asia

Criminal records during the past 10 years

-None-

Shareholding in the Company

(Including spouse) (as of 31 December 2018)

132,031,096 shares

13.5% of the total issued shares

Mrs. Niphapat Romerattanaphun

Director



Education

- Bachelor Degree in Political Science, Ramkhamhaeng University
- Master Degree in Political Science, Ramkhamhaeng University

Training

- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Work Experiences During the Past Five Years

Listed companies

-None-

Year of Appointment
as a Director: 2004

Age: 60

Non-Listed companies

- Director, SAPP888 Co., Ltd.
- Director, Daily by Areeya Co., Ltd.

Any other positions which may cause conflict
of interest with the company

-None-

Government sector

-None-

Work Experiences in the Past

- Executive Director, Riverside Garden, Co., Ltd.
- Human Resources Manager, Mitraprap Karnkaa, Co., Ltd.

Criminal records during the past 10 years

-None-

Shareholding in the Company

(Including spouse) (as of 31 December 2018)

19,400,000 shares

2.0 % of the total issued shares

Mr. Thun Thiansuwan

Director



Year of Appointment
as a Director: 2004

Age: 87

Education

- LL.B (Bachelor of Laws), Ramkhamhaeng University
- Thai Barrister at Law Bar Association

Training

- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Work Experiences During the Past Five Years

Listed companies

-None-

Non-Listed companies

-None-

Any other positions which may cause conflict of interest with the company

-None-

Government sector

-None-

Work Experiences in the Past

- Director, STC Corporation Co., Ltd.
- Specialist, Dhana Siam Finance and Securities PCL.
- Chief, Juristic Act Credit, Siam Commercial Bank PCL.
- Chief Land Officer, Department of Land, Ministry of Interior

Criminal records during the past 10 years

-None-

Shareholding in the Company

(Including spouse) (as of 31 December 2018)

-None-

Mr. Archawan Eiampaiboonphan

Director



Education

- Bachelor's degree in engineering, Chulalongkorn University

Training

-None-

Year of Appointment
as a Director: 2018

Age: 47

Work Experiences During the Past Five Years

Listed companies

-None-

Non-Listed companies

-None-

Any other positions which may cause conflict
of interest with the company

-None-

Government sector

-None-

Work Experiences in the Past

- Director, One up Co., Ltd.

Criminal records during the past 10 years

-None-

Shareholding in the Company

(Including spouse) (as of 31 December 2018)

2,365,000 shares

0.2 % of the total issued shares

Mr. Wanchai Tantikul

Year of Appointment
as a Director: 2004

Age: 69

Independent Director
and Chairman of the Audit Committee



Education

- LL.B (Bachelor of Laws), Thammasat University

Training

- Directors Accreditation Program (DAP) 2004,
Thai Institute of Directors Association

Work Experiences During the Past Five Years

Listed companies

- Audit Committee, DCON Products Public Company Limited.

Non-Listed companies

- Director, Daisho (Thailand) Co., Ltd.
- Director, Kanit Anchan Co., Ltd.

Any other positions which may cause conflict of interest with
the company

-None-

Government sector

-None-

Work Experiences in the Past

- Director, Thep Co., Ltd.

Criminal records during the past 10 years

-None-

Shareholding in the Company

(Including spouse) (as of 31 December 2018)

-None-

Mr. Preecha Boonyakida

Independent Director
and Audit Committee



Education

- BA. Accounting, Thammasart University
- BA. Law, Thammasart University
- BA. Economics, Ramkhamhaeng University
- MS. Accounting, Thammasart University
- Certified Public Accountant

Training

- Directors Accreditation Program (DAP) 2004, Thai institute of Directors Association
- Certificate of Public Law, Thammasart University

Year of Appointment
as a Director: 2004

Age: 56

Work Experiences During the Past Five Years

Listed companies

- Audit Committee, JNK Global media Public Company Limited.

Non-Listed companies

- Director, Yingthaworn Apartment Co., Ltd.
- Director, Yingthaworn Petroleum Co., Ltd.

Any other positions which may cause conflict
of interest with the company

-None-

Government sector

-None-

Work Experiences in the Past

- Financial Manager, Dig It Up Export Co., Ltd.
- Director, Condotown Co., Ltd.

Criminal records during the past 10 years

-None-

Shareholding in the Company

(Including spouse) (as of 31 December 2018)

-None-

Mr. Sompol Thiensuvan

Year of Appointment
as a Director: 2011

Age: 61

Independent Director
and Audit Committee



Education

- LL.B (Bachelor of Laws), Ramkhamhaeng University
- LL.M (Master of Laws), Ramkhamhaeng University
- Thai Bar Association

Training

-None-

Work Experiences During the Past Five Years

Listed companies

- Legal Advisor, Amarin Printing and Publishing Public Company Limited

Non-Listed companies

- Advisor, The relation Youth Foundation, Police Department
- Legal Advisor, Chase Enterprise Company Limited (Siam)
- Legal Advisor, Supsin na nakorn Company Limited
- Vice President, Khunnathum Law Office
- Appeals and Complaints Board, Mae Fah Luang University

Any other positions which may cause conflict
of interest with the company

-None-

Government sector

-None-

Work Experiences in the Past

- Advisory Board of secondary education Commissioner for industrial and coal power, The House of Representatives
- Advisory Board of secondary education Commissioner for electricity and ports, The House of Representatives
- Director, One Up Company Limited

Criminal records during the past 10 years

-None-

Shareholding in the Company

(Including spouse) (as of 31 December 2018)

-None-

ACHIEVING SUSTAINABLE GROWTH

Company objectives and goals

Short-term

- Strive for achievement in accordance with the annual business plan.
- Persuade our commitment to create sustainable happiness and to make distinction in unique design, quality of construction and services for our customers, communities and society. We have mainly implemented and applied our 4 core values in day-to-day business operation:
 1. **Aesthetic Design & Premium Quality**; The unique design and premium quality.
 2. **Sustainable Happiness** ; deliver sustainable happiness to all related parties and environment.
 3. **Innovative Living** ; Create, seek and implement innovations into individual lifestyle.
 4. **Best in Class After Sale Services** ; Taking Care of our customers and community before and after sales with care.

Mid-term

- Research and develop both low-rise and high-rise projects in good potential locations considering in high demand, located in the city center and convenient access to public mass transportation.
- Continue to apply 4 core values in-dept business operation to provide benefits to all stakeholders such as partners, employees, customers and society.
- Target to create “Areeya” as one in top of mind from our current and potential customers.

Long-term

- To have sustainable and steady business growth in any fluctuated economic environment and changes.
- “Areeya” will be recognized as one of top brands of property developers for our sustainable business growth.

SUMMARY OF OPERATIONAL PERFORMANCE IN 2018

In the year 2018, in the real estate sector, there was an adjustment to adjust according to the state policy that came out continuously. Regardless of whether the interest has risen and tightening measures for new housing loans from the National Bank Which has had an impact throughout the year 2018, as well as the Luxury market not growing as expected. Therefore, resulting in the company receiving the result from such situation. However, the company has adjusted the company's strategy by focusing on the middle and lower level markets by sorting the events as follows;

1. Sold out - A Space Mega1
2. Grand Opening Branding "Sustainable Happiness"
3. Open new business - White Lies Restaurant
4. Business Partnership with SCB

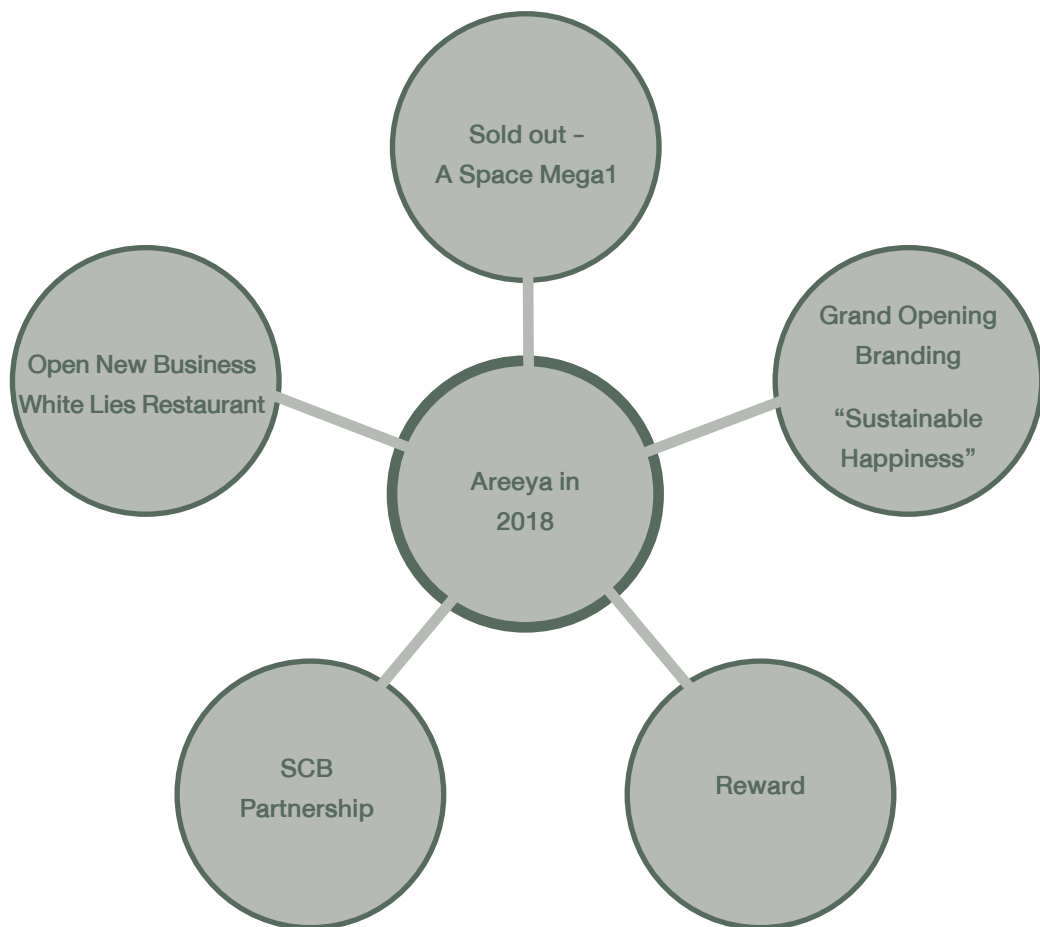
5. Awards in 2018

5.1 From the operation of "Happy People" of Areeya, Unicef invited to join the Building Futures in Thailand: Support to Children Living in Construction Site Camps

5.2 Asia Responsible Enterprise Awards 2018 , Investment in people

5.3 Thailand Property Awards (2 Awards)

- Developer Award : The Special Recognition in CSR
- Special Award : Rakthai Special Recognition for Community Project Award



SUMMARY OF FINANCIAL INFORMATION

Unit : MB

Assets	2018	2017	2016	2015	2014
Real estate projects under development	11,491.6	10,716.9	11,396.0	10,930.7	9,841.7
Investment properties	451.7	454.2	494.2	535.2	510.2
Leasehold rights	902.5	757.3	-	-	-
Total Assets	14,297.3	13,509.8	13,515.8	12,861.2	11,956.5

Liabilities & Shareholders' Equity					
Short-term Loan	4,124.1	2,101.1	5,149.3	3,923.4	3,807.7
Long-term Loan	5,215.1	6,976.7	4,203.3	4,929.2	4,414.8
Total Liabilities	10,965.2	10,169.3	10,201.3	9,770.9	9,082.9
Issued and paid-up share capital	980.0	980.0	980.0	980.0	980.0
Shareholders' Equity	3,332.1	3,340.5	3,314.5	3,090.3	2,873.6

Performance					
Revenue from sale of real estate	3,936.1	4,958.1	4,643.3	5,398.0	2,437.6
Total Revenue	4,038.9	5,057.1	4,725.0	5,427.8	2,559.4
Cost of sale of real estate	2,474.8	3,301.6	3,056.2	4,016.7	1,632.1
Gross Profit	1,461.3	1,656.5	1,587.1	1,381.3	805.5
Net Profit	30.8	97.7	263.4	216.7	41.3

Financial Ratio					
BVPS (B./Share) **	3.46	3.42	3.38	3.15	2.93
BASIC EARNINGS PER SHARE (B./Share) **	0.03	0.10	0.27	0.22	0.04
Net profit per revenue (%)	0.76	1.93	5.57	3.99	1.61
ROE (%)	0.92	2.94	8.22	7.27	1.44
ROA (%)	2.11	2.98	4.38	3.53	0.39
Dividend per share (B./Share)	-	0.04	0.05	0.04	0.03

** Calculation from Weighted No.of share

Remark : 1. Data from Consolidation Financial Statement

2. Calculation of financial ratios using the criteria of the Securities and Exchange Commission in the industry group

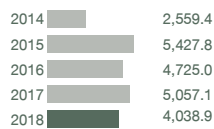
Balance Sheet 2018

Unit : MB

Total Asset
14,297.3Liabilities
10,965.2Shareholder's Equity
3,332.1

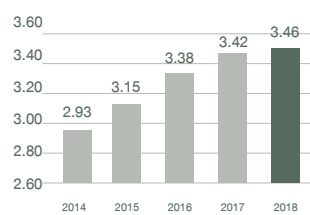
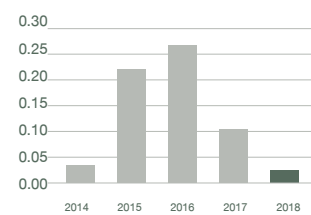
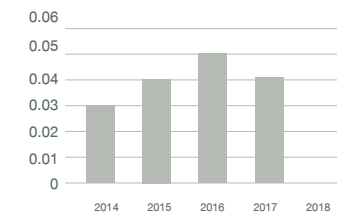
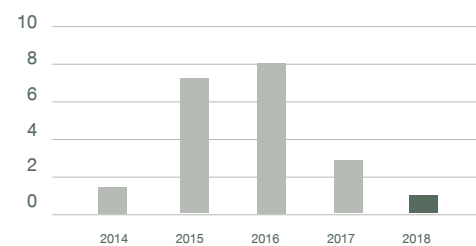
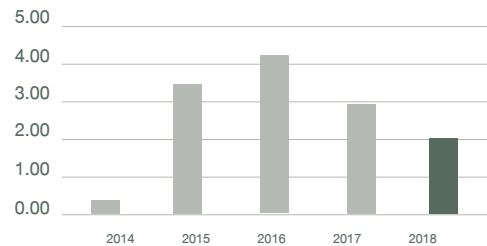
Profit & Loss 2018

Unit : MB

Total Revenue
4,038.9Revenue from sale of real estate
3,936.1Gross profit
1,461.3Net profit
30.8

Financial Ratio 2018

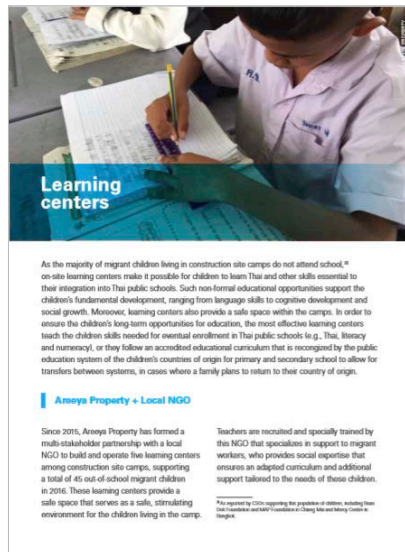
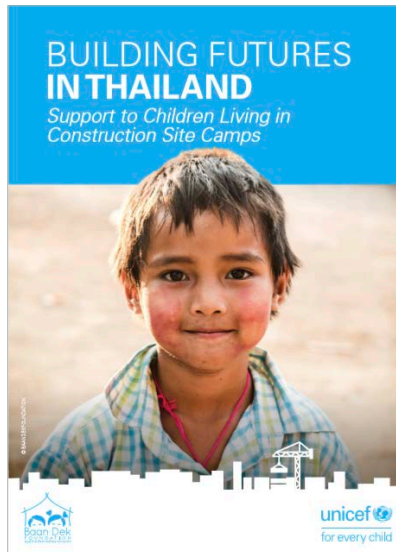
Unit : MB

BVPS
(B/Share)**
3.46Basic Earnings Pershare
(B/Share)**
0.03Dividend pershare
(B/Share)**
-ROE (%)
0.92ROA (%)
2.11

AWARDS AND ACHIEVEMENTS

1. Building Futures in Thailand : Support to Children Living in Construction Site Camps

From the operation of “Happy People” of Areeya, Unicef invited to join the Building Futures in Thailand: Support to Children Living in Construction Site Camp on March 29, 2018 and published the work to the public. Which causes many media to pay attention and follow the news continuously.



2. Asia Responsible Enterprise Awards 2018 for Investment in people



3. Thailand Property Award (2 Rewards)

Developer Award : The Special Recognition in CSR

Special Award : Rakthai Special Recognition for Community Project Award



CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABLE POLICY

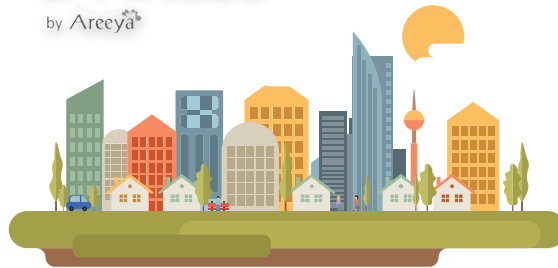
Areeya Property Public Company Limited has always focused on our corporate social responsibility and promoted the “Sustainable Happiness” policy since 2017. The company continues to apply our core values in a daily operation to show our accountability for our products and services to all stakeholders. The policy has been determined to 6 topics as follow:

1. Happy Builders
2. Happy Hosts: Employees
3. Happy Workplace
4. Happy Neighbors
5. Happy Social
6. Happy Environment

SUSTAINABLE HAPPINESS

by Areeya

Sustainable Happiness' Policy is an innovative and integrated approach aiming at and moving towards sustainable development by cultivating 'happiness' among all stakeholders. Without including all related parties, happiness and wellbeing could not be considered sustainable. Our 'Sustainable Happiness' Policy comprises the following components:



1 Happy builders–Better Life

- Workers and labourers
- Their skills are enhanced
 - Their expertise is developed into their full capacity
 - Their income is increased



2 Happy hosts

- Employees
- Are loyal to the company
 - Feel that the Company is their family and they are part of it



3 Happy residents

- Customers or residents
- Are happy living in our housing projects
 - Long-term happy communities are created



4 Happy neighbors

- Contractors and construction material dealers
- Deliver good quality end-products
 - Happy environment



5 Happy environment

- Physical environment and Make good income alternative power solutions
- Power consumption is reduced both within and outside the organisation



6 Happy society

- Communities and society nearby our housing projects
- Sustainably happy society
 - Zero complaints from communities outside.

Sustainable Development Goals



1. HAPPY BUILDERS

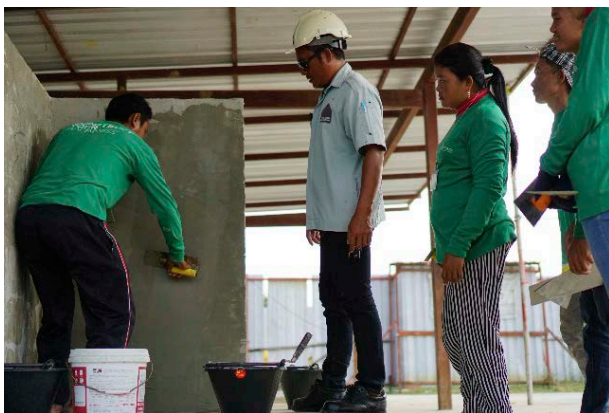
The company has promoted to improve living standard of our construction workers in according to laws and regulation including human rights.

- 1.1 The company will provide compensation at least according to a minimum wage and other fringe benefit in compliance with labor laws. The company only hire legal foreign labors.
- 1.2 The company also provides an improvement on living standard quality to our labors. The company has provided a good healthy environment around the camp and surrounding area in concerning of hygiene, healthiness and safety.

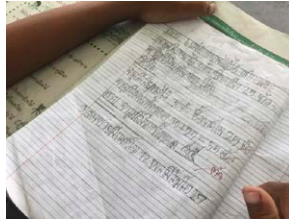


- 1.3 The company has founded the labor development center purposely to support and provides skill training to our labors. In 2018, there were two programs:

- Tile laying
- Skim coating



- 1.4 Children day care center: The company has founded our first children day care center in 2015 in the camp area. The center purpose to encourage education and safety for our labor's children while they are working. Till now, the company has set-up 6 children day care centers in several locations which have more than 150 children in facilities. Teachers at the centers are supported by Labour Right Promotion Network Foundation. In additions, the company have coordinated with the local schools to place children into school system.



2 HAPPY HOSTS: EMPLOYEES

The company realizes that people is the key success factor to operate business successful. Incentive and employee welfare are the factor that the company proposes and implements, aiming to motivate the work efficiency and effectiveness of employees. In order to achieve the company goal, the details as follows;

Safety and Hygiene Policy

With realization regarding to the safety and hygiene for people including the committee, executives, and employees, the company determines that safety at work shall be responsibility of everyone, especially for superior level, must behave as a role model and motivate subordinates to consider the safety at work as a top priority and strictly follow the procedure regarding to safety and hygiene.

- Operate business in compliance with safety and environment law as well as other related government requirements.
- Aim at supporting activities to develop awareness of safety at work including the campaign related to contingency plan as well as training program related to safety and hygiene policy.
- Provide the training regarding to safety officer program at supervisor level and management level
- Aim at supporting campaign related to hygiene and seasonal contagious disease

- Aim at utilizing and optimizing resources usage by reducing the waste as well as control the effectiveness of waste management.
- Aim at minimizing the accident occurrence to be zero-accident.

The Summary Table of Occupational Accident Occurrence Statistics for Year 2018

Details	Gender	Number
Construction Department		
Number of Injury	Male	7
	Female	0
Number of Occupational Disease	Male	0
	Female	0
Absence days	Male	14
	Female	0
Absence Employee	Male	7
	Female	0
Number of Occupational Deceased	Male	0
	Female	0

Head Office

No Injury, Disease and Absence due to Occupational Accident

Incentive and Employee Welfare

The company has provide the employee benefit as market standard as follows:

- Incentive payment policy for employees in Sales and Construction departments for the ones who has a high contribution to achieve target, as well as persuade the others to work follow as the best practice.
- Value the employees who has long-year service by presenting the Long Service Awards to recognize and affirm their contribution as well as to motivate other employees.

Long Service Awards	2016	2017	2018
5 service years	39	26	63
10 service years	4	13	17
15 service years	6	3	5
Number of staffs	49	42	85

- Regularly review the compensation and benefit to be aligned with current economy situation and provide the competitive welfare comparing with others in the same industry.

The company implements the welfares to promote employee's wellbeing and happiness as follows;

Welfare for supporting cost of living Supportive allowance for employee in case of Marriage, Buddhist Ordination, Funeral of employee or employee's parents or spouse or child, Uniform, Housing accommodation, and Lunch for employee in reasonable pricing.

Welfare for supporting employee's saving The company sets provident fund to support employee's saving based on voluntary basis. All employees are allowed to consider the most suitable investment plan and the percentage of provident fund rate.

Welfare for supporting employee's family Life Insurance for Employee, Supportive allowance for healthcare, and allowance in case of childbirth.

Welfare for supporting employee's security Loan with low interest rate, housing loan, and Long Year Service Award.

Welfare for supporting employee's healthcare Health checkup for new employee, Health insurance that covers both out-patient and in-patient, Gift basket in case employee's hospitalization, Annual health check-up, Knowledge sharing regarding to healthcare, Medical room with nurse at workplace, Supporting campaign related to hygiene and vaccination provided during seasonal contagious disease.

Leave Entitlement The company provides the several types of leave to support employee as a welfare that consists of Vacation Leave, Sick Leave, Business Leave, Maternity Leave, Buddhist Ordination Leave, Military Leave, Sterilization Leave, and Training Leave.

Employee Relations Activities

The company has consistently held employee relation activities throughout the years to give motivation and company morals such as:

- New Year Party
- Annual merit activity
- Inspirational talk
- Townhall Meeting with executive members
- Areeyaism: Site visit to encourage sense of ownership to employees



- Areeya Go Green : Environmental Friendly Campaign – applying 3 R- Reuse, Reduce and Recycle

The company has set the recycle drop-off in the office areas to promote the campaign and build awareness.



Happy Workplace

The company has renovated the common area for employees to use in the different proposes or to create new working environment to promote new creativity and relaxation.



Performance Appraisal and Compensation

The company sets up a policy regarding to Annual Performance Appraisal, the superior level takes role to review and consider the subordinate's performance according to individual KPI as indicators for each job position. The indicators are cascaded from the company performance, moreover, the expected behaviors are also considered as a part of annual performance appraisal. Superior level also takes role in giving the feedback to subordinate for development purpose as well as preparing the employee to the next step of career path. The performance appraisal result is also part of information used in preparing the Individual Development Plan (IDP).

During the performance appraisal period, the company grants an opportunity for employees to share their opinions by giving the feedback related to their superiors. Human Resources Department takes charge of keeping all information properly with the objective to identify development plan in next step.

The company's operating result in both short term and long term is the primary criteria to specify compensation and salary

increment policy, however the salary structure is also factor that the company considers for the proper alignment.

Human Resources Development

Employees are the important valuable resources to the company. Therefore, we have promoted people development. In the year 2018, the company provided the continuous development as a long-term plan regarding to training roadmap for all levels, not only executives but also employees in operational level. Moreover, the company has the realization that employees are considered as the asset worthwhile for investment by preparing budget supporting various training programs both in-house training and public training.

New Employee Orientation

The company will provide new employee with appropriate orientation plan as follows:

- Sense of ownership
- To adjust to new environment
- To well-understand business operation and culture
- To inform employee benefits, roles and rules and regulation.

In the year 2018, the company has conducted 54 training and development programs in total while an average attendance ranked at 14 hours per person. The annual training plan consists of In-house training related to operational working, In-house training related to the efficiency in working, In-house training related to management skill, and public training programs as following details;

- In-house training related to operational working The objective is to promote the way of work according to company standard, focusing on knowledge and skill development required in each function for example: Construction Technique, Selling Technique, Standard of After Sales Service, The Condominium ACT, Safety and Hygiene training.
- In-house training related to the efficiency in working The objective is to maximize and promote the efficiency of working for all employees. For example, A-Home, which is for new employee orientation program that is aiming to strengthen and prepare readiness for the new joiners as well as to create the warm welcome to Areeya family.

- **In-house training related to management skill** The objective is to develop management skill not only for the result achievement based, but also to drive people management skill to encourage subordinates in maximizing their competencies. Also, the company enables the executives to attend One-on-One coaching, Management and Improvement for work, and provide scholarship for executives to encourage and maximize their capability.
- **Public training programs** Apart from the in-house training, the company encourages executives and employees to attend public training program to explore their experience from external parties. The training program for example: Risk Management, Tax standard, Technologies, Asset Management Law and regulations

Knowledge & Know-how Management The company has the policy to encourage and promote internal know-how to ensure the knowledge has been properly delivered to the new employees by allowing them to learn, practice, and maintain working standard through the following approaches;

- Prepare the training materials and manual to deliver the knowledge to new employees, and being a knowledge center for existing employee to review and practice.
- Encourage the senior employees who has potential with high performance in each function to be a part of training course design and take role as a trainer especially for specialize training program for example Selling and Construction training.

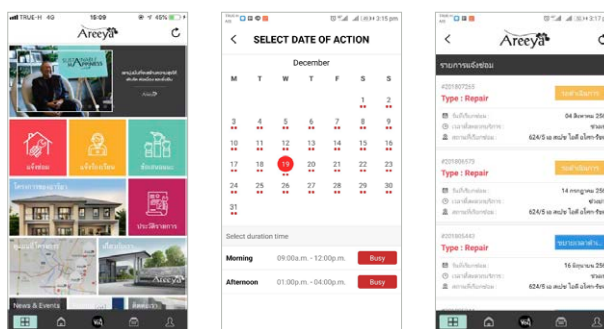
3 HAPPY RESIDENTS OR CUSTOMERS

The company mainly focus to respond to our customer needs by developing new innovation to fit lifestyles. We are proudly to provide quality products and service with unique design to our customers.

3.1 Community Service

The company has been focused to provide safe, hygienic and comfortable environment to our community with ISO standard:

- **After Sales Service:** the Company has developed and utilized “Areeya Family application” to manage customer request or complains since 2016. In 2018, the team currently received satisfaction rating at 90%.



- Call center: Areeya has set up call centers via variety channels to communicate with customers:

1. 1797 Call Center
2. Areeya Family Application
3. Live Chat : www.areeya.co.th

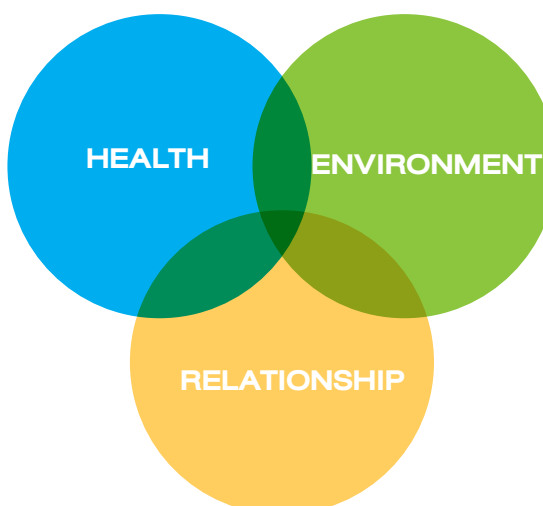
Our customers can inquire any information about company and projects, service requests or complaints. In 2018, this service is evaluated at 74% satisfaction rate.

- After sales project management and Housing Estate Juristic Person set-up

The company intentionally to keep the

3.2 Sustainable Development Goals–SDGs

The company has committed to build and sustain happiness and satisfaction to all stakeholders. We have divided in to 3 components as follows:



Therefore, we have developed our activities in according to this roadmap:

1) Farm to Forks

The company has promoted our community relationship via organic farming activities in the community area. The company has supported knowledge, supplies and tools and also held a green market activity to bring products from their farms to sell in the market.



2) Recycle Activity

The company has promoted the recycle campaigns in our communities by using 3R concept; Reuse, Reduce and Recycle. Participants in these projects are in total of 318 members in several communities.



4. HAPPY NEIGHBORS

Throughout these years, the company has developed our partnership with our contractors and vendors as following purposes:

4.1 Standard Improvement of construction sites

The company has set standard in our construction sites for organized, cleanness and safety. The standard is covered from the beginning of project development, during construction and project completed.

4.2 A Subcontract

A Subcontract system development supported to the contractor's work that reduced time and work process. In each transaction will reflect to the quality of contractor work. The Company also used this information to analyze the contractor grade and adjust the contractor price according to appropriate market rate.

4.3 A Supplier Online System

A Supplier Online system development supported to the Areeya's partner especially, billing. The partner can control and review delivery process that help to reduce time and work process. Because it is an online system, the partner can bill to the Company every day.

4.4 Safety

A Model for Better Life is one of the quality workers' life improvement processes. The purpose is to solve the skill workers shortage by creating alien workers morale, creating happiness in their daily life, creating the good working environment. In addition, the Company builds the learning center for children in the construction area that reduce the parent's concern.

4.5 Supplier ABC

The quality construction standard is an important thing to drive the Company achieve goal. Therefore, the Company is strict in quality, standard, time and cost of construction. The Company adopts the ISO, quality management system, to construction process and also has QC team. They are responsible for checking quality and quantity of construction in accordance with the form and construction standards. The Company also conducts the contractors' grade that affect to wages adjustment according their performance. In order to, it will be maintain good partnerships between the Company and the contractors and can sustainably solve labor shortage problem.

5. HAPPY SOCIAL

The company continuously commits to develop working process on the basis of social responsibility and pay attention to resident and society needs. In addition, the company also expands the “Sustainable Happiness” concept to “Sustainable communities” concept by creating happiness and strong relationship in community. The Company focuses on developing in 2 parts.

1) The Project Community

From the “Sustainable Happiness” policy, we have developed the real estate development guideline with regard to the environment and sustainable community development as follows:

- Change the garden in the common area to be a non-toxic beautiful garden by planting vegetables and perennials that can be eaten.
- Natural energy selection, replaced electrical energy by using sunlight in common area, which reduce residents’ expense in long term.
- Perform wastewater treatment system that reuse the waste water through a special treatment process and develop to the standard. Then the treat water will use in common area that can reduce cost and quantity usage.
- Garbage Separation Campaign, encourage resident to separate garbage that reduce garbage quantity and can be used to recycle process.
- Expand space to encourage exercise such as cycling area, basketball court.

2) The Neighborhood Community

In real estate development, the neighborhood communities is highly sensitive therefore the company must have responsibility and operate the construction without affecting to them as follows:

- Follow the agreement contract.
- Carefully develop the project and accordance with standard since the first construction process to the final.
- Focus on risk prevention working in order to reduce the potential impact.
- Provide the channel to coordinate and complain via the call center.
- Don’t neglect to follow-up and solve complaint problems.
- Find new partnerships around the project.

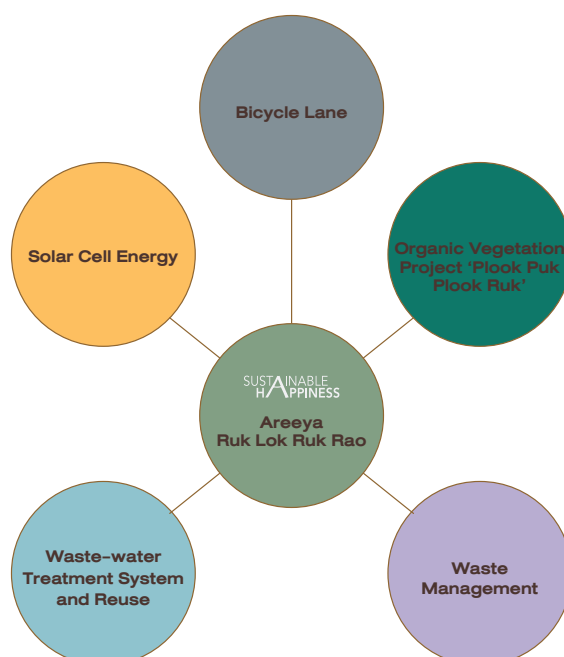
The Result

- There is no objection in the project development area that will affect to project development.
- Generating indirect revenue for the community in the residential area, land lease, shop and collaboration.
- Reduce transportation costs or order time that compared to cross-area orders.

6. HAPPY ENVIRONMENT

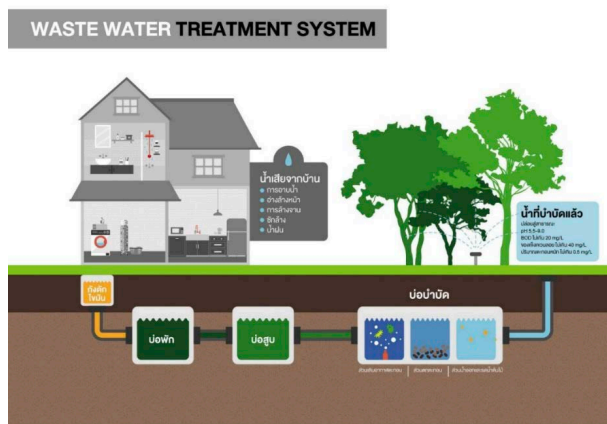
The Company is determined to be a part decreasing of natural disaster that causes climate change or global warming. Therefore, the Company set into the one of main policies in 2017 that is Sustainable Happiness. Happiness and sustainable environment is developed base on stakeholder’s basis including residents, societies and everyone on this planet. In 2018, the Company implements the happiness and sustainable environment in 5 aspects as follows:

- (1) Wastewater Treatment System
- (2) Solar Cell
- (3) Bicycle Lane and Exercise Areas
- (4) Organic Vegetable
- (5) Waste Management



1. Wastewater Treatment System

Perform wastewater treatment system that reuse the waste water through a special treatment process and develop to the standard. The system was installed that bring the treat water into garden watering or other benefit such as road cleaning or common area. In addition, it is able to reduce tap water usage and sustainably reduce project expenses. From statistical data, it can be reduced tap water expenses around 21,600 baht / year / project.



2. Solar Cell

The company has integrated the clean energy concept along with long term resident benefit. Therefore, the Company implements solar cell project in common area of project such as road and garden.



The advantages of using solar cell are sustainable energy usage and able to reduce investment cost of electricity system. In addition, it is able to reduce electricity expense in long term.

Saving electricity expenses at garden 18,000 Baht / year / project

Saving electricity installation 5,700 Baht / project

3. Bicycle Lane and Exercise Areas

Providing cycling lane and bicycle parking areas to encourage the resident used bicycle and participate in pollution reducing as well as enhancing the health of resident by simple exercises. In addition, the company expanded exercise areas in some project such as basketball court etc. At present, the implemented projects are at Kanchanaphisek-Ratchapruek and Bangna.



4. Organic Vegetable

Since 2016, the company provided the standard vegetable plot in every project. And in 2017 until now, the Company has begun vegetable planting activities in 13 projects and 5 zones as follows, Bangna, Kanchanaphisek-Ratchapruet, Rangsit-Lam Luk Ka, Rangsit-Wongwaen And Wongwaen Ramintra.

Originally, the company only planted large trees for shady and beautiful. At present, the Company changed to plant large trees that can be eaten. Moreover, there are non-toxic vegetable plots in every project. In order to resident can consume fresh organic vegetables.



Besides, the residents can harvest the vegetables from vegetable plot. The vegetable plot also be the center that build relationship between residents through project activities like “Planting vegetable grown to love” campaign (Plook Puk Plook Ruk). This activity emphasizes to build the relationship by creating your own vegetable plot and participate in planting and caring together.

Activity extension

Continued from “Planting Vegetable grown to love” campaign (Pluk Phak Pluk Rak), the company has combined healthy concept with environment concept to raise people awareness via A Green Market campaign. There are activities for new generations who concern their health and encourage consuming organic vegetables. All products in this event are sold by consumer-friendly products and reduced to use foam or plastic bag. In 2018, there are 3 events at Kanchanaphisek-Ratchapruet (2 times) and Bangna (1 time). Each event has organized in 2 days and there are 800 - 1,000 participants. All events received the good feedback, satisfaction rate is 95.60%. In the future, the company has plans to organize the event cover all area and adopt various activities. In order to build the environment awareness to residents and societies



5. Waste Management

The garbage separation campaign is one campaign that encouraged residents to know how to separate the garbage, focus on waste recycle and bring the recycled waste to create good things. For example, shirts made from plastic bottles,

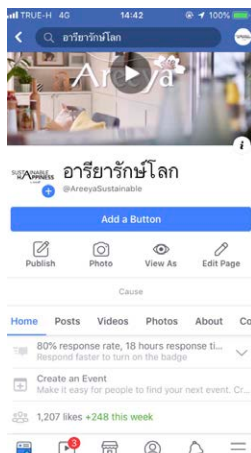


student clothes made from milk box. In addition the Company provides the garbage separation guideline to residents and societies that will build recycle awareness.

1) Garbage separation manual and communication channels via social media

Create garbage separation guideline to tell how to separate waste in the house and how to be reused. There is TIPMSE as an academic advisor and publish via https://www.areeya.co.th/csr_news/ or by scanning the QR Code.

In addition, there is a channel to provide knowledge and create awareness about the environment via Facebook Fanpage (<https://www.facebook.com/AreeyaSustainable/>). This is another communication channel to publicize news, activities and various knowledges.



2) Garbage Separation Campaign through DIY activities

In this campaign, residents can use their own inventions from waste. The company also insert garbage separation content while the activity run through. Before Recycling Day, this activity will create socially responsible awareness by separating waste, recycling and creating inventions from waste. In 2019, the company has plans to continuously launch this campaign cover all areas and push every household to participate in the Recycling day event.



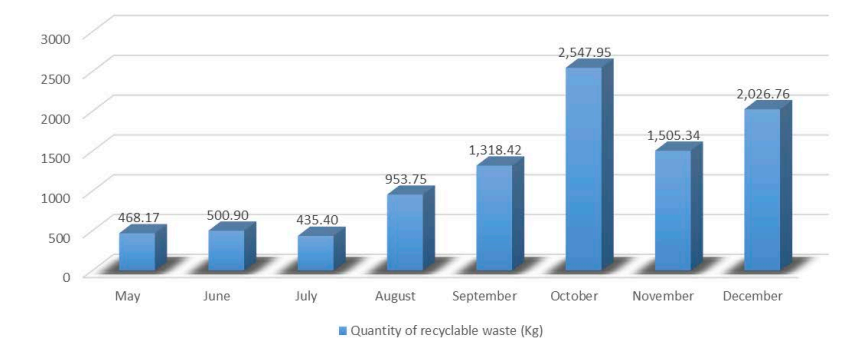
3) Recycling Day Activity (Recycle day to your home)

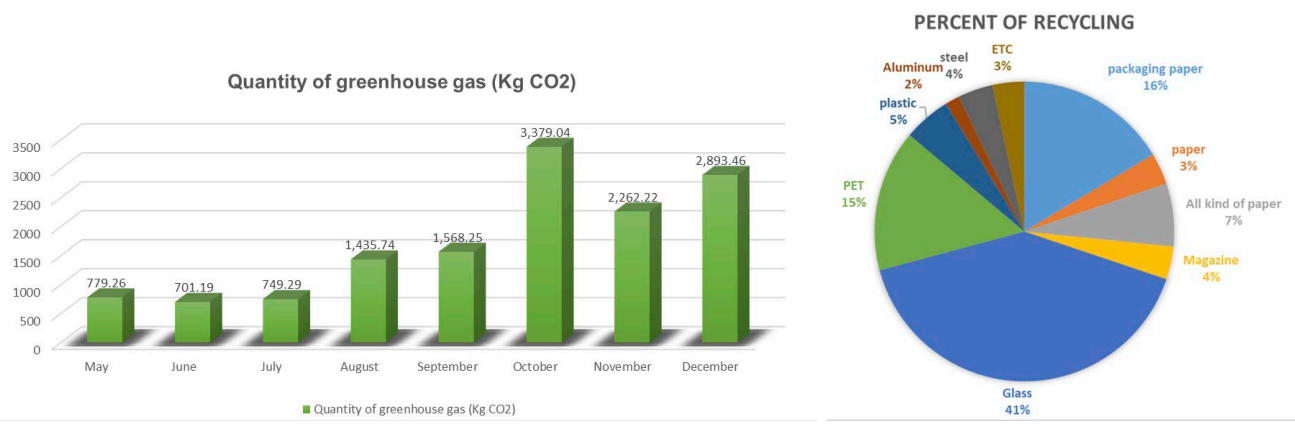
The company joined with Recycle Day application that buys the waste at your home via application. The first operation was started in May 2018 at Sai Noi, Bang Bua Thong, Bang Na and ID Asoke Ratchada condo. Appointments will be purchased once a month. And then develop to once a week at Bangna in October 2018 onwards.



In the year 2018 (information as of December 31, 2018) organized a total of 23 events. The total amount of Wrecycle is 9,756.69 kgs. The top 3 are glass, paper boxes and plastic bottles, which are 41%, 16% and 15% respectively. The company can reduce the amount of carbon dioxide up to 13,768.45 Kgs CO², equivalent to planting 1,530 trees (mango trees) or equivalent to planting trees 19.26 rais.

Quantity of recyclable waste (Kg)





5.2 Wet Garbage Management

The Company has a concept to study and develop wet garbage disposal machines which can reduce such problems. At present, it is in the study period to find suitable alternatives for wet garbage disposal.

In addition, other wastes or general garbage caused by residents in the project, including dry waste (snack bags, foam boxes) and hazardous waste (Battery carcasses, light bulbs). The Company has arranged staffs to clean regularly.

The Company provides closed lid trash for garbage from construction and set up in various points at site. And separating the trash into wet trash and recycling bins. The Company arranges worker to be responsible for moving waste out from the site in every day. If it is not ready to move, it will be covered completely that will prevent the breeding of insects. And then, waiting the garbage collector comes to collect and dispose.



SECURITY POLICY

1. BUILDING SAFETY POLICY

- 1.1 Security system inside and around the building
- 1.2 Emergency plans for office buildings
 - Emergency plan in the elevator system
 - Emergency plan for power outages
 - Emergency plan in case of power failure and first-aid methods for primary electric shockers
 - Main road pumping plan in case of emergency
 - Emergency plans, utilities
- 1.3 Training and practice fire evacuation annually

2. INFORMATION TECHNOLOGY SECURITY POLICY

- 2.1. Segregation of duties
- 2.2 Access control server and protection against damage
- 2.3 Security of computer systems and network systems
- 2.4 To control, develop or modify computer system
- 2.5 To backup of computer systems and prepare for emergencies
- 2.6 To control operation process of computer
- 2.7 To control information technology services from other service providers

3. CONSTRUCTION SAFETY STANDARDS

- 3.1 To practice with EIA requirements
 - Dust measures
 - Wastewater treatment measures
 - Sound measures
 - Vibration measures
- 3.2 Occupational health management in construction
- 3.3 Construction safety standards
 - Fence height is not less than 6 meters. There is a door to open-close project with security guards and bright lights according to standards.
 - 100% Protection to prevent accidents and dust
 - Requiring safety clothing, such as wearing a helmet shoes, put on the specified form, wear long pants and hang employee cards etc.
 - Safety standards for specific tasks such as work that requires electrical machinery etc.
 - There are safety signs, safety statistics signs and project information signs with flashing lights 24 hours a day.
 - Emergency plan for construction accidents in order to help the injured.

**TAKING
A STEADY
STEP FORWARD**

INVESTMENT

Investment Policy in Subsidiary Companies

The company has a policy to invest in real estate related businesses and businesses that are supportive of the operation of the company. If there is an interesting business that has good returns, the company may consider investing. The Company investment must be considered by Board of Directors. And invest in businesses that provide appropriate return. Including taking into account the interests of the shareholders.

The company invests in seven subsidiary companies and has the following objectives:

Company	Objective
Areeya Service Co., Ltd.	To provide after-sale services for real estate. Because the Company recognized the needs customers who want to receive standard services.
One Up Co., Ltd.	To provide up-to-date construction services for company's projects and customer.
Areeya Management Co., Ltd.	To enhance efficiency and support the company expansion.
Cool Space Co., Ltd.	To enhance efficiency and support the company expansion.
White Living Co., Ltd.	To enhance efficiency and support the company expansion.
Chill Space Co., Ltd.	To enhance efficiency and support the company expansion.
Areeya Hospitality Co., Ltd (Former "Areeya Convenience Store Co., Ltd.)	For restaurant and service businesses.

As of the end of 2018, the shareholding structure in the subsidiary companies is as follows:

Company Name	Type of Business	Authorized Share Capital		Shareholding Percentage (%)
Areeya Service Co., Ltd.	After sale service for property	Number of Common shares	1,000,000 shares	99.99
		Par Value	Baht 10 per share	
		Total share capital	10,000,000 Baht	
One Up Co., Ltd.	Construction Service	Number of Common shares	1,000,000 shares	99.99
		Par Value	Baht 10 per share	
		Total share capital	10,000,000 Baht	
Areeya Management Co., Ltd.	Development of real estate projects and property management	Number of Common shares	6,500,000 shares	99.99
		Par Value	Baht 10 per share	
		Total share capital	65,000,000 Baht	
Cool Space Co., Ltd.	Development of real estate projects	Number of Common shares	6,000,000 shares	99.99
		Par Value	Baht 10 per share	
		Total share capital	60,000,000 Baht	
White Living Co., Ltd.	Development of real estate projects	Number of Common shares	6,500,000 share	99.99
		Par Value	Baht 10 per share	
		Total share capital	65,000,000 Baht	
Chill Space Co., Ltd.	Development of real estate projects	Number of Common shares	1,000,00 shares	99.99
		Par Value	Baht 10 per share	
		Total share capital	1,000,00 Baht	
Areeya Hospitality Co., Ltd (Former “Areeya Convenience Store Co., Ltd.)	Restaurant and service businesses	Number of Common shares	1,000,00 shares	99.99
		Par Value	Baht 100 per share	
		Total share capital	10,000,000 Baht	

Investment Structure of the Company

Company Name	Paid-up Capital (Million THB)	Shareholding Percentage (%)	Investment Cost (Million THB)
Areeya Service Co., Ltd.	10.00	99.99	10.00
One Up Co., Ltd.	100.00	99.99	100.00
Areeya Management Co., Ltd.	65.00	99.99	65.00
Cool Space Co., Ltd.	60.00	99.99	60.00
White Living Co., Ltd.	65.00	99.99	65.00
Chill Space Co., Ltd.	1.00	99.99	1.00
Areeya Hospitality Co., Ltd (Former “Areeya Convenience Store Co., Ltd.)	10.00	99.99	10.00

SECURITIES AND SHAREHOLDING INFORMATION

Registered Capital and Paid-Up Capital

As of December 31, 2018, the Company is registered in the Stock Exchange of Thailand and the registered capital is Bath 1,200,000 which is a paid-up capital of Baht 980,000,000. All shares are ordinary shares with Baht 1 par value.

Shareholders

As of December 31, 2018, the names and the proportion of the first ten major shareholders appearing in the Company's shareholders register book (Number of shares as of 31 December 2018 still hold 980,000,000 shares) are as follows:

No.	Name	No. of shares	%
1	Laohapoonrungsee Family*	539,264,696	55.0
2	Porncharoenchaisilp Family	105,522,600	10.8
3	PROGRESSIVE OPULENT HOLDING (SINGAPORE) PTE. LTD.	60,000,000	6.1
4	Ms. Thitiporn Assawa	48,825,000	5.0
5	Mrs. Patcharanun Pinyochaianun	46,310,000	4.7
6	Ms. Kanlaya Srisamer	46,223,900	4.7
7	Mr. Thakorn Nitipanyawut	27,450,000	2.8
8	Mr. Amnard Chantanupong	21,179,000	2.2
9	Mr. Veerasak Kunpin	20,000,000	2.0
10	Mrs. Niphapat Romerattanaphun	19,400,000	2.0
Total		934,175,196	95.3

*Laohapoonrungsee Family consists of (1) Mr. Wisit Laohapoonrungsee hold 320,897,000 shares, 32.7% of the paid-up capital, (2) Mr. Viwat Lauhapoonrunsi hold 132,301,096 shares, 13.5% of the paid-up capital and (3) Mrs. Pathamol Lauhapoonrunsi hold 86,336,600 shares, 8.8% of the paid-up capital

Issuance of other securities

1. Debentures

As of December 31, 2018 there was Baht 6,382 outstanding which can be divided as follows:

Debenture Name	Issue Date	Tenor	Interest Rate (per year)	Maturity Date	Value as of the Issue Date (Million THB)
Debentures of Areeya Property Public Company Limited No. 1/2016	1 April 2016	3 years	5.45	1 April 2019	1,353
Debentures of Areeya Property Public Company Limited No. 2/2016	5 October 2016	3 years 11 months 26 days	5.40	1 October 2020 or early redemption	1,000
Debentures of Areeya Property Public Company Limited No. 3/2016	20 October 2016	2 years 9 months	5.00	20 July 2019	647
Debentures of Areeya Property Public Company Limited No. 1/2017	31 January 2017	3 years	5.25	31 January 2020	654
Secured bond of Areeya Property Public Company Limited No. 2/2017	5 April 2017	3 years	5.95	5 April 2020 or early redemption	1,500
Amortizing debentures of Areeya Property Public Company Limited No. 3/2017	31 October 2017	3 years 5 months 30 days	5.95		
- No.2				31 October 2019	31
- No.3				2 November 2020	31
- No.4				30 April 2021	749
Debentures of Areeya Property Public Company Limited No. 1/2018	18 October 2018	3 years	5.95	19 October 2021	250
Debentures of Areeya Property Public Company Limited No. 2/2018	22 November 2018	3 years 3 months	6.05	22 February 2022	167
Balance for the Next Issuance					6,382

2. Short-term bill of exchange

As at December 31, 2018, the company and subsidiaries possess an undue short-term bill of exchange equivalent to Baht 131 million

Dividend Policy

The company has the policy to pay dividend in the amount of approximately 40% of the Company's net profit after corporate income tax and all kinds of reserve fund, provided that such dividend payment must not materially affect the company's normal operation and shall depend on the company's results of operations and financial condition, liquidity, business growth, the necessity and other appropriate matters in the future, as well as other factors related to the management of the Company as the Board of Directors considers appropriate or advisable for the maximize benefits of the shareholders.

The Annual General Meeting of Shareholders for the year 2018 passed a resolution to pay a dividend of Baht 0.04 per share from the result of its 2017 operation to the company's shareholders, totaling Baht 39,200,000 million in May 2018.

For the dividend payout policy of subsidiaries, the company does not specify the ratio of payment. Depending on the operating results of each subsidiary and the Board of Directors of that subsidiary will consider paying dividends on a case-by-case basis.

BUSINESS REVENUE

Revenue Classified by Core Business of the company and Subsidiary Companies

Revenue Categorized by Products	2018 Revenue		2017 Revenue		2016 Revenue	
	Million THB	%	Million THB	%	Million THB	%
Revenue from sales of real estate						
Low-rise project	2,936	72.69	3,387	66.98	3,313	70.12
High-rise project	980	24.26	1,569	31.02	1,330	28.15
Land	20	0.50	2	0.04	-	-
Total Sales of real estate	3,936	97.45	4,958	98.04	4,643	98.27
Service income from house construction and sales of construction material ¹	-	-	-	-	4	0.08
Reversal of provision for litigation	-	-	12	0.24	5	0.11
Other Income ²	103	2.55	87	1.72	73	1.54
Total Revenues	4,039	100.00	5,057	100.00	4,725	100.00

Revenue Classified by Core Business of the Company

Revenue Categorized by Products	2018 Revenue		2017 Revenue		2016 Revenue	
	Million THB	%	Million THB	%	Million THB	%
Revenue from sales of real estate						
Low-rise project	2,206	64.56	2,510	58.22	1,876	55.93
High-rise project	980	28.68	1,569	36.40	1,330	39.66
Land	20	0.59	-	-	-	-
Total Sales of real estate	3,206	93.83	4,079	94.62	3,206	95.59
Service income from house construction and sales of construction material ¹	-	-	-	-	4	0.12
Reversal of provision for litigation	-	-	12	0.28	5	0.15
Other Income ²	211	6.17	220	5.10	139	4.14
Total Revenues	3,417	100.00	4,311	100.00	3,354	100.00

Notices : 1. Sales of construction material are less proportion when compared to the total revenue

2. The other income consists of the real estate management service income and interest income

REVENUE STRUCTURE

Revenue structure of the business in which the company holds shares

(as of 31 December 2018, 2017 and 2016)

Operated by	Type of Business	% Shareholding of the company	2018 Revenue		2017 Revenue		2016 Revenue	
			Million THB	%	Million THB	Million THB	%	Million THB
Areeya Property Public Company Limited	Development of real estate projects	-	3,202	79.28	4,091	80.90	3,215	68.05
Areeya Service Co., Ltd.	After sale service for property	99.99	-	-	1	0.02	1	0.02
One Up Co., Ltd.	Construction Service	99.99	9	0.22	4	0.08	4	0.09
Areeya Management Co., Ltd.	Development of real estate projects and property management	99.99	379	9.38	462	9.13	546	11.56
Cool Space Co., Ltd.	Development of real estate projects	99.99	12	0.30	35	0.69	227	4.81
White Living Co., Ltd.	Development of real estate projects	99.99	381	9.43	283	5.60	449	9.50
Chill Space Co., Ltd.	Development of real estate projects	99.99	56	1.39	181	3.58	282	5.97
Areeya Hospitality Co., Ltd (Former "Areeya Convenience Store Co., Ltd.)	Restaurant and service businesses	99.99	-	-	-	-	-	-
Total			4,039	100.00	5,057	100.00	4,725	100.00

SUMMARY OF REAL ESTATE BUSINESS SITUATION IN 2018

As of the end of 2018, demand and supply of real estate business are increased from 2017. As a result of the expansion of country's economic fundamentals, including export sector, tourism sector and government's mega project investment in transportation. In addition, the government's measures on financial credit provisioning caused significant supply increasing. It had a huge impact on the increasing demand and the replacement supply that represented the original expanded supply.

Overview of new residential projects launched in 2018, there were 404 projects, 118,271 units and the total project value of Baht 538,767 million. The number of projects decreased by 2.7 percent, but the number of units and value increased by 3.6 percent and 10.3 percent, respectively, compared to 2017. There were 415 projects, 114,194 units and the total project value of Baht 488,537 million. For low-rise project, there were 244 projects, a decrease of 9.0% and 45,063 units, a decrease of 8.5%, but the project value was 217,811 million Baht, an increase of 3.8% compared to 2017. There were 268 projects, 49,241 units and a total project value of Baht 209,905 million. While, high-rise project had 160 projects, 73,208 units and a total project value was Baht 320,956 million, increasing the number of projects, units and project value. Which increased by 8.8 percent, 12.7 percent and 15.2 percent, respectively, compared to the year 2017. There were 147 projects, 64,953 units and the project value of Baht 278,632 million.

Comparison of new projects launched in Bangkok – Metropolitan area in 2018

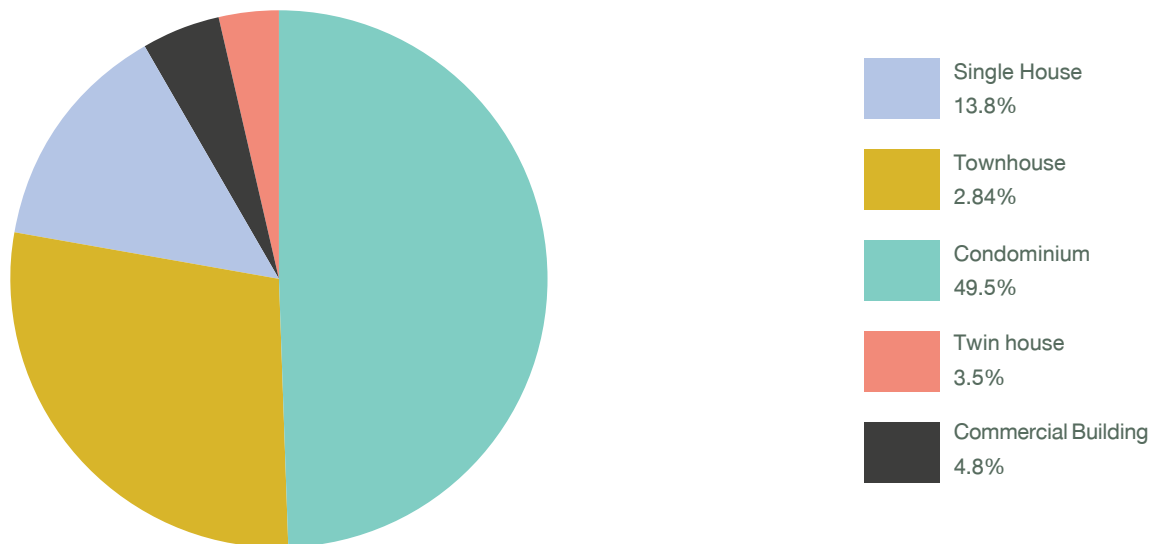
Type	Project			Unit			Project Value (million Baht)		
	2017	2018	YoY	2017	2018	YoY	2017	2018	YoY
Low-rise	268	244	-9.0%	49,241	45,063	-8.5%	209,905	217,811	3.8%
High-rise	147	160	8.8%	64,953	73,208	12.7%	278,632	320,956	15.2%
	415	404	-2.7%	114,194	118,271	3.6%	488,537	538,767	10.3%

Source: Real Estate Information Center

In 2018, most of new low-rise projects are townhouse type and launched along the MRT line and expressways. The most launched location is MRT Purple Line which currently opens for service. Followed by, MRT Green Line that is under construction and Burapha Withi Expressway. For the high-rise projects opened in 2018, most of them are 1 bedroom type suites and launched along the BTS and MRT line. The most launched location is the Blue Line (MRT), followed by the BTS line (Sukhumvit Line).

In 2018, the number of ownership transfers in Bangkok-Metropolitan area was 196,630 units and the value is 565,112 million Baht. The units increased by 20.3% and the value increased by 32.1%, compared to 2017. There were 163,468 units transferred and the value of 427,728 million Baht. The most ownership transfer is condominium that was transferred 97,319 units, representing 49.5 percent. Followed by, townhouse, 55,812 units, representing 28.4%. Single house was transferred 27,153 units, representing 13.8%. Commercial building was transferred 9,414 units, representing 4.8% and twin house was transferred 6,932 units, representing for 3.5%.

 Proportion of ownership transfer units in 2018, classified by type of residence



From the government's measures on financial credit provisioning (LTV), that will be effective in April 2019, most entrepreneurs delay develop the project and focus on promotion competition to accelerate sales and transfers at the end of year. In 2018, individual housing loans all over country were 702,900 Million Baht, an increase of 10.9% compared to 2017. There were 633,990 million Baht. At the end of 2018, the outstanding of individual housing loans were 3,795,058 million Baht, an increase of 7.7 percent compared to the same period in 2017. There were estimated at 3,525,103 million Baht.

For the land and housing prices situation, prices of vacant land before development and housing have increased in every category. In particular, the land is located along mass transit systems and has high potential. As a result, most entrepreneurs encounter cost rising problem and have to change the main target, from middle group to the middle-upper and upper group. Moreover, they diversify risks to invest in other projects, such as Mixed Use project or commercial buildings instead of only residential projects. As well as, most of them also collaborate with joint venture projects that would increase the potential and reduce business operation risk.

REAL ESTATE SITUATION AND COMPETITION

Because of economic factors and government's measures on financial credit provisioning (LTV), many entrepreneurs delayed to launch new projects in 2018. In addition, changing of social characteristics, the smaller family size and significant rising land price affect to real estate business as well. Most entrepreneurs focus on investing in high-rise projects, especially, 1 bedroom type suites or townhouse type in low-rise projects. Almost of new projects are launched along mass transit system locations.

If considering in selling price of a new low-rise project that launched in 2018, we found that the highest market share of selling price had increased to 3.01 – 5.00 million Baht from the previous 2.01 – 3.00 million Baht in 2017. The top five locations, in Bangkok – Metropolitan area, with the highest number of new low rise projects launched as following;

- 1) Bang Yai-Bang Bua Thong-Bang Kruai-Sai Noi where is a location along the MRT Purple Line and currently opens for service. The selling price is 3.01 – 5.00 million Baht.

- 2) Lam Luk Ka – Khlong Luang – Thanyaburi – Nong Suea where is a location along the MRT Green Line and is under construction. The selling price had increased to 3.01 – 5.00 million Baht from the previous 2.01 – 3.00 million Baht.
- 3) Bang Phli – Bang Bo – Bang Sao Thong, most new projects are located near Burapha Withi Expressway. The selling price had increased to 3.01 – 5.00 million Baht from the previous 2.01 – 3.00 million Baht
- 4) Muang Pathum Thani – Lat Lum Kaeo – Sam Khok where is a high growth residential community location in 2018. The selling price is 2.01 – 3.00 million Baht.
- 5) Khlong Sam Wa – Min Buri – Ngong Chong – Lat Krabang where is the MRT Pink Line (Khae Rai-Min Buri) location and is under construction. Therefore, the selling price had increased to 3.01 – 5.00 million Baht from from the previous at 2.01 – 3.00 million Baht.

Top five locations of new low-rise project in Bangkok – Metropolitan area in 2018

Location	The number of units launched	Project value (Million Baht)	Selling price (Million Baht)		Type
			2018	2017	
1 Bang Yai-Bang Bua Thong-Bang Kruai-Sai Noi	6,643	25,148	3.01 – 5.00	3.01 – 5.00	Townhouse
2 Lam Luk Ka – Khlong Luang – Thanyaburi – Nong Suea	5,716	17,939	3.01 – 5.00	2.01 – 3.00	Townhouse
3 Bang Phli – Bang Bo – Bang Sao Thong	4,715	22,287	3.01 – 5.00	2.01 – 3.00	Townhouse
4 Muang Pathum Thani – Lat Lum Kaeo – Sam Khok	4,365	12,680	2.01 – 3.00	2.01 – 3.00	Townhouse
5 Khlong Sam Wa – Min Buri – Ngong Chong – Lat Krabang	3,461	12,833	3.01 – 5.00	2.01 – 3.00	Townhouse

Source: Real Estate Information Center

For selling price of a new high-rise project that launched in 2018, we found that the highest market share of selling price had increased to 5.01 – 7.50 million Baht from the previous 2.01 – 3.00 million Baht in 2017. The top five locations, in Bangkok – Metropolitan area, with the highest number of new projects launched as following;

- 1) Huai Khwang – Chatuchak – Din Daeng where is located along the Blue Line (MRT) line. The selling price had increased to 5.01 – 7.50 million Baht from the previous 3.01 – 5.00 million Baht.
- 2) Sukhumvit where is located along the BTS line (Sukhumvit line), the selling price is start from 10 million Baht.
- 3) Phra Khanong – Bang Na – Suan Luang – Prawet, the selling price had increased to 3.01 – 5.00 million Baht from the previous 2.01 – 3.00 million Baht.
- 4) Phayathai-Ratchathewi where is located along the BTS line (Sukhumvit line), the selling price had increased to 5.01 – 7.50 million Baht and 7.51 – 10.00 million Baht from the previous 2.01 – 3.00 million Baht.
- 5) Thonburi – Khlong San – Bangkok Noi – Bangkok Yai – Bang Phlat, the selling price is 2.01 – 3.00 million Baht.

Top five locations of new high-rise project in Bangkok – Metropolitan area in 2018

Location	The number of units launched	Project value (Million Baht)	Selling price (Million Baht)		Type
			2018	2017	
1 Huai Khwang – Chatuchak – Din Daeng	15,402	72,868	5.01 – 7.50	3.01 – 5.00	1 Bedroom
2 Sukhumvit	8,675	89,189	Start from 10 MB	Start from 10 MB	1 Bedroom
3 Phra Khanong – Bang Na – Suan Luang – Prawet	5,539	18,864	3.01 – 5.00	2.01 – 3.00	1 Bedroom
4 Phayathai-Ratchathewi	5,536	37,190	5.01 – 7.50 and 7.51 – 10.00	2.01 – 3.00	1 Bedroom
5 Thonburi – Khlong San – Bangkok Noi – Bangkok Yai – Bang Phlat	4,265	12,776	2.01 – 3.00	2.01 – 3.00	1 Bedroom

Source: Real Estate Information Center

Approximate Number of Competitors

Year 2018, the large entrepreneur that listed on the Stock Exchange of Thailand still occupy market share in both of low-rise and high rise projects. New residential was sold 250 projects, representing 61.9%, 85,037 units, representing 71.9% and total project value of 389,315 million baht, representing 72.3% compared to all new residential project. Compare to 2017, the number of projects, the number of units and the project value were slightly lower 0.8%, 4.6% and 0.9%, respectively. In 2017, the new residential was sold 89,165 units, worth 393,009 million Baht.

In 2018, 122,877 units of new residential were registered, increasing by 7.3% compared to 2017 which was 114,501 units. Low-rise is increased by 11.5% and high-rise is increased by 3.9%.

Number of low-rise competitors, classified by project location

Location	Townhouse	Single house/ Twin House
Chaiyaphruek-Chaengwattana	12	10
Bangna-Thepharak	29	17
Pinklao-Charansanitwong	23	13
Rama 2 – Petchkasem	17	17
Rama 3 – Suksawat	17	0
Phetkasem-Bang Khae	14	0
Rangsit	19	19
Ratchaphruek-Rattanaibet	23	27
Ramindra – Hathairat	15	20
Watcharaphon-Chatuchot	0	11
Srinakarin-Bangna	22	18
Sukhumvit	10	13

Number of high-rise competitors, classified by project location

Location	Townhouse
Bangna	4
Sukhumvit 77	30
Asoke-Ratchada	9
Rattanaibet	14

UPHOLDING OPERATIONAL TRANSPARENCY

REPORT ON RESPONSIBILITY OF THE BOARD OF DIRECTORS ON FINANCIAL REPORTS

The Board of Directors is responsible for the consolidated financial statements of Areeya Property Public Company Limited and subsidiary companies as well as financial information appearing in Form 56-1 and the Annual Report. The said financial statements have been prepared in accordance with generally accepted accounting standards by applying appropriate accounting policy which has been practiced regularly and with careful discretion and best estimation. Important information is also adequately disclosed in the notes to the financial statements.

The Board of Directors is aware of the accuracy and transparency of the financial statements. There are appropriate and efficient internal control systems, adequate disclosure of important information in the notes to financial statements as well as explanations and analysis so as to ensure the accuracy and completion of the record of the accounting information for the highest benefit of the shareholders and investors in using the financial statements.

With regard to this matter, the Board of Directors has appointed an Audit Committee which comprises Independent Directors as of 31 December 2018, three Audit Committee, Mr. Wanchai Tantikul, Mr. Preecha Boonyakida and Mr. Sompol Thiensuvan, by Mr. Preecha Boonyakida, whom have the knowledge and experiences in accounting and finance, to review the accounting policy and the quality of the financial report and the internal control system. The comments of the Audit Committee on this matter appear in the Audit Committee's report which is shown in Form 56-1 and in the Annual Report 2018.

The Board of Directors opines that the overall internal control system of the company is at the satisfactory level and able to reasonably build confidence on the reliability of the financial statements of the company and subsidiary companies as of 31 December 2018.



(Mr. Wisit Laohapoonrungrsee)

Chairman and Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Areeya Property Public Company Limited

Opinion

I have audited the consolidated financial statements of Areeya Property Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Areeya Property Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Areeya Property Public Company Limited and its subsidiaries as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Areeya Property Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. Value of real estate projects under development

Real estate projects under development of the Group mainly consist of land and projects under development, prefabricated houses, sample home and land pending development for sale which are stated at the lower of cost or net realisable value and the Group has to assess the net realisable value of real estate projects under development as at the end of the reporting period. Such value depends on the estimation of forecast selling price and future cost estimates. The uncertainty of such estimates will affect the assessment of the book value of real estate projects under development, estimation of forecast selling price and the cost estimates depend on many factors, market conditions, competition, cost of construction, borrowing cost, including action plans to complete the project. Such estimates require the use of judgment of the management and depend on many factors and various assumptions. As real estate projects under development have significant balance in the consolidated financial statements referring to Note 9 in the notes to the financial statements. According to the consolidated financial statements, the Group has real estate projects under development in the amount of Baht 11,491.58 million. Therefore, I considered this matter to be a significant area of focus in my audit.

Risk Response

My audit approach on such matter includes inquiry, understanding and assessing the process of the net realisable value evaluation process of real estate projects under development of the management, testing internal control of cost estimates preparation and actual cost incurred to date and necessary project cost estimate of completion with related documentation, including verifying the calculation, observing real estate projects under development during the year end and considering the reasonableness of significant assumptions of the appraised value from an independent valuer engaged by the Group, assessing net realisable value against the appraised value from an independent valuer by comparing the carrying amount of real estate projects under development, comparing real estate sale transactions before and after the financial statement date and assessing the adequacy of the information disclosure in accordance with Financial Reporting Standards.

2. Investment properties

The Group has investment properties in the consolidated financial statements in the amount of Baht 451.65 million in accordance with Note 13 in the notes to the financial statements and accounting policy No. 4.6 Investment properties are measured at cost on initial recognition and subsequently at fair value. The key item is lease space within the major shopping mall and management is required to apply judgement in the fair value estimation by engaging an independent valuer to assist in valuing the investment properties using the income approach to consider cash flow income and discounted to present value. Such approach requires various assumptions and needs management judgment such as income estimate, expense estimate, revenue growth, interest rate used in discounting cash flow and the estimation of the terminal value. The accuracy of the fair value measurement using such approach depends on the reasonableness of the assumptions used in the calculation. The evaluation of the correctness and appropriateness of assumptions is difficult in the audit because it is a future matter which may involve some uncertainty. Therefore, it is a significant area in my audit.

Risk Response

My audit approach on such matter includes inquiry, understanding and assessing the procedures for fair value estimation of investment properties by management, evaluating the competency of an independent valuer by considering related documentation, observing the actual property location, considering fair value estimation under income approach approved by management and assessment by independent valuer engaged by the Group, considering key assumptions, calculation method for the estimation of expected cash flow receipt and paid in the future and forecast of rental income growth and actual operation. Additionally, test is conducted with related lease agreements, operation plan and related documentation as well as assessing the adequacy of the information disclosure in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Wannisa Ngambuathong.



(Miss Wannisa Ngambuathong)
Certified Public Accountant
Registration No. 6838

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 27, 2019

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

In Baht

ASSETS	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
CURRENT ASSETS					
Cash and cash equivalents	6	85,918,113	291,717,334	60,966,204	214,665,087
Current investment	7	84,138	83,498	84,138	83,498
Trade and other receivables	8	56,415,540	94,264,090	862,162,878	575,567,891
Real estate projects under development	9, 11	11,491,579,184	10,716,927,207	8,554,629,510	8,557,583,183
Deposits for land	42	280,900,000	291,599,980	280,900,000	291,599,980
Short-term loans to related parties	5	-	-	1,148,329,740	1,303,803,663
Other current assets	10	185,221,942	90,205,302	164,928,085	75,032,261
Total current assets		12,100,118,917	11,484,797,411	11,072,000,555	11,018,335,563
NON-CURRENT ASSETS					
Deposits at banks used as collateral	11	194,843,762	229,029,066	188,667,144	229,029,066
Investments in subsidiaries	12	-	-	310,999,239	301,999,239
Investment properties	11, 13	451,650,283	454,182,883	412,040,283	416,582,883
Property, plant and equipment	14	341,761,637	274,242,150	308,362,496	260,497,850
Prepaid rental expenses	15	127,773,293	136,318,998	127,773,293	136,318,998
Leasehold rights	16	902,548,891	757,343,932	902,548,891	757,343,932
Intangible assets	17	18,675,308	21,074,406	16,405,989	20,422,018
Deferred tax assets	18	49,894,085	37,245,283	6,090,997	10,777,161
Rental deposit	5	60,000,000	60,000,000	60,000,000	60,000,000
Other non-current assets	19	50,038,655	55,564,796	39,892,291	47,482,984
Total non-current assets		2,197,185,914	2,025,001,514	2,372,780,623	2,240,454,131
TOTAL ASSETS		14,297,304,831	13,509,798,925	13,444,781,178	13,258,789,694

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
LIABILITIES AND SHAREHOLDER' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions	20.1	417,156,304	347,016,541	407,337,134	347,016,541
Trade and other payables	21	401,155,915	318,247,915	790,562,660	698,767,569
Current portion of long-term loans					
from financial institutions	20.3	1,564,230,801	611,432,597	1,224,236,761	501,151,857
Short-term loans from related parties	5	-	-	2,800,000	82,238,430
Current portion of long-term loans					
from other parties	20.2	111,493,133	111,493,133	111,493,133	111,493,133
Current portion of debentures	20.4	2,031,215,000	1,031,215,000	2,031,215,000	1,031,215,000
Current portion of financial lease liabilities	20.5	90,281,194	16,970,757	89,544,916	15,967,846
Construction retentions		165,879,240	177,910,546	138,409,156	146,792,550
Unrecognised income on installments due		627,210,674	229,563,255	624,376,654	229,226,254
Income tax payable		3,074,911	13,532,949	-	11,414,530
Other current liabilities	22	71,048,168	62,001,117	26,249,800	21,552,490
Total current liabilities		5,482,745,340	2,919,383,810	5,446,225,214	3,196,836,200

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2018

In Baht					
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
LIABILITIES AND SHAREHOLDER' EQUITY	Notes				
NON-CURRENT LIABILITIES					
Long-term loans from financial institutions	20.3	878,191,084	1,031,766,907	409,602,478	963,496,341
Long-term loans from related parties	5	-	-	9,700,000	9,700,000
Debentures	20.4	4,336,922,298	5,944,849,879	4,336,922,298	5,944,849,879
Financial lease liabilities	20.5	23,188,348	23,633,427	20,215,931	23,363,387
Utilities guarantees		1,053,342	2,484,780	1,053,342	2,484,780
Employee benefit obligations	23	56,768,722	50,545,877	24,002,022	21,080,624
Long-term lease agreement obligation	24	87,355,806	66,622,361	87,355,806	66,622,361
Provision for litigation	25	-	-	-	-
Other non-current liabilities	26	99,020,549	130,040,254	69,424,745	99,170,831
Total non-current liabilities		5,482,500,149	7,249,943,485	4,958,276,622	7,130,768,203
TOTAL LIABILITIES		10,965,245,489	10,169,327,295	10,404,501,836	10,327,604,403
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	27				
Authorised share capital		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Issued and paid-up share capital		980,000,000	980,000,000	980,000,000	980,000,000
PREMIUM ON ORDINARY SHARES	28	669,209,894	669,209,894	669,209,894	669,209,894
RETAINED EARNINGS					
Appropriated					
Legal reserve	29	88,293,600	80,873,600	88,293,600	80,873,600
Unappropriated		1,594,555,848	1,610,388,136	1,302,775,848	1,201,101,797
TOTAL SHAREHOLDERS' EQUITY		3,332,059,342	3,340,471,630	3,040,279,342	2,931,185,291
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		14,297,304,831	13,509,798,925	13,444,781,178	13,258,789,694

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

In Baht

LIABILITIES AND SHAREHOLDER' EQUITY	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
INCOME	5				
Revenue from sale of real estate	5	3,936,047,518	4,958,065,429	3,205,662,951	4,079,293,041
Interest income	25	2,712,532	5,223,264	75,280,766	81,002,411
Reversal of provision for litigation	5, 32	-	11,500,000	-	11,500,000
Other income		100,117,953	82,301,963	136,005,212	139,641,562
Total income		4,038,878,003	5,057,090,656	3,416,948,929	4,311,437,014
EXPENSES					
Cost of sale of real estate	9	2,474,782,780	3,301,617,133	1,988,901,480	2,726,572,127
Selling expenses	33	566,536,470	550,883,614	465,631,040	446,111,071
Special Business Tax and transferred fee		150,097,516	191,878,382	122,351,444	158,304,003
Administrative expenses	5, 34	551,995,903	577,687,480	418,455,413	450,631,570
Unrealised losses on fair value of investment properties	13	2,340,000	32,549,000	4,350,000	32,007,000
Finance costs	5, 37	226,898,826	259,855,998	223,424,616	263,274,987
Total expenses		3,972,651,495	4,914,471,607	3,223,113,993	4,076,900,758
Profit (loss) before income tax expense		66,226,508	142,619,049	193,834,936	234,536,256
Income tax expense	38	35,441,196	44,925,746	45,543,285	55,276,377
PROFIT (LOSS) FOR THE YEAR		30,785,312	97,693,303	148,291,651	179,259,879
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Actuarial losses - net of income tax	23	-	(22,690,378)	-	(11,099,318)
Items that may be reclassified subsequently to profit or loss					
		-	-	-	-
Comprehensive income (loss) for the year, net of income tax		-	(22,690,378)	-	(11,099,318)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		30,785,312	75,002,925	148,291,651	168,160,561

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

In Thousand Baht					
		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2018	2017	2018	2017
Profit (loss) attributable to					
Shareholders' equity of the parent company		30,785,312	97,693,303	148,291,651	179,259,879
Non-controlling interests		-	-	-	-
		30,785,312	97,693,303	148,291,651	179,259,879
Total comprehensive income attributable to					
Shareholders' equity of the parent company		30,785,312	75,002,925	148,291,651	168,160,561
Non-controlling interests		-	-	-	-
		30,785,312	75,002,925	148,291,651	168,160,561
BASIC EARNINGS PER SHARE OF THE PARENT COMPANY					
Profit (loss) for the year (Baht per share)	39	0.03	0.10	0.15	0.18

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY**

FOR THE YEAR ENDED DECEMBER 31, 2018

In Baht

	Consolidated Financial Statements					
	Note	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings		Total Shareholders' Equity
				Legal Reserve	Unappropriated	
Balance as at January 1, 2017		980,000,000	669,209,894	71,903,600	1,593,352,211	3,314,465,705
Dividend	30	-	-	-	(48,997,000)	(48,997,000)
Comprehensive income for the year						
Profit for the year		-	-	-	97,693,303	97,693,303
Other comprehensive income (loss) for the year		-	-	-	(22,690,378)	(22,690,378)
Total comprehensive income for the year		980,000,000	669,209,894	71,903,600	1,619,358,136	3,340,471,630
Transfer to legal reserve		-	-	8,970,000	(8,970,000)	-
Balance as at December 31, 2017		980,000,000	669,209,894	80,873,600	1,610,388,136	3,340,471,630
Dividend	30	-	-	-	(39,197,600)	(39,197,600)
Comprehensive income for the year						
Profit for the year		-	-	-	30,785,312	30,785,312
Other comprehensive income (loss) for the year		-	-	-	-	-
Total comprehensive income for the year		980,000,000	669,209,894	80,873,600	1,601,975,848	3,332,059,342
Transfer to legal reserve		-	-	7,420,000	(7,420,000)	-
Balance as at December 31, 2018		980,000,000	669,209,894	88,293,600	1,594,555,848	3,332,059,342

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

In Baht

	Note	Separate Financial Statements				
		Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings		Total Shareholders' Equity
				Legal Reserve	Unappropriated	
Balance as at January 1, 2017		980,000,000	669,209,894	71,903,600	1,090,908,236	2,812,021,730
Dividend	30	-	-	-	(48,997,000)	(48,997,000)
Comprehensive income for the year						
Profit for the year		-	-	-	179,259,879	179,259,879
Other comprehensive income (loss) for the year		-	-	-	(11,099,318)	(11,099,318)
Total comprehensive income for the year		980,000,000	669,209,894	71,903,600	1,210,071,797	2,931,185,291
Transfer to legal reserve		-	-	8,970,000	(8,970,000)	-
Balance as at December 31, 2017		980,000,000	669,209,894	80,873,600	1,201,101,797	2,931,185,291
Dividend	30	-	-	-	(39,197,600)	(39,197,600)
Comprehensive income for the year						
Profit for the year		-	-	-	148,291,651	148,291,651
Other comprehensive income (loss) for the year		-	-	-	-	-
Total comprehensive income for the year		980,000,000	669,209,894	80,873,600	1,310,195,848	3,040,279,342
Transfer to legal reserve		-	-	7,420,000	(7,420,000)	-
Balance as at December 31, 2018		980,000,000	669,209,894	88,293,600	1,302,775,848	3,040,279,342

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the year	30,785,312	97,693,303	148,291,651	179,259,879
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) from operating activities				
Unrealised gain on current investment	(640)	(794)	(640)	(794)
Doubtful debt (Reverse)	(97,842)	2,311,176	100,475	2,194,901
Allowance for decline in value of real estate projects under development (Reverse)	(12,505,049)	(6,187,717)	(5,986,633)	(6,409,304)
Loss of written off assets	5,004,673	4,271,527	5,004,673	1,050,000
Unrealised losses on fair value of investment properties	2,340,000	32,549,000	4,350,000	32,007,000
Depreciation and amortization	66,014,010	68,455,407	61,870,154	55,426,432
Loss (gain) on disposal of equipment	(827,099)	7,294,046	(593,455)	8,893,483
Loss of written off intangible asset	-	1,169,940	-	1,169,941
Amortisation of premium on debentures	8,916,229	8,273,604	8,916,229	8,273,604
Homecare warranty and housing estate juristic person expenses	6,804,149	22,596,679	5,231,962	20,267,613
Employee benefit obligations	6,222,845	2,092,471	2,921,398	500,900
Provision for litigation (Reverse)	-	(11,500,000)	-	(11,500,000)
Gain from written off construction retentions	(8,215,293)	(4,463,361)	-	(1,244,027)
Finance cost	226,898,826	259,855,998	223,424,616	263,274,987
Income tax expense	35,441,196	44,925,746	45,543,285	55,276,377
Interest income	(2,712,532)	(5,223,264)	(75,280,765)	(81,002,411)
Profit (loss) from operations before changes in operating assets and liabilities	364,068,785	524,113,761	423,792,950	527,438,581
Decrease (increase) in operating assets and liabilities				
Trade and other receivables	33,134,318	(57,285,712)	(218,655,738)	(137,556,803)
Real estate projects under development	(441,752,840)	533,890,125	294,767,115	648,564,021
Deposits for land	10,699,980	(17,209,980)	10,699,980	(17,209,980)
Other current assets	(89,029,704)	(29,037,436)	(88,046,974)	(16,791,464)
Other non-current assets	5,526,141	463,778	7,590,693	(1,006,961)

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Trade and other payables	90,883,695	80,012,297	94,973,104	86,066,431
Construction retentions	(3,816,013)	(27,099,283)	(8,383,394)	(14,431,829)
Unrecognised income on installments due	397,647,419	139,805,818	395,150,400	139,798,826
Other current liabilities	4,838,427	2,822,214	1,286,285	2,021,388
Utilities guarantee	(1,431,438)	(3,929,043)	(1,431,438)	(3,929,043)
Other non-current liabilities	(33,615,229)	21,555,632	(31,567,024)	25,262,708
Cash from operating activities	337,153,541	1,168,102,171	880,175,959	1,238,225,875
Income tax paid	(64,534,971)	(83,722,715)	(54,120,502)	(41,253,600)
Net cash provided by (used in) operating activities	272,618,570	1,084,379,456	826,055,457	1,196,972,275
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	2,712,532	5,223,264	2,428,967	4,833,871
(Increase) decrease in deposits at banks used as collateral	34,185,304	(1,697,480)	40,361,922	(1,697,480)
(Increase) decrease in short-term loans from related parties	-	-	155,473,923	120,652,089
Investment in subsidiary by increase the capital	-	-	(9,000,000)	-
Purchase of investment properties	-	(192,599)	-	(192,599)
Purchase of equipment	(29,740,080)	(26,273,681)	(6,826,575)	(20,474,064)
Received from disposal of equipment	827,103	3,716,224	593,458	1,233,981
Purchase of intangible assets	(2,785,371)	(2,120,954)	(916,188)	(1,494,897)
Leasehold rights	(124,471,513)	(136,446,362)	(124,471,513)	(136,446,362)
Net cash provided by (used in) investing activities	(119,272,025)	(157,791,588)	57,643,994	(33,585,461)
CASH FLOWS FROM FINANCING ACTIVITIES				
Finance costs paid	(553,871,073)	(594,654,633)	(513,951,557)	(590,397,722)
Dividend paid	(39,197,600)	(48,997,000)	(39,197,600)	(48,997,000)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	70,139,763	(1,198,873,166)	60,320,593	(1,189,814,562)
Increase (decrease) in short-term loans from related parties	-	-	(79,438,430)	(91,441,457)
Proceed from long-term loans from financial institutions	3,040,741,130	2,723,060,011	2,112,927,057	2,426,139,005
Repayment of long-term loans from financial institutions	(2,241,518,749)	(1,785,512,136)	(1,943,736,016)	(1,602,142,434)
Proceeds from debentures	416,600,000	2,996,800,000	416,600,000	2,996,800,000
Repayment of debentures	(1,031,215,000)	(3,000,000,000)	(1,031,215,000)	(3,000,000,000)
Transaction cost from issue of debenture	(2,228,810)	(18,504,688)	(2,228,810)	(18,504,688)
Repayment of finance lease liabilities	(18,595,427)	(29,662,338)	(17,478,571)	(25,871,206)

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2018

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Net cash provided by (used in) financing activities	(359,145,766)	(956,343,950)	(1,037,398,334)	(1,144,230,064)
Net increase (decrease) in cash and cash equivalents	(205,799,221)	(29,756,082)	(153,698,883)	19,156,750
Cash and cash equivalents as at January 1,	291,717,334	321,473,416	214,665,087	195,508,337
Cash and cash equivalents as at December 31,	85,918,113	291,717,334	60,966,204	214,665,087
Non-cash transactions				
A part of real estate under development cost under finance lease	75,627,600	-	75,627,600	-
Acquisition of equipment under finance leases	15,833,185	2,863,844	12,280,585	2,863,460
Acquisition of intangible assets under finance leases	-	649,490	-	649,490
Depreciation expense which include real estate project under development	19,173,605	43,146,609	16,253,948	38,298,766
Expenses under contracts which is included as a part of leasehold rights	20,733,445	63,111,500	20,733,445	63,111,500
Acquisition of equipment under finance leases	276,231,927	248,993,956	252,152,290	253,783,302
Borrowing costs which is included as a part of construction in process of leasehold rights	23,059,131	41,954,401	23,059,131	41,954,401
Transfer property, plant and equipment to real estate projects under development	-	52,145,603	-	52,145,603
Transfer investment properties to property, plant and equipment	-	6,080,339	-	6,080,339
Transfer investment properties to real estate under development cost	-	1,616,662	-	1,616,662
Transfer real estate under development to property, plant and equipment	93,403,668	-	93,403,668	-

Notes to the financial statements form an integral part of these statements

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. THE OPERATIONS AND OTHER INFORMATION OF THE COMPANY

Areeya Property Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 999 Praditmanutham Road, Kwaeng Saphansong, Khet Wangthonglang, Bangkok.

The Company was listed on the Stock Exchange of Thailand in April 2004.

The Company’s major shareholders during the financial period were Laohapoonrungrsee (55.03%) and Porncharoenchaisilp (10.77%) family shareholdings.

The principal business of the Company is the development of real estate projects. Details of the subsidiaries as at December 31, 2018 and 2017 are given in notes 5 and 12.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 The accompanying consolidated financial statements include the financial statements of Areeya Property Public Company Limited and the following subsidiaries which are owned directly and indirectly by the Company.

			Percentage of shareholdings (%)	
Name	Business type	Country of registration	As at December 31, 2018	As at December 31, 2017
Subsidiaries				
Areeya Service Co., Ltd.	After sales services for property	Thailand	99.99	99.99
One Up Co., Ltd.	Construction service	Thailand	99.99	99.99
Areeya Management Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
	and property management	Thailand	99.99	99.99
Cool Space Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
White Living Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
Chill Space Co., Ltd.	Development of real estate projects	Thailand	99.99	99.97
Areeya Hospitality Co., Ltd	Restaurant			

2.2 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

- 2.3 The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated the statements of financial position as at December 31,		Percentage of total revenues included in consolidated the statements of comprehensive income for the year ended December 31,	
	2018	2017	2018	2017
<u>Subsidiaries</u>				
Areeya Service Co., Ltd.	0.11	0.09	0.05	0.01
One Up Co., Ltd.	3.14	3.34	0.21	0.09
Areeya Management Co., Ltd.	9.46	9.90	9.39	9.15
Cool Space Co., Ltd.	5.67	1.48	0.30	0.69
White Living Co., Ltd.	5.88	5.99	9.43	5.62
Chill Space Co., Ltd.	3.73	2.91	1.38	3.59
Areeya Hospitality Co., Ltd	0.16	0.01	(0.05)	-

- 2.4 Outstanding balances between the Group, significant intercompany transactions, investment balance in the Company's books and share capital of the subsidiaries are eliminated from the consolidated financial statements.
- 2.5 Subsidiaries are fully consolidated in the consolidated financial statement as from the date of acquisition, being the date on which the Company obtains control in the subsidiary until the end of such control.
- 2.6 The accounting policies of the subsidiaries for similar accounting transactions are the same as the Company.
- 2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the shareholders' equity of the parent company.

3. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

3.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statement have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

3.2 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases – Incentives
TSIC 25 (revised 2017)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)–The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non – cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Group evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

3.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<u>Items</u>	<u>Measurement bases</u>
Investment properties	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in note 4.14

3.4 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

3.5 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 9	Measurement of real estate projects under development: net realisable value;
Note 18	Recognition of deferred tax assets: future taxable profit against which tax losses carried forward can be used;
Note 23	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 25	Recognition and measurement of provisions.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 investment properties; and
- Note 40 financial instruments.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

4.2 Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

4.3 Inventories

Construction material are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.4 Real estate development projects

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are stated at the lower of cost or net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate development projects comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

4.5 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

4.6 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

4.7 Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item. The estimated useful lives are as follows:

Buildings and system	10, 15 and 20	years
Leasehold improvement	5	years
Club house and temporary building	20	years
Furniture, fixtures and office equipment	3, 5 and 10	years
Machineries and construction equipment	5	years
Vehicles	5	years

No depreciation is provided on land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.8 Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licenses	5 and 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.9 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.10 Prepaid rental expense

Prepaid rental expense is the office building construction on the leased land. Prepaid rental expense is amortised over the estimate useful life of 20 years.

4.11 Leasehold rights

Leasehold rights are stated at cost less accumulated amortization and impairment losses.

Leasehold rights consist of rental under long-term lease agreement, construction in process, borrowing costs and related expenses.

4.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

4.13 Trade and other payables

Trade and other accounts payable are stated at cost.

4.14 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.15 Provision for after-sale maintenance expense

The Group estimated provision for after-sale maintenance expense based on actual historical maintenance expense and/or currently available information related to the cost of various types of repair work.

4.16 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.17 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

4.18 Revenue

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Real estate development projects

When the contract meets the criteria for a sale of goods, or if control and significant risks and rewards of ownership of the work in progress are transferred to the buyer at a single time, for example at completion or after delivery, revenue is recognised when the criteria described above for sales of goods are met.

Investments

Revenue from investments comprises rental income from investment properties, dividend and interest income from investments and bank deposits.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Sales of foods

A subsidiary has recognized the revenues from sales of foods and beverages which are recognized upon the foods and beverages being delivered.

Interest income

Interest income is recognised in profit or loss as it accrues.

4.19 Finance costs

Interest expenses and similar costs are charged to profit or loss for the year in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of the time to be prepared for its intended use or sale.

4.20 Operation lease

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

4.21 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences. Differences relating to investments in subsidiaries that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.22 Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.23 Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group is subject to common control or common significant influence. Related parties may be individuals or other entities.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Cool Space Co., Ltd.	Thailand	Subsidiary
Chill Space Co., Ltd.	Thailand	Subsidiary
Areeya Management Co., Ltd.	Thailand	Subsidiary
One Up Co., Ltd.	Thailand	Subsidiary
White Living Co., Ltd.	Thailand	Subsidiary
Areeya Service Co., Ltd.	Thailand	Subsidiary
Areeya Hospitality Co., Ltd.	Thailand	Subsidiary
Daily By Areeya Co., Ltd.	Thailand	Co-director
A Attitude Co., Ltd.	Thailand	Co-director
At Home Development Co., Ltd.	Thailand	Co-director
The Colors Co., Ltd.	Thailand	Co-director
W Solar & Power Co., Ltd.	Thailand	Co-director
W Power Co., Ltd.	Thailand	Co-director
Tavalamai Co., Ltd.	Thailand	Co-director
Laohapoonrungsee and Porncharoenchaisilp groups	Thailand	The group of major shareholders
Mr. Wisit Laohapoonrungsee	Thailand	A Director of the Company / Group
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

<u>Transactions</u>	<u>Pricing policies</u>
Revenue from sale of real estate	Market price
Interest income	5.45% - 6.05% per annum
Management income / Management fee	Agreed price
Finance costs	5.45% - 6.05% per annum
Land rental	Contractually agreed rates

Significant transactions for the years ended December 31, 2018 and 2017 with related parties were as follows :

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Subsidiaries:				
Interest income	-	-	72,852	76,169
Management income	-	-	72,035	81,021
Management fee	-	-	44,320	41,930
Finance costs	-	-	2,944	4,312
Related parties :				
Revenue from sale of real estate	-	3,034	-	3,034
Land rental	1,100	1,100	1,100	1,100
Key management personnel compensation:				
Short-term benefits	79,536	64,643	40,391	31,253
Post-employment benefits	1,742	1,320	723	188
Total	81,278	65,963	41,114	31,441

From time to time directors of the Group, or their related entities, purchase real estate from the Group. These purchases are on the same terms and conditions as those entered into by employees or customers.

The significant outstanding balances with related parties as at December 31, 2018 and 2017 are as follows:

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Trade and other receivables				
- related parties				
Subsidiaries	-	-	590,459	339,604
Interest receivable - related parties				
(included in trade and other receivables)				
Subsidiaries	-	-	224,929	152,077
Borrowing costs - related parties				
(included in real estate projects under development)				
Subsidiaries	-	-	462	460
Rental deposit				
Key management	60,000	60,000	60,000	60,000
Trade and other payables				
- related parties				
Subsidiaries	-	-	436,796	422,802

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Accrued interest expense - related parties (included in trade and other payables)				
Subsidiaries	-	-	25,210	19,750
Unrecognised income on installments due				
Key management	5,093	2,599	5,093	2,599
Construction retentions - related party				
Subsidiaries	-	-	5,012	5,012
Short-term loans to related parties				
Subsidiaries				
Chill Space Co., Ltd.	-	-	300,543	180,043
One Up Co., Ltd.	-	-	193,000	202,500
White Living Co., Ltd.	-	-	69,718	112,055
Areeya Management Co., Ltd.	-	-	326,222	809,206
Cool Space Co., Ltd	-	-	242,847	-
Areeya Hospitality Co.,Ltd	-	-	16,000	-
Total	-	-	1,148,330	1,303,804

Short-term loans to related parties are due at call.

Movements during for the years ended December 31, 2018 and 2017 of short-term loans to related parties were as follows:

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Short-term loans to related parties				
Subsidiaries				
Beginning balance	-	-	1,303,804	1,424,456
Increase	-	-	523,767	247,188
Decrease	-	-	(679,241)	(367,840)
Ending balance	-	-	1,148,330	1,303,804

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Short-term loans from related parties				
Subsidiaries				
Areeya Management Co., Ltd.	-	-	-	29,290
Cool Space Co., Ltd.	-	-	-	50,988
White Living Co., Ltd.	-	-	-	1,960
Areeya Service Co., Ltd.	-	-	2,800	-
Total	-	-	2,800	82,238

Short-term loans from related parties are due at call.

Movements during for the years ended December 31, 2018 and 2017 of short-term loans from related parties were as follows:

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Short-term loans from related parties				
Subsidiaries				
Beginning balance	-	-	82,238	173,680
Increase	-	-	208,807	94,704
Decrease	-	-	(288,245)	(186,146)
Ending balance	-	-	2,800	82,238

In Thousand Baht						
	Interest rate (% per annum)		Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Long-term loans from related party						
Subsidiary						
Areeya Service Co.,Ltd.	4.75	4.75	-	-	9,700	9,700

Long-term loans from related party are due at call. However, the subsidiary will not recall loan within 12 months since December 31, 2018.

Due to the requirements of the Land Development Act B.E. 2543, during 2003 to 2012 the Company transferred the title on certain parcels of land used for entrance ways, road and utilities with a cumulative value at December 31, 2018 of Baht 57.4 million (December 31, 2017 : Baht 57.4 million) to a director and its subsidiaries for nil consideration so that the director and its subsidiaries could hold the title of the land on behalf of the Company as a representative for the purposes of entering into any contract in relation to the land. As specified in the agreement, the director and its subsidiaries may not perform any activities on the land. In addition, the director and its subsidiaries have registered the land subject to servitudes and restrictions to the projects of the Company for construction of utilities for the projects without any compensation and with no time limit.

In 2009, a subsidiary also transferred the title of certain parcels of land used as site entrance roads of development projects with a cumulative value at December 31, 2018 of Baht 0.4 million (December 31, 2017 : Baht 0.4 million) to a subsidiary, without any compensation for the subsidiary to hold title to such land on behalf of the subsidiary as a representative for the purposes of entering into any contract in relation to the land. In addition, the subsidiary has registered the land subject to servitudes and restrictions to the projects of the subsidiary for construction of the utilities of the projects without any compensation and with no time limit.

Contracts with related parties

The Company entered into a land lease agreement with two directors to build a head office building, for a period of 10 years. The lessor promises that upon the expiry of the lease term of 10 years, the lessor will allow an extension for another 10 years and negotiate the new rate at market price or other appropriate price. If the Company agrees to extend the agreement, the Company must submit written notice in advance as stipulated in the memorandum.

As at December 31, 2018, the Company had commitment up to the end of lease agreement amounting to Baht 6.06 million (December 31, 2017 : Baht 7.2 million). The Company paid rental deposit to the lessor amounting to Baht 60 million to guarantee that the leased asset would not be foreclosed by the financial institution since the lessor agreed to mortgage the leased asset under a credit facility agreement with the financial institution to finance the construction of the office building. The said deposit will be repaid to lessee at the end of the lease on December 31, 2023. Upon the expiration of the lease term of this agreement or expired lease to be extended, no matter how many times to renew or the lease agreement was terminated by the fault of the lessee, the lessee has to manage the leased asset condition as before the rental and demolish all the building on leased asset. If the expiration of the lease period, the Company does not demolish, the Company agrees to obtain the right in building to the lessor's part of land and leased asset without any charge. If lessor does not require the building, the lessee is responsible for any charge such as demolition of building as specified in the memorandum. The Company recognised the construction in prepaid rental expense.

Other

1. The Company has guaranteed liabilities of subsidiaries with local banks and the subsidiaries have guaranteed liabilities of the Company and subsidiaries with local banks.
2. The Company has made an agreement with several subsidiaries to provide back office management service. The service period and service fee are stated in the agreement.

6. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Cash on hand	1,057	1,814	927	1,814
Cash at banks – current accounts	732	1,917	510	1,570
Cash at banks – saving accounts	67,290	261,106	46,191	186,959
Highly liquid short-term investments	392	-	392	-
Cheque in transit	16,447	26,880	12,946	24,322
Total	85,918	291,717	60,966	214,665

Cash and cash equivalents of the Group as at December 31, 2018 and 2017 were denominated entirely in Thai Baht.

7. CURRENT INVESTMENTS

	In Thousand Baht			
	Consolidated Financial Statements / Separate Financial Statements			
	As at December 31, 2018		As at December 31, 2017	
	Cost	Fair value	Cost	Fair value
Unit trusts	80	84	80	83

Short-term investment represented investment in unit trusts in fund held for trading.

Short-term investment of the Group as at December 31, 2018 and 2017 were denominated entirely in Thai Baht.

8. TRADE AND OTHER RECEIVABLES

	Note	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Trade accounts receivable					
Related party	5	-	-	-	-
Other parties		10,247	11,621	9,471	10,837
Total		10,247	11,621	9,471	10,837
Less allowance for doubtful accounts		(5,515)	(5,524)	(5,397)	(5,405)
Net		4,732	6,097	4,074	5,432
Other receivables					
Related parties	5	-	-	815,388	491,681
Other parties		58,543	95,116	48,778	84,423
Total		58,543	95,116	864,166	576,104
Less allowance for doubtful accounts		(6,860)	(6,949)	(6,078)	(5,968)
Net		51,683	88,167	858,088	570,136
Total trade and other receivables - net		56,415	94,264	862,162	575,568

The movements of the allowance for doubtful debts are as follow :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Allowance for doubtful debts - beginning	(12,473)	(10,307)	(11,373)	(9,324)
Add Additional allowances	(347)	(2,310)	(224)	(2,193)
Less Reversing of allowances	445	41	122	41
Bad debts	-	103	-	103
Allowance for doubtful debts - ending	(12,375)	(12,473)	(11,475)	(11,373)

Aging analyses for trade accounts receivable were as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Trade accounts receivable				
Related party				
Overdue:				
Over 12 months	-	-	-	-
	-	-	-	-
Other parties				
Within credit term	596	466	369	390
Overdue:				
Less than 3 months	802	613	664	458
3 - 6 months	643	598	618	557
6 - 12 months	134	196	76	144
Over 12 months	8,072	9,748	7,744	9,288
	10,247	11,621	9,471	10,837
Less allowance for doubtful accounts	(5,515)	(5,524)	(5,397)	(5,405)
Trade accounts receivable - net	4,732	6,097	4,074	5,432
Other receivables - net	51,683	88,167	858,088	570,136
Total trade and other receivables - net	56,415	94,264	862,162	575,568

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended December 31,		For the year ended December 31,	
	2018	2017	2018	2017
Doubtful debts	347	2,310	224	2,193
Bad debts	407	103	88	103

The receivables, overdue over 12 months, had the retention and deposit. The Company did not record the allowance for doubtful accounts.

The normal credit term granted by the Group ranges 30 days.

9. REAL ESTATE PROJECTS UNDER DEVELOPMENT

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Cost of projects under development	30,101,371	28,531,700	23,877,895	22,901,967
Land held for development	5,321,916	3,672,053	3,925,407	2,732,974
Sample houses	110,091	119,591	91,004	101,575
House and condominium for sale	3,444,692	3,460,418	2,699,268	2,910,841
Construction materials	6,541	3,035	3,014	3,023
Total	38,984,611	35,786,797	30,596,588	28,650,380
<u>Less</u> Portion transferred to cost of sales	(27,491,043)	(25,055,376)	(22,040,192)	(20,085,043)
	11,493,568	10,731,421	8,556,396	8,565,337
<u>Less</u> allowance for decline in value of real estate projects under development	(1,988)	(14,494)	(1,767)	(7,754)
Net	11,491,580	10,716,927	8,554,629	8,557,583

In year 2018, the Group and the Company had decreased in the allowance for decline in value of real estate projects by Baht 13 million and Baht 6 million, respectively, due to the sale during the year.

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Finance costs capitalised during the year	276,232	248,994	252,152	253,784
Rates of interest capitalized (% per annum)	1.00 - 6.25	1.00 - 6.90	1.00 - 6.25	1.00 - 6.90
Real estate projects under development recognised as an expense in 'cost of sales of real estate project':				
- Cost of sale	2,487,288	3,307,805	1,994,888	2,732,981
- Net realizable value adjustment	(12,505)	(6,188)	(5,987)	(6,409)
Total	2,474,783	3,301,617	1,988,901	2,726,572

Land and construction thereon of the Group's projects have been mortgaged as collateral for loans and credit facilities from financial institutions.

10. OTHER CURRENT ASSETS

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Advance payment for goods	7,735	18,486	6,968	18,486
Advance payment to contractors	41,528	4,788	41,528	4,714
Other prepaid expenses	108,228	41,990	101,092	35,257
Deposits	5,136	6,289	4,123	5,469
Advances	2,210	7,772	1,291	6,512
Input value added tax and others	20,385	10,880	9,926	4,594
Total	185,222	90,205	164,928	75,032

11. ASSETS USED AS COLLATERAL

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Saving accounts	35,474	13,772	29,297	13,772
Fix deposit 12 months	159,370	215,257	159,370	215,257
	194,844	229,029	188,667	229,029
Real estate projects under development	8,016,857	8,927,377	6,337,603	6,983,583
Investment properties	378,750	383,293	378,750	383,293
	8,395,607	9,310,670	6,716,353	7,366,876

Saving accounts, fixed deposit accounts and lands and constructions are pledged as collateral with bank in respect of letters of guarantee. The issuing bank's letters of guarantee to a government agency are used to guarantee infrastructure for the new developing project of the Group and liabilities to financial institutions.

12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2018 and 2017, and dividend income from those investments for the years ended December 31, 2018 and 2017, were as follows:

Separate Financial Statements													In Thousand Baht
		Ownership interest		Paid-up capital		Cost method		Impairment		At cost-net		Dividend income	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	For the years ended December 31, 2018 2017	
Direct subsidiaries	Type of business												
Areeya Service Co., Ltd	After sales services for property	99.99	99.99	10,000	10,000	10,000	10,000	-	-	10,000	10,000	-	-
	Construction service	99.99	99.99	100,000	100,000	100,000	100,000	-	-	100,000	100,000	-	-
Areeya Management Co., Ltd.	Development of real estate projects and property management	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-
Cool Space Co., Ltd.	Development of real estate projects	99.99	99.99	60,000	60,000	60,000	60,000	-	-	60,000	60,000	-	-
White Living Co., Ltd.	Development of real estate projects	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-
Chill Space Co., Ltd.	Development of real estate projects	99.99	99.99	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Areeya Hospitality Co., Ltd.	Restaurant	99.99	99.97	10,000	1,000	10,000	1,000	-	-	10,000	1,000	-	-
Total				311,000	302,000	311,000	302,000	-	-	311,000	302,000	-	-

There was no dividend declared by subsidiaries during the years 2018 and 2017.

In the second quarter of 2018, Areeya Hospitality Co., Ltd. has increased the capital by issuing 90,000 shares at the value Baht 100 per share totaling Baht 9 million. Resulting in the ordinary shares paid up to increase from Baht 1 million to Baht 10 million. It was registered with the Ministry of Commerce on June 1, 2018.

13. INVESTMENT PROPERTIES

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Beginning balance	454,183	494,236	416,583	456,094
Additions	-	193	-	193
Transfer	(193)	(7,697)	(193)	(7,697)
Less Unrealised loss from a fair value adjustment	(2,340)	(32,549)	(4,350)	(32,007)
Ending balance	451,650	454,183	412,040	416,583

Investment properties were revalued as at December 31, 2018 and 2017 by a firm of independent valuers, using the income approach.

Investment properties mainly comprise shopping malls, space for rent and construction in progress.

As at December 31, 2018 and 2017, the Group mortgaged certain investment properties as collateral to secure the loan and credit facilities granted by the financial institutions.

Measurement of fair value :-

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on an annual basis.

The fair value measurement for investment properties of the Group and the Company as at December 31, 2018 amount of Baht 418.36 million and Baht 378.75 million, respectively, and as at December 31, 2017 amount of Baht 420.70 million and Baht 383.10 million, respectively, have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Fair value method Level 3

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Balance at January 1,	420,700	453,249	383,100	415,107
Unrealised change in fair value	(2,340)	(32,549)	(4,350)	(32,007)
Balance at December 31,	418,360	420,700	378,750	383,100

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property of the Group, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate lease incentive costs such as other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.	<ul style="list-style-type: none"> Expected market rental growth (5% to 10%). Occupancy rate (52% to 95%). Risk-adjusted discount rates (7.97% and 9%). Rental fee rate around Baht 456 - 1,145 per square meter per month. 	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> Expected market rental growth were higher (lower); The occupancy rate were higher (lower); The risk-adjusted discount rate were lower (higher).

14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Financial Statements (In Thousand Baht)				
	Balance as at December 31, 2017	Change in during the year			Balance as at December 31, 2018
		Additions	Deduction	Transfer in (out)	
<u>Cost</u>					
Land	75,975	-	-	93,904	169,879
Buildings and system	46,824	-	-	-	46,824
Leasehold improvement	2,727	-	-	-	2,727
Clubhouse and temporary building	28,523	-	-	-	28,523
Furniture, fixtures and office equipment	153,411	8,615	-	8,094	170,120
Machineries and construction equipment	220,191	1,308	-	11,914	233,413
Vehicles	109,521	14,581	(5,193)	-	118,909
Assets under construction	568	21,069	-	(20,508)	1,129
Total	637,740	45,573	(5,193)	93,404	771,524
<u>Less Accumulated depreciation</u>					
Building and system	(14,451)	(3,730)	-	-	(18,181)
Leasehold improvement	(1,410)	(546)	-	-	(1,956)
Clubhouse and temporary building	(17,329)	(1,426)	-	-	(18,755)
Furniture, fixtures and office equipment	(95,162)	(16,375)	-	-	(111,537)
Machineries and construction equipment	(154,092)	(35,870)	-	-	(189,962)
Vehicles	(81,054)	(13,510)	5,193	-	(89,371)
Total	(363,498)	(71,457)	5,193	-	(429,762)
Net	274,242				341,762

Consolidated Financial Statements (In Thousand Baht)					
	Balance as at December 31, 2016	Change in during the year			Balance as at December 31, 2017
		Additions	Deduction	Transfer in (out)	
<u>Cost</u>					
Land	69,895	-	-	6,080	75,975
Buildings and system	46,824	-	-	-	46,824
Leasehold improvement	2,727	-	-	-	2,727
Clubhouse and temporary building	39,118	-	-	(10,595)	28,523
Furniture, fixtures and office equipment	149,469	6,724	(2,782)	-	153,411
Machineries and construction equipment	266,310	6,901	(58,475)	5,455	220,191
Vehicles	116,588	-	(7,067)	-	109,521
Assets under construction	42,656	15,513	-	(57,601)	568
Total	733,587	29,138	(68,324)	(56,661)	637,740
<u>Less Accumulated depreciation</u>					
Building and system	(10,721)	(3,730)	-	-	(14,451)
Leasehold improvement	(865)	(545)	-	-	(1,410)
Clubhouse and temporary building	(17,131)	(1,956)	-	1,758	(17,329)
Furniture, fixtures and office equipment	(82,014)	(15,930)	2,782	-	(95,162)
Machineries and construction equipment	(147,308)	(63,085)	56,301	-	(154,092)
Vehicles	(75,665)	(12,456)	7,067	-	(81,054)
Total	(333,704)	(97,702)	66,150	1,758	(363,498)
Net	399,883				274,242

Separate Financial Statements (In Thousand Baht)					
	Balance as at December 31, 2017	Change in during the year			Balance as at December 31, 2018
		Additions	Deduction	Transfer in (out)	
<u>Cost</u>					
Land	75,975	-	-	93,904	169,879
Buildings and system	46,824	-	-	-	46,824
Leasehold improvement	2,727	-	-	-	2,727
Clubhouse and temporary building	28,523	-	-	-	28,523
Furniture, fixtures and office equipment	143,397	2,656	-	-	146,053
Machineries and construction equipment	167,635	856	-	3,439	171,930
Vehicles	87,865	11,028	(1,903)	-	96,990
Assets under construction	501	4,567	-	(3,939)	1,129
Total	553,447	19,107	(1,903)	93,404	664,055
<u>Less Accumulated depreciation</u>					
Building and system	(14,451)	(3,730)	-	-	(18,181)
Leasehold improvement	(1,410)	(546)	-	-	(1,956)
Clubhouse and temporary building	(17,329)	(1,426)	-	-	(18,755)
Furniture, fixtures and office equipment	(86,524)	(15,194)	-	-	(101,718)
Machineries and construction equipment	(112,908)	(31,080)	-	-	(143,988)
Vehicles	(60,327)	(12,671)	1,903	-	(71,095)
Total	(292,949)	(64,647)	1,903	-	(355,693)
Net	260,498				308,362

	Separate Financial Statements (In Thousand Baht)				
	Balance as at	Change in during the year			Balance as at
	December			Transfer	December
	31, 2016	Additions	Deduction	in (out)	31, 2017
<u>Cost</u>					
Land	69,895	-	-	6,080	75,975
Buildings and system	46,824	-	-	-	46,824
Leasehold improvement	2,727	-	-	-	2,727
Clubhouse and temporary building	39,118	-	-	(10,595)	28,523
Furniture, fixtures and office equipment	140,495	5,684	(2,782)	-	143,397
Machineries and construction equipment	180,962	3,702	(20,990)	3,961	167,635
Vehicles	89,352	-	(1,487)	-	87,865
Assets under construction	42,656	13,952	-	(56,107)	501
Total	612,029	23,338	(25,259)	(56,661)	553,447
<u>Less Accumulated depreciation</u>					
Building and system	(10,721)	(3,730)	-	-	(14,451)
Leasehold improvement	(865)	(545)	-	-	(1,410)
Clubhouse and temporary building	(17,131)	(1,956)	-	1,758	(17,329)
Furniture, fixtures and office equipment	(73,878)	(15,428)	2,782	-	(86,524)
Machineries and construction equipment	(86,215)	(46,392)	19,699	-	(112,908)
Vehicles	(50,014)	(11,800)	1,487	-	(60,327)
Total	(238,824)	(79,851)	23,968	1,758	(292,949)
Net	373,205				260,498

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at December 31, 2018 and 2017 amounted to Baht 164.01 million and Baht 128.14 million, respectively (the Company as at December 31, 2018 and 2017, amounted to Baht 119.49 millions and Baht 79.50 million, respectively).

The Group entered into finance lease contracts for acquiring vehicles and equipment while these contracts will expire in various years until 2021. Under the terms of the lease contracts, the Group must comply with certain conditions stipulated in the agreements.

Depreciation charged for the year

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Recognised in:				
- Real estate projects under development	19,173	43,146	16,254	38,299
- Administrative expenses	52,284	54,556	48,393	41,552
Total	71,457	97,702	64,647	79,851

15. PREPAID RENTAL EXPENSES

In Thousand Baht

	Consolidated / Separate Financial Statements			
	Balance as at	Change in during the year		Balance as at
	December 31,			December 31,
	2017	Increase	Decrease	2018
Cost - Prepaid rental expenses	170,914	-	-	170,914
<u>Less Amortization</u>	(34,595)	(8,546)	-	(43,141)
Net	136,319			127,773

In Thousand Baht

	Consolidated / Separate Financial Statements			
	Balance as at	Change in during the year		Balance as at
	December 31,			December 31,
	2016	Increase	Decrease	2017
Cost - Prepaid rental expenses	170,914	-	-	170,914
<u>Less Amortization</u>	(26,049)	(8,546)	-	(34,595)
Net	144,865			136,319

In Thousand Baht

	Consolidated / Separate Financial Statements	
	For the years ended December 31,	
	2018	2017
Statement of Comprehensive Income		
Amortization expense for the year		
- Administrative expenses	8,546	8,546

The Company has mortgaged office building as collateral to secure loans and credit facilities granted by financial institution.

16. LEASEHOLD RIGHTS

Movements of the leasehold rights during the years ended December 31, 2018 and 2017 were as follows :

In Thousand Baht

	Consolidated / Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Beginning balance	757,344	557,786
Add Increase	145,205	199,558
<u>Less Decrease</u>	-	-
Ending balance	902,549	757,344

In Thousand Baht

	Consolidated / Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Leasehold rights consist of ;	494,900	441,003
Expense under contracts	407,649	316,341
Construction in process	902,549	757,344

Leasehold rights arise from the Company entered into the lease agreements with third parties for developing and constructing projects of residential and hotel.

17. INTANGIBLE ASSETS

In Thousand Baht

	Consolidated Financial Statements		
	Balance as at December 31, 2017	Change in during the year	Balance as at December 31, 2018
		Increase	Decrease
Cost – Software	48,052	2,786	-
Less Amortization	(26,978)	(5,185)	-
Net	21,074		18,675

In Thousand Baht

	Consolidated Financial Statements		
	Balance as at December 31, 2016	Change in during the year	Balance as at December 31, 2017
		Increase	Decrease
Cost – Software	46,452	2,770	(1,170)
Less Amortization	(21,625)	(5,353)	-
Net	24,827		21,074

In Thousand Baht

	Separate Financial Statements		
	Balance as at December 31, 2017	Change in during the year	Balance as at December 31, 2018
		Increase	Decrease
Cost – Software	46,492	916	-
Less Amortization	(26,070)	(4,932)	-
Net	20,422		16,406

In Thousand Baht

	Separate Financial Statements			Balance as at December 31, 2017
	Balance as at December 31, 2016	Change in during the year		
		Increase	Decrease	
Cost – Software	45,517	2,145	(1,170)	46,492
<u>Less</u> Amortization	(20,742)	(5,328)	-	(26,070)
Net	24,775			20,422

18. DEFERRED TAX ASSETS

18.1 Deferred tax assets and liabilities as at December 31, 2018 and 2017 as follows:-

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Deferred tax assets		47,917	18,672	20,849
Deferred tax liabilities	(13,421)	(10,672)	(12,581)	(10,072)
Net	49,894	37,245	6,091	10,777

18.2 Changes in deferred tax assets and liabilities for the years ended December 31, 2018 and 2017 are summarized as follows:

In Thousand Baht

	Consolidated Financial Statements			
	Balance as at Dec. 31, 2017	Revenue (expenses) during the year		Balance as at Dec. 31, 2018
		In profit or loss	In other comprehensive income	
Deferred tax assets				
Allowance for doubtful account	2,495	(20)	-	2,475
Allowance for decline in value of real estate projects under development	2,899	(2,501)	-	398
A fair value adjustment of investment properties	8,040	468	-	8,508
Provision for bonus	4,334	(4,334)	-	-
Unrecognised income on installment due	1,218	(44)	-	1,174
Employee benefit obligations	10,109	1,245	-	11,354
Loss carry forward	17,887	21,002	-	38,889
Provision for after-sale maintenance expenses	935	(418)	-	517
Total	47,917	15,398	-	63,315
Deferred tax liabilities				
Accumulated depreciation – investment properties	(10,559)	(2,758)	-	(13,317)
Others	(113)	9	-	(104)
Total	(10,672)	(2,749)	-	(13,421)
Net	37,245	12,649	-	49,894

In Thousand Baht

	Consolidated Financial Statements			
	Balance as at Dec. 31, 2016	Revenue (expenses) during the year		Balance as at Dec. 31, 2017
		In profit or loss	In other comprehensive income	
Deferred tax assets				
Allowance for doubtful account	4,060	(1,565)	-	2,495
Allowance for decline in value of real estate projects under development	4,136	(1,237)	-	2,899
A fair value adjustment of investment properties	1,530	6,510	-	8,040
Provision for bonus	3,742	592	-	4,334
Unrecognised income on installment due	3,769	(2,551)	-	1,218
Employee benefit obligations	4,018	419	5,672	10,109
Provision for litigation	2,300	(2,300)	-	-
Loss carry forward	-	17,887	-	17,887
Provision for after-sale maintenance expenses	-	935	-	935
Total	23,555	18,690	5,672	47,917
Deferred tax liabilities				
Accumulated depreciation - investment properties	(7,802)	(2,757)	-	(10,559)
Others	(54)	(59)	-	(113)
Total	(7,856)	(2,816)	-	(10,672)
Net	15,699	15,874	5,672	37,245

In Thousand Baht

	Separate Financial Statements			
	Balance as at Dec. 31, 2017	Revenue (expenses) during the year		Balance as at Dec. 31, 2018
		In profit or loss	In other comprehensive income	
Deferred tax assets				
Allowance for doubtful account	2,275	20	-	2,295
Allowance for decline in value of real estate projects under development	1,551	(1,198)	-	353
A fair value adjustment of investment properties	8,768	871	-	9,639
Provision for bonus	2,084	(2,084)	-	-
Unrecognised income on installment due	1,218	(44)	-	1,174
Employee benefit obligations	4,216	585	-	4,801
Provision for after-sale maintenance expenses	737	(327)	-	410
Total	20,849	(2,177)	-	18,672
Deferred tax liabilities				
Accumulated depreciation - investment properties	(9,978)	(2,500)	-	(12,478)
Others	(94)	(9)	-	(103)
Total	(10,072)	(2,509)	-	(12,581)
Net	10,777	(4,686)	-	6,091

In Thousand Baht

	Separate Financial Statements			
	Revenue (expenses) during the year			Balance as at Dec. 31, 2017
	Balance as at Dec. 31, 2016	In profit or loss	In other comprehensive income	
Deferred tax assets				
Allowance for doubtful account	3,863	(1,588)	-	2,275
Allowance for decline in value of real estate projects under development	2,833	(1,282)	-	1,551
A fair value adjustment of investment properties	2,368	6,400	-	8,768
Provision for bonus	1,652	432	-	2,084
Unrecognised income on installment due	3,748	(2,530)	-	1,218
Employee benefit obligations	1,341	100	2,775	4,216
Provision for litigation	2,300	(2,300)	-	-
Provision for after-sale maintenance expenses	-	737	-	737
Total	18,105	(31)	2,775	20,849
Deferred tax liabilities				
Accumulated depreciation - investment properties	(7,479)	(2,499)	-	(9,978)
Others	(15)	(79)	-	(94)
Total	(7,494)	(2,578)	-	(10,072)
Net	10,611	(2,609)	2,775	10,777

18.3 Deferred tax assets have not been recognised in respect of the following items:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Loss carry forward	14,377	15,927	-	-

The tax losses expire in 2019 to 2023, the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

19. OTHER NON-CURRENT ASSETS

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Withholding tax	31,042	28,810	21,363	21,363
Deposits	18,479	26,191	18,015	25,650
Others	518	564	514	470
Total	50,039	55,565	39,892	47,483

20. INTEREST-BEARING LIABILITIES

20.1 Bank overdrafts and short-term loans from financial institutions

		In Thousand Baht				
	Interest rate (% per annum)		Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Bank overdrafts	MOR, bank account+ fixed rate	MOR, bank account+ fixed rate	39,060	2,130	29,242	2,130
Promissory notes	MLR-fixed rate	MLR-fixed rate	247,000	275,000	247,000	275,000
Bills of exchange	Government bond yield+credit spread	Government bond yield+credit spread	136,000	72,000	136,000	72,000
Less prepaid interest			(4,904)	(2,113)	(4,904)	(2,113)
Bills of exchange - net			131,096	69,887	131,096	69,887
Total			417,156	347,017	407,338	347,017

Bank overdrafts and short-term loans have been secured by certain directors and the mortgage of land of projects of the Group.

As at December 31, 2018 and 2017, the Group and the Company had bank overdraft credit line with local banks in the amount of Baht 40 million and Baht 30 million, respectively.

20.2 Loans from other parties

Movements of loans during for the years ended December 31, 2018 and 2017 were as follows :

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Beginning balance		111,493	111,493	111,493	111,493
Increase		-	-	-	-
Decrease		-	-	-	-
Ending balance		111,493	111,493	111,493	111,493

As at December 31, 2018 and 2017, the Company had obtained loans from other persons totaling Baht 111.49 million. These loans carried interest at a rate close to fixed interest rate and due at call.

20.3 Long-term loans from financial institutions

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Current					
Current portion		1,564,231	611,433	1,224,237	501,152
Non-current					
Long-term loans from financial institutions		878,191	1,031,767	409,602	963,496
Total		2,442,422	1,643,200	1,633,839	1,464,648

Movements of long-term loans during for the years ended December 31, 2018 and 2017 were as follows :

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Beginning balance	1,643,200	705,652	1,464,648	640,652
Increase	3,040,741	2,723,060	2,112,927	2,426,139
Decrease	(2,241,519)	(1,785,512)	(1,943,736)	(1,602,143)
Ending balance	2,442,422	1,643,200	1,633,839	1,464,648

Long-term loans agreement details as at December 31, 2018 and 2017 were as follows:

In Million Baht				
Agreements	Balance as at December 31,		Repayment	
	2018	2017		
<u>The Company</u>				
Group 1	777	954	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2021.	
Group 2	621	238	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.	
Group 3	117	173	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.	
Group 4	119	99	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2021.	
<u>Subsidiaries</u>				
Group 1	92	42	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2023.	
Group 2	182	137	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.	
Group 3	534	-	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.	

Long-term loans from financial institutions of the Group carry interest at the rate of MLR minus fixed rate per annum. The loan agreements also stipulated that loan repayments are to be made proportionately when properties are sold and transferred the right to customers and full payment is to be made within 2022.

The loan agreements contain covenants pertaining to matters including the maintenance of certain financial ratios, such as debt-to-equity.

Long-term loans from financial institutions are secured by the mortgage of property projects and investment properties and office buildings. Some loans from financial institutions are also guaranteed by the subsidiaries, certain directors and the mortgage of land of certain directors.

Unutilised credit facilities

As at December 31, 2018, the credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 3,528.80 million and Baht 2,182.83 million, respectively (December 31, 2017 : Baht 4,094.66 million and Baht 3,131.69 million, respectively).

20.4 Debentures

As at December 31, 2018 and 2017, the debentures of the Company were registered, unsubordinated, unsecured and without a debenture holders' representative, interest is payable quarterly, with face value of Baht 1,000 per unit as follows :

Consolidated/Separate Financial Statements													In Thousand Bahr
Debtenture	Units (Thousand units)	Issuance date	Term	Maturity date	Interest rate (% per annum)	Current portion		Non-current			Total		
						As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017		
No. 2/2015	1,000	22 October 2015	2 years 11 months 28 days	19 October 2018 or early redemption	1 st year: 5.50 2 nd – 3 rd year: 5.80	-	1,000,000	-	-	-	-	1,000,000	
No. 1/2016	1,353	1 April 2016	3 years	1 April 2019	5.45	1,353,200	-	-	1,353,200	1,353,200	-	1,353,200	
No. 2/2016	1,000	5 October 2016	3 years 11 months 26 days	1 October 2020 or early redemption	5.40	-	-	1,000,000	1,000,000	1,000,000	-	1,000,000	
No. 3/2016	646.8	20 October 2016	2 years 9 months	20 July 2019	5.00	646,800	-	-	646,800	646,800	-	646,800	
No. 1/2017	654.5	31 January 2017	3 years	31 January 2020	5.25	-	-	654,500	654,500	654,500	-	654,500	
No. 2/2017 *	1,500	5 April 2017	3 years	5 April 2020 or early redemption	5.95	-	-	1,500,000	1,500,000	1,500,000	-	1,500,000	
No. 3/2017	842.3	31 October 2017	3 years 5 months 30 days	31 October 2018 31 October 2019 2 November 2020	5.95	-	31,215	-	-	-	-	31,215	
						31,215	-	-	31,215	31,215	-	31,215	
No. 1/2018	250	18 October 2018	3 years	30 April 2021 19 October 2021	5.95	-	-	31,215	31,215	31,215	-	31,215	
No. 2/2018	166.6	22 November 2018	3 years 3 months	22 February 2022	6.05	-	-	250,000	748,655	748,655	-	748,655	
						-	-	166,600	-	250,000	-	-	
Total debentures, at face value						2,031,215	1,031,215	4,350,970	5,965,585	6,382,185	-	6,996,800	
Less deferred transaction costs from issuing of debentures						-	-	(14,048)	(20,735)	(14,048)	-	(20,735)	
Debentures – net						2,031,215	1,031,215	4,336,922	5,944,850	6,368,137	-	6,976,065	

* Secured bond

20.5 Finance lease liabilities

Finance lease liabilities as at December 31, 2018 and 2017 were payable as follows:

In Thousand Baht						
Consolidated Financial Statements						
	2018			2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year After one year but within five years	93,053	(2,772)	90,281	18,779	(1,808)	16,971
	24,647	(1,458)	23,189	25,074	(1,441)	23,633
Total	117,700	(4,230)	113,470	43,853	(3,249)	40,604

In Thousand Baht						
Separate Financial Statements						
	2018			2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year After one year but within five years	92,197	(2,652)	89,545	17,735	(1,808)	15,968
	21,394	(1,178)	20,216	24,801	(1,441)	23,363
Total	113,591	(3,830)	109,761	42,536	(3,249)	39,331

The Group has entered into the finance lease agreements with leasing company for rental of vehicle and equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The term of the agreements is generally 1 - 5 years. Finance lease agreements cannot be cancelled.

Interest-bearing liabilities of the Group as at December 31, 2018 and 2017 was denominated entirely in Thai Baht.

21. TRADE AND OTHER PAYABLES

In Thousand Baht					
	Note	Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Related parties	5	-	-	462,006	442,552
Other parties		401,156	318,248	328,557	256,216
Total		401,156	318,248	790,563	698,768

Trade and other payables of the Group as at December 31, 2018 and 2017 was denominated entirely in Thai Baht.

22. OTHER CURRENT LIABILITIES

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Value added tax suspense	55,546	47,258	13,968	9,786
Withholding tax deduct payable	10,008	8,938	7,571	7,068
Advance received	557	557	557	557
Others	4,937	5,248	4,154	4,141
Total	71,048	62,001	26,250	21,552

23. EMPLOYEE BENEFIT OBLIGATIONS

23.1 Movement of employee benefit obligations for the years ended December 31, 2018 and 2017 shown as follow :-

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
The statements of financial position				
Employee benefit obligations, beginning of the year	50,546	20,090	21,081	6,706
Current service costs and interest	6,223	2,093	2,921	501
Past service cost	-	-	-	-
Employee benefit obligations paid	-	-	-	-
Loss estimation over actuarial principles	-	28,363	-	13,874
Employee benefit obligations, ending of the year	56,769	50,546	24,002	21,081

The Group recognized actuarial gain in the statements of other comprehensive income.

Post-employment defined benefit plans

The Group operates a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

23.2 Revenues and expenses recognized in the statement of comprehensive income for the years ended December 31, 2018 and 2017 are as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
The statement of comprehensive income				
Recognized in profit or loss				
Cost of sale of real estate	993	344	430	126
Selling expenses	395	14	228	4
Administrative expenses	4,835	1,735	2,263	371
Total	6,223	2,093	2,921	501
Recognized in other comprehensive income				
Loss on actuarial gain loss	-	28,363	-	13,874
Total	-	28,363	-	13,874
Total	6,223	30,456	2,921	14,375

Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the year ended December 31, 2017 arise from

In Thousand Baht		
For the year ended December 31, 2017		
	Consolidated Financial Statements	Separate Financial Statements
Recognize in other comprehensive income		
Improvement from experience	18,015	9,979
Population assumption	1,440	1,091
Financial assumption	8,908	2,804
Total	28,363	13,874

23.3 Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

(% per annum)				
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Discount rate	2.39 - 3.12	2.39 - 3.12	3.11	3.11
Inflation rate	2.75	2.75	2.75	2.75
Future salary growth rate	4.00 - 8.00	4.00 - 8.00	8.00	8.00
Employee turnover rate (depending on age)	1.91 - 42.98	1.91 - 42.98	5.73 - 34.38	5.73 - 34.38
Mortality rate	table of death B.B.2017	table of death B.B.2017	table of death B.B.2017	table of death B.B.2017

Assumptions regarding future mortality are based on published statics and mortality tables.

At December 31, 2018, the Group has the weighted-average duration of the defined benefit obligation was 8 - 20 years. (Separate financial statements : 15 years).

As at December 31, 2018, the Group expects to pay Baht 5.20 million of long-term employee benefits during the next year (Separate financial statements : Baht 0.20 million).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

In Thousand Baht

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation as at December 31, 2018				
Discount rate (0.5% movement)	(2,289)	2,482	(1,372)	1,490
Future salary growth rate (1% movement)	5,360	(4,653)	3,149	(2,724)
Employee turnover rate (20% movement)	(6,147)	8,099	(4,166)	5,468

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation as at December 31, 2017				
Discount rate (0.5% movement)	(2,147)	2,331	(1,270)	1,382
Future salary growth rate (1% movement)	4,562	(3,969)	2,704	(2,344)
Employee turnover rate (20% movement)	(5,187)	6,788	(3,570)	4,661

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Employee benefits obligations

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Company and its subsidiaries will recognize the increase in the employee benefits obligations approximately Baht 12.25 million, resulting in the decrease in profit approximately Baht 9.80 million.

24. LONG-TERM LEASE AGREEMENT OBLIGATION

Movements of the long-term lease agreement obligation during years ended December 31, 2018 and 2017 were as follows :

In Thousand Baht

	Consolidated/Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Beginning balance	66,622	3,511
Add Increase during the year	20,734	63,111
Less Paid during the year	-	-
Ending balance	87,356	66,622

Long-term lease agreement obligations arise from the rental fees that must be paid accordance with the agreement of construction and land lease with the building already constructed under the straight line method from the date that the Company has the right to use the assets until as at the end of the year. It is included other expenses related to the area development for future project development by recognizing the additional liabilities as cost of leasehold rights (see Note 16).

25. PROVISION FOR LITIGATION

Movements of the provision for litigation during years ended December 31, 2018 and 2017 were as follows :

In Thousand Baht

	Consolidated/Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017
Beginning balance	-	11,500
Add Increase during the year	-	-
Less Paid during the year	-	(11,500)
Ending balance	-	-

During the year ended December 31, 2017, the Company reversed the provision for litigation of Baht 11.50 million because the Supreme Court has made the judgement ordering the Company to pay the compensation for Baht 7.75 million. However, the Company has recorded the compensation from the lawsuit in the statement of comprehensive income as administrative expense.

26. OTHER NON-CURRENT LEABILITIES

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Advance received for common fees	68,355	103,723	43,212	74,999
Provision for compensation for housing estate juristic persons	21,583	17,918	17,946	16,583
Deposit receipt	9,083	8,399	8,266	7,588
Total	99,021	130,040	69,424	99,170

27. SHARE CAPITAL

	Par value per share in Baht	Consolidated / Separate Financial Statements			
		2018		2017	
		Number (Thousand Shares)	Amount (In Thousand Baht)	Number (Thousand Shares)	Amount (In Thousand Baht)
Authorised					
At January 1,					
- ordinary shares	1	1,200,000	1,200,000	1,200,000	1,200,000
Increase of new shares	1	-	-	-	-
At December 31,					
- ordinary shares	1	1,200,000	1,200,000	1,200,000	1,200,000
Issued and paid-up					
At January 1,					
- ordinary shares	1	980,000	980,000	980,000	980,000
At December 31,					
- ordinary shares	1	980,000	980,000	980,000	980,000

28. SHARE PREMIUM

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

29. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company and a subsidiary is required to set aside as statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward, (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

Under the terms of the Civil and Commercial Code, twelve subsidiaries is required to set aside as statutory reserve at least 5 percent of its net income at each dividend declaration as the statutory reserve until the statutory reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

30. DIVIDEND

At the annual general meeting of the shareholders of the Company held on April 27, 2018, the shareholders approved the appropriation of dividend of Baht 0.04 per share, amounting to Baht 39 million. The dividend was paid to the shareholders in May 2018.

At the annual general meeting of the shareholders of the Company held on April 24, 2017, the shareholders approved the appropriation of dividend of Baht 0.05 per share, amounting to Baht 49 million. The dividend was paid to the shareholders in May 2017.

31. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is principally engaged in the real estate business. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the year, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

32. OTHER INCOME

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Management income	-	-	72,035	81,021
Revenue from rental and rendering of services	26,690	22,384	23,106	18,875
Revenue from project management	25,552	15,219	920	-
Revenue from delay work	19,636	26,495	19,636	26,495
Others	28,240	18,204	20,308	13,251
Total	100,118	82,302	136,005	139,642

33. SELLING EXPENSES

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Marketing expenses	290,728	339,821	269,862	300,198
Employee benefit expenses	71,789	73,751	23,467	27,502
Others	204,019	137,312	172,302	118,411
Total	566,536	550,884	465,631	446,111

34. ADMINISTRATIVE EXPENSES

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Employee benefit expenses	242,935	225,268	124,101	109,647
Depreciation and amortisation	65,430	57,487	61,870	52,793
Common fee charge	43,045	50,676	36,175	47,672
Management fee	-	-	44,320	41,930
Security expenses	18,430	18,412	16,071	17,380
Utility expenses	20,218	22,065	17,384	19,224
Transportation expenses	20,145	12,722	14,255	5,509
Maintenance expenses	9,245	17,013	6,126	12,320
Others	132,548	174,044	98,153	144,157
Total	551,996	577,687	418,455	450,632

35. EMPLOYEE BENEFIT EXPENSES

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Wages and salaries	250,787	226,450	110,978	97,176
Contributions to provident fund	15,502	13,543	7,451	6,581
Others	49,428	59,370	29,569	33,517
Total	315,717	299,363	147,998	137,274

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

36. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Depreciation and amortisation	66,014	68,455	61,870	55,426
Marketing expenses	290,728	339,821	269,862	300,198
Employee benefit expenses	315,517	299,363	147,998	137,274

37. FINANCE COSTS

	Note	In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2018	2017	2018	2017
Interest expense:					
Subsidiaries	5	-	-	5,460	7,871
Interest bearings liabilities		521,492	535,062	488,741	535,831
Total interest expenses		521,492	535,062	494,201	543,702
Other finance costs		4,698	15,742	4,435	15,311
Total		526,190	550,804	498,636	559,013
Less amounts included in the cost of qualifying assets:					
- Real estate projects under development	5, 9	(276,232)	(248,994)	(252,152)	(253,784)
- Leasehold rights		(23,059)	(41,954)	(23,059)	(41,954)
Total		(299,291)	(290,948)	(275,211)	(295,738)
Net		226,899	259,856	223,425	263,275

38. TAX EXPENSE (INCOME)

38.1 Major components of tax expense (income)

For the years ended December 31, 2018 and 2017 consisted of:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Income tax expense (income) shown in profit or loss :				
Current tax expense:				
Income tax expense for the year	48,090	60,799	40,857	52,667
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(12,649)	(15,874)	4,686	2,609
Total	35,441	44,925	45,543	55,276
Income tax relating to components of other comprehensive income :				
Actuarial gains (loss) from post-employee benefit, net of income tax	-	5,672	-	2,775

38.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 which are summarized as follows:

In Thousand Baht				
	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
Accounting profit (loss) for the year	66,227	142,619	193,835	234,536
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	13,245	28,524	38,767	46,907
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	13,111	11,166	7,460	10,658
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	(44)	(2,042)	(44)	(2,022)
- Additional expense deductions allowed	(711)	(872)	(640)	(267)
- Current year losses for which no deferred tax asset was recognized	1,831	1,516	-	-
- Eliminate income	8,009	6,633	-	-
Total reconciliation items	22,196	16,401	6,776	8,369
Total tax expense (income)	35,441	44,925	45,543	55,276

38.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2018 and 2017 are summarized as follows:

	Consolidated Financial Statements			
	2018		2017	
	Tax amount (In Baht)	Tax rate (%)	Tax amount (In Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	66,227		142,619	
Tax expense (income) at the applicable tax rate	13,245	20.00	28,524	20.00
Reconciliation items	22,196	33.51	16,401	11.50
Tax expense (income) at the average effective tax rate	35,441	53.51	44,925	31.50

	Separate Financial Statements			
	2018		2017	
	Tax amount (In Baht)	Tax rate (%)	Tax amount (In Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	193,835		234,536	
Tax expense (income) at the applicable tax rate	38,767	20.00	46,907	20.00
Reconciliation items	6,776	3.49	8,369	3.57
Tax expense (income) at the average effective tax rate	45,543	23.49	55,276	23.57

39. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows :

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2018	2017	2018	2017
Profit attributable to ordinary shareholders of the Company (basic) (Thousand Baht)	30,785	97,693	148,292	179,260
Number of ordinary shares outstanding (Thousand shares)	980,000	980,000	980,000	980,000
Earnings per share (basic) (Baht per share)	0.03	0.10	0.15	0.18

40. Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings. The Group does not use derivative financial instrument to manage exposure to fluctuations in interest rates on specific borrowings. Interest rate from borrowings is according to market interest rates.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair value of financial instrument

The Group uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

The following table shows the carrying amounts and fair values of financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Consolidated Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2018				
Assets measured at fair value				
Current investments				
- Unit trust	-	84	-	84
Financial liability not measured at fair value				
- Debentures	-	6,378,727	-	6,378,727

	Consolidated Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2017				
Assets measured at fair value				
Current investments				
- Unit trust	-	83	-	83
Financial liability not measured at fair value				
- Debentures	-	7,020,653	-	7,020,653

	Separate Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2018				
Assets measured at fair value				
Current investments				
- Unit trust	-	84	-	84
Financial liability not measured at fair value				
- Debentures	-	6,378,727	-	6,378,727

	Separate Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2017				
Assets measured at fair value				
Current investments				
- Unit trust	-	83	-	83
Financial liability not measured at fair value				
- Debentures	-	7,020,653	-	7,020,653

Valuation techniques on fair value and inputs for Level 2 valuations

The fair value of investments in non-listed investment units on the Stock Exchange of Thailand, is calculated by using the net assets value per unit as announced by the fund managers.

Type	Valuation technique
Current investment	Market comparison technique: The fair values are based on the net value per unit as announced by the fund manager.
Debentures	Market comparison technique: The fair values are based on quoted selling prices from Thai Bond Market Association.

During the current year, there were no transfers within the fair value hierarchy.

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2018
Bank overdrafts and short-term loans from financial institutions	347,017	70,139	-	417,156
Long-term loans from financial institutions	1,643,200	799,222	-	2,442,422
Long-term loans from other parties	111,493	-	-	111,493
Debentures	6,976,065	(616,844)	8,916	6,368,137
Liabilities under a finance lease agreements	40,604	(18,595)	91,461	113,470
Total	9,118,379	233,922	100,377	9,452,678

	Consolidated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2017
Bank overdrafts and short-term loans from financial institutions	1,545,890	(1,198,873)	-	347,017
Long-term loans from financial institutions	705,652	937,548	-	1,643,200
Long-term loans from other parties	111,493	-	-	111,493
Debentures	6,989,496	(21,705)	8,274	6,976,065
Liabilities under a finance lease agreements	66,753	(29,662)	3,513	40,604
Total	9,419,284	(312,692)	11,787	9,118,379

	Separated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2018	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2018
Bank overdrafts and short-term loans from financial institutions	347,017	60,320	-	407,337
Short-term loans from related parties	82,238	(79,438)	-	2,800
Long-term loans from financial institutions	1,464,648	169,191	-	1,633,839
Long-term loans from related parties	9,700	-	-	9,700
Long-term loans from other parties	111,493	-	-	111,493
Debentures	6,976,065	(616,844)	8,916	6,368,137
Liabilities under a finance lease agreements	39,331	(17,479)	87,909	109,761
Total	9,030,492	(484,250)	96,825	8,643,067

	Separated Financial Statements (In Thousand Baht)			
	Balance as at January 1, 2017	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2017
Bank overdrafts and short-term loans from financial institutions	1,536,831	(1,189,814)	-	347,017
Short-term loans from related parties	173,680	(91,442)	-	82,238
Long-term loans from financial institutions	640,652	823,996	-	1,464,648
Long-term loans from related parties	9,700	-	-	9,700
Long-term loans from other parties	111,493	-	-	111,493
Debentures	6,989,496	(21,705)	8,274	6,976,065
Liabilities under a finance lease agreements	61,689	(25,871)	3,513	39,331
Total	9,523,541	(504,836)	11,787	9,030,492

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

42. COMMITMENTS WITH NON-RELATED PARTIES

As at December 31, 2018 and 2017, the Company and subsidiaries had commitments as follows:

- 42.1 As at December 31, 2018, the Company and its subsidiaries have commitments relating to project development contracts amounting to Baht 904.35 million (As at December 31, 2017 : Baht 595.73 million).
- 42.2 During 2011, the Company entered into a Joint Developing Area agreement with an Association with a lease period of not less than 30 years. The Company must comply with terms and conditions stipulated in the agreement.
- 42.3 In January 2016, the Company entered into a sale and purchase agreement of land amounting to Baht 228.00 million for a property development project. As at December 31, 2018, the Company had paid Baht 114.00 million for deposit. (As at December 31, 2017 : Baht 114.00 million).
- 42.4 In April 2017, the Company entered into a sale and purchase agreement of land amounting to Baht 414.89 million for a property development project. As at December 31, 2018, the Company had paid Baht 30.00 million for deposit. (As at December 31, 2017 : Baht 70.00 million) and the parties transferred the ownership over the certain part of land in January and April, 2018 Baht 218.32 million.
- 42.5 In April 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 122.40 million for a property development project. As at December 31, 2018, the Company had paid Baht 53.00 million for deposit.
- 42.6 In August 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 295.11 million for a property development project. As at December 31, 2018, the Company had paid Baht 63.90 million for deposit.
- 42.7 In December 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 175.82 million for a property development project. As at December 31, 2018, the Company had paid Baht 20.00 million for deposit.
- 42.8 Non-cancellable operating lease commitments

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Future minimum lease payment under non-cancellable operating leases				
Within one year	45,083	28,668	42,695	28,668
After one year but within five years	125,927	115,001	123,539	115,001
After five years	737,198	745,664	737,198	745,664
Total	908,208	889,333	903,432	889,333

The Company has lease agreements of land rental and rental space in the building for periods of 2 – 30 years ended 2052.

- 42.9 As at December 31, 2018, the Group and the Company have outstanding bank guarantees of Baht 1,014.98 million and Baht 757.76 million, respectively. (As at December 31, 2017, amount of Baht 724.73 million and Baht 594.06 million, respectively).

43. CONTINGENT LIABILITIES

As at December 31, 2018, the Company had contingent liabilities from the charges filed by other company and persons in total of 4 lawsuits on the breach of agreement. The capital amount sued for damage claim and others amounted to Baht 75.76 million. Presently, the cases are under consideration of the court. The Court of First Instance had ruled in one case for the Company to pay Baht 15.03 million. Now the Company is filing an appeal on the court's decision.

However, the Company's management expects that no significant damage will be incurred. Therefore, the Company did not record the provisions for contingent liabilities and damage from the cases mentioned in the financial statements.

44. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets

TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments
TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Group believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

45. EVENTS AFTER THE REPORTING PERIOD

On February 18, 2019, the Board of Directors' Meeting No. 1/2019 has approved to propose to the Shareholders Extraordinary General Meeting No. 1/2019 held on March 19, 2019, to consider and approve the issuance and offering total amount not exceeding Baht 5,000 million of debentures.

46. RECLASSIFICATION

Certain amounts in the consolidated financial statements and separate financial statement for the year 2017 have been reclassified to conform to the current period classification with no effect to the previously reported profit for the period or shareholders' equity.

In Thousand Baht

	Consolidated Financial Statements			Separate Financial Statements		
	Before reclassification	Increase of reclassification (decrease)	After reclassification	Before reclassification	Increase of reclassification (decrease)	After reclassification
The statement of financial position						
Real estate projects under development	11,474,271	(757,344)	10,716,927	9,314,927	(757,344)	8,557,583
Leasehold rights	136,319	757,344	893,663	136,319	757,344	893,663
Current portion of debentures	1,000,000	31,215	1,031,215	1,000,000	31,215	1,031,215
Debentures	5,976,065	(31,215)	5,944,850	5,976,065	(31,215)	5,944,850
Current portion of long-term loans from financial institutions	300,849	310,584	611,433	207,932	293,220	501,152
Long-term loans from financial institutions	1,342,351	(310,584)	1,031,767	1,256,716	(293,220)	963,496

47. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Directors on February 27, 2019.

MANAGEMENT DECISION AND ANALYSIS

FINANCIAL STATEMENT

1. Audit Report

Auditor

Year	Auditor Name	Certification No.	Company
2016	Miss Vannaporn Jongperadechanon	4098	KPMG Phoomchai Audit Ltd.
2017	Miss Wannisa Ngambuathong	6838	Dharmniti Auditing Co.,Ltd.
2018	Miss Wannisa Ngambuathong	6838	Dharmniti Auditing Co.,Ltd.

The audited financial statements for the year ended December 31, 2016

Auditors have audited the consolidated financial statements and its subsidiaries financial statements of the Company and expressed an unqualified opinion dated February 27, 2017.

The audited financial statements for the year ended December 31, 2017

Auditors have audited the consolidated financial statements and its subsidiaries financial statements of the Company and expressed an unqualified opinion dated February 28, 2018.

The audited financial statements for the year ended December 31, 2018

Auditors have audited the consolidated financial statements and its subsidiaries financial statements of the Company and expressed an unqualified opinion dated February 27, 2019.

* Change of Auditors in the year 2016 - 2018, according to Public Limited Companies Act, B.E.2535 , Amended by the Public Limited Companies Act (No. 2) Act 2544, Section 7.

Section 120 ; The annual general meeting of shareholders shall appoint an auditor and determine the amount of the audit fee of the company every year. In appointing the auditor, the same auditor may be re - appointed. According to the policy of the Board of Directors, the company has to compare the audit fee for at least 3 cases every year to compare the audit fees. In addition, it also makes the most benefit to the shareholders as well.

2. Table Summary of Consolidated Financial Statements

(Unit : MB)	31 - Dec 2018	%	31 - Dec 2017	%	31 - Dec 2016	%
STATEMENT OF FINANCIAL POSITION						
ASSETS						
<i>CURRENT ASSETS</i>						
Cash and cash equivalents	85.9	0.6	291.7	2.1	321.5	2.4
Current investment	0.1	-	0.1	-	0.1	-
Trade and other receivables	56.4	0.4	94.3	0.7	39.3	0.3
Real estate projects under development	11,491.6	80.3	10,716.9	79.3	11,396.0	84.3
Deposits for land	280.9	2.0	291.6	2.2	274.4	2.0
Other current assets	185.2	1.3	90.2	0.7	61.7	0.5
Total current assets	12,100.1	84.6	11,484.8	85.0	12,093.0	89.5
Deposits at banks used as collateral	194.8	1.4	229.0	1.7	227.3	1.7
Investments in subsidiaries	451.7	3.2	454.2	3.4	494.2	3.7
Property, plant and equipment	341.8	2.4	274.2	2.0	399.9	2.9
Prepaid rental expenses **	127.8	0.9	136.3	1.0	144.9	1.1
Leasehold rights	902.5	6.3	757.3	5.6	-	-
Intangible assets	18.7	0.1	21.1	0.2	24.8	0.2
Deferred tax assets	49.9	0.4	37.3	0.3	15.7	0.1
Rental deposit	60.0	0.4	60.0	0.4	60.0	0.4
Other non - current assets	50.0	0.3	55.6	0.4	56.0	0.4
Total non - current assets	2,197.2	15.4	2,025.0	15.0	1,422.8	10.5
Total assets	14,297.3	100.0	13,509.8	100.0	13,515.8	100.0

Note: Land¹ is the location of the clubhouse, various project of the company is the part that is free of all obligations.

² Reclassify transaction from building on leasehold Land to prepaid rental expense, please see "Asset used in business operation" page 239

(Unit : MB)	31 - Dec 2018	%	31 - Dec 2017	%	31 - Dec 2016	%
LIABILITIES AND SHAREHOLDER' EQUITY						
<i>CURRENT LIABILITIES</i>						
Bank overdrafts and short - term loans						
from financial institutions	417.2	2.9	347.0	2.6	1,545.9	11.4
Trade and other payables	401.2	2.8	318.3	2.4	268.2	1.9
Current portion of long - term loans						
from financial institutions	1,564.2	10.9	611.4	4.5	491.9	3.6
Current portion of long - term loans						
from other parties	111.5	0.8	111.5	0.8	111.5	0.8
Current portion of debentures	2,031.2	14.2	1,031.2	7.6	3,000.0	22.2
Current portion of financial lease liabilities	90.3	0.6	17.0	0.1	29.3	0.2
Construction retentions	165.9	1.2	177.9	1.3	209.5	1.6
Unrecognised income on installments due	627.2	4.4	229.6	1.7	89.6	0.7
Income tax payable	3.1	0.0	13.5	0.1	32.7	0.2
Other current liabilities	71.0	0.6	62.0	0.5	49.8	0.4
Total current liabilities	5,482.8	38.4	2,919.4	21.6	5,828.4	43.0
<i>NON - CURRENT LIABILITIES</i>						
Long - term loans from financial institutions	878.2	6.1	1,031.8	7.6	213.8	1.6
Debentures	4,336.9	30.3	5,944.9	44.0	3,989.5	29.5
Financial lease liabilities	23.2	0.2	23.6	0.2	37.5	0.3
Utilities guarantees	1.0	0.0	2.5	0.0	6.4	0.1
Employee benefit obligations	56.8	0.4	50.5	0.4	20.1	0.2
Long - term lease agreement obligation	87.3	0.6	66.6	0.5		
Provision for litigation	-	0.0	-	0.0	11.5	0.1
Other non - current liabilities	99.0	0.7	130.0	1.0	94.1	0.7
Total non - current liabilities	5,482.4	38.3	7,249.9	53.7	4,372.9	32.5
TOTAL LIABILITIES	10,965.2	76.7	10,169.3	75.3	10,201.3	75.5
SHAREHOLDERS' EQUITY						
Issued and paid - up share capital	980.00	6.9	980.00	7.2	980.0	7.3
PREMIUM ON ORDINARY SHARES	669.2	4.7	669.2	5.0	669.2	4.9
RETAINED EARNINGS						
Legal reserve	88.3	0.6	80.9	0.6	71.9	0.5
Unappropriated	1,594.6	11.1	1,610.4	11.9	1,593.4	11.8
TOTAL SHAREHOLDERS' EQUITY	3,332.1	23.3	3,340.5	24.7	3,314.5	24.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14,297.3	100.0	13,509.8	100.0	13,515.8	100.0

(Unit : MB)	31 - Dec 2018	%	31 - Dec 2017	%	31 - Dec 2016	%
STATEMENT OF COMPREHENSIVE INCOME						
INCOME						
Revenue from sale of real estate	3,936.1	97.5	4,958.1	98.0	4,643.3	98.3
Service Income from House Construction and Sales of Construction Materials ***	-	-	-	-	3.9	0.1
Reversal of provision for litigation	-	-	11.5	0.2	5.1	0.1
Other income	102.8	2.5	87.5	1.8	72.7	1.5
Total income	4,038.9	100.0	5,057.1	100.0	4,725.0	100.0
EXPENSES						
Cost of sale of real estate	2,474.8	61.3	3,301.6	65.3	3,056.2	64.7
Cost of Service from House Construction and Cost of Construction Materials ***	-	-	-	-	3.2	0.1
Selling expenses	716.7	17.7	742.8	14.7	519.3	10.9
Administrative expenses	552.0	13.7	577.7	11.4	523.9	11.1
Unrealised losses on fair value of investment properties	2.3	0.1	32.5	0.7	44.4	0.9
Finance costs	226.9	5.6	259.9	5.1	236.8	5.0
Total expenses	3,972.7	98.4	4,914.5	97.2	4,383.8	92.7
Profit (loss) before income tax expense	66.2	1.6	142.6	2.8	341.2	7.3
Income tax expense	- 35.4	- 0.8	- 44.9	- 0.9	- 77.8	- 1.7
PROFIT (LOSS) FOR THE YEAR	30.8	0.8	97.7	1.9	263.4	5.6
Other comprehensive income - net of income tax	-	-	- 22.7	- 0.5	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	30.8	0.8	75.0	1.4	263.4	5.6
BASIC EARNINGS PER SHARE						
Profit (loss) for the year (Baht per share)	0.03		0.10		0.27	

*** From 2017 onwards for the appropriateness of the presentation in the statement of comprehensive income Revenue from house construction and sales of construction materials and costs for building houses and selling construction materials Will be shown as the net amount in "Profit from home building and sale of construction materials" and will be included in the topic of "Other income"

(Unit : MB)	31 - Dec 2018	%	31 - Dec 2017	%	31 - Dec 2016	%
Cash flow statement items						
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit (loss) for the year	30.8	11.3	97.7	9.0	263.3	127.3
Adjustments to reconcile profit (loss) for the period to net cash						
Depreciation and amortization	66.0	24.2	68.4	6.3	53.4	25.8
Amortisation of premium on debentures	8.9	3.3	8.3	0.8	6.1	2.9
Doubtful debt (Reverse)	- 0.1	- 0.1	2.3	0.2	1.8	0.9
Allowance for decline in value of real estate projects under development (Reverse)	- 12.5	- 4.6	- 6.2	- 0.6	20.7	10.0
Provision for litigation (Reverse)	-	-	- 11.5	- 1.1	- 5.1	- 2.5
Loss (gain) on disposal of equipment	- 0.8	- 0.3	7.3	0.7	- 1.7	- 0.8
Loss of written off intangible asset	-	-	1.2	0.1	0.3	0.2
Loss of written off assets	5	1.8	4.3	0.4	-	-
Gain from written off construction retentions	- 8.2	- 3.0	- 4.5	- 0.4	-	-
Homecare warranty and housing estate juristic person expenses	6.8	2.5	22.6	2.1	-	-
Unrealised losses on fair value of investment properties	2.3	0.9	32.5	3.0	44.4	21.5
Employee benefit obligations	6.2	2.3	2.1	0.2	1.9	0.9
Income tax expense	35.4	13.0	44.9	4.1	77.7	37.6
Interest income	- 2.7	- 1.0	- 5.2	- 0.5	- 5.3	- 2.6
Finance cost	226.9	83.2	259.9	24.0	236.8	114.5
Profit (loss) from operations before changes in operating assets and liabilities	364.0	133.5	524.1	48.3	694.5	335.7
Trade and other receivables	33.2	12.2	- 57.3	- 5.3	- 6.1	- 2.9
Real estate projects under development	- 441.8	- 162.0	533.9	49.2	- 138.6	- 66.9
Deposits for land	10.7	3.9	- 17.2	- 1.6	- 194.4	- 93.9
Other current assets	- 89.0	- 32.7	- 29.1	- 2.7	4.5	2.2
Other non - current assets	5.5	2.0	0.4	0.0	- 3.5	- 1.7
Trade and other receivables	90.9	33.3	80.2	7.4	- 36.7	- 17.7
Construction retentions	- 3.8	- 1.4	- 27.1	- 2.5	1.1	0.5
Unrecognised income on installments due	397.6	145.9	139.8	12.9	- 76.3	- 36.9
Other current liabilities	4.8	1.8	2.8	0.3	0.7	0.3
Utilities guarantee	- 1.4	- 0.5	- 4.0	- 0.3	- 5.6	- 2.7
Other non - current liabilities	- 33.6	- 12.3	21.5	2.0	18.6	8.8
Income tax paid	- 64.5	- 23.7	- 83.7	- 7.7	- 51.3	- 24.8
Net cash provided by (used in) operating activities	272.6	100.0	1,084.3	100.0	206.9	100.0

(Unit : MB)	31 - Dec 2018	%	31 - Dec 2017	%	31 - Dec 2016	%
Cash flow statement items						
CASH FLOWS FROM INVESTING ACTIVITIES						
(Increase) decrease in deposits at banks used as collateral	34.2	- 28.6	- 1.7	1.1	- 33.4	43.1
Purchase of investment properties	-	-	- 0.2	0.1	- 3.4	4.4
Purchase of equipment	- 29.7	24.9	- 26.3	16.7	- 57.5	74.2
Received from disposal of equipment	0.8	- 0.7	3.7	- 2.4	14.0	- 18.1
Interest income	2.7	- 2.3	5.2	- 3.3	5.3	- 6.8
Purchase of intangible assets	- 2.8	2.3	- 2.1	1.3	- 2.4	3.2
Leasehold rights	- 124.5	104.4	- 136.4	86.5		
Net cash provided by (used in) investing activities	- 119.3	100.0	- 157.8	100.0	- 77.4	100.0
CASH FLOWS FROM FINANCING ACTIVITIES						
Finance costs paid	- 553.9	154.2	- 594.7	62.2	- 516.7	454.1
Dividend paid	- 39.2	10.9	- 49.0	5.1	- 39.2	34.5
Increase (decrease) in bank overdrafts and short - term loans from financial institutions	70.1	- 19.5	- 1,198.8	125.4	- 64.4	56.6
Proceeds from debentures	416.6	- 116.0	2,996.8	- 313.4	3,000.0	- 2,636.4
Proceed from long - term loans from financial institutions	3,040.7	- 846.6	2,723.0	- 284.7	1,173.9	- 1,031.6
Repayment of long - term loans from financial institutions	- 2,241.5	624.1	- 1,785.5	186.7	- 2,093.2	1,839.5
Repayment of debentures	- 1,031.2	287.1	- 3,000.0	313.7	- 1,511.0	1,327.9
Transaction cost from issue of debenture	- 2.2	0.6	- 18.5	1.9	- 11.5	10.1
Repayment of finance lease liabilities	- 18.5	5.2	- 29.6	3.1	- 51.7	45.3
Net cash provided by (used in) financing activities	- 359.1	100.0	- 956.3	100.0	- 113.8	100.0
Net increase (decrease) in cash and cash equivalents	- 205.8		- 29.8		15.7	
Cash and cash equivalents as at January 1,	291.7		321.5		305.8	
Cash and cash equivalents as at December 31,	85.9		291.7		321.5	

Financial Ratio		Jan – Dec 2018	Jan – Dec 2017	Jan – Dec 2016
Liquidity Ratio				
Current Ratio	Time	2.21	4.75	2.07
Quick Ratio	Time	0.08	0.23	0.11
Liquidity ratio	Time	0.07	0.22	0.04
A/R Turnover (Times)	Time	52.24	74.25	124.95
Avg. Collection Period	Day	6.99	4.92	2.92
Inventory Turnover	Time	0.22	0.29	0.27
Avg. Inventory Period	Day	1,693.59	1,264.17	1,331.84
A/P Turnover	Time	6.84	11.17	11.19
Avg. Payment Period	Day	53.05	32.67	32.62
Profitability Ratio				
Gross Profit Margin	%	37.13	33.41	34.17
Net Profit Margin	%	0.76	1.93	5.57
ROE	%	0.92	2.94	8.22
Efficiency Ratio				
ROA	%	2.11	2.98	4.38
Return on fixed assets	%	5.00	14.49	65.85
Total Asset Turnover	Time	0.29	0.37	0.36
Financial Policy Ratio				
Debt to equity ratio	Time	3.29	3.04	3.08
Bank debt to equity ratio	Time	0.89	0.61	0.70
Net debt – to – equity ratio **	Time	2.77/2.69	2.68/2.53	2.79/2.62
Interest Coverage Ratio	Time	1.29	1.55	2.44
Interest coverage ratio (Cash Basis)	Time	0.49	1.82	0.50
Dividend payout ratio	%	127.33	18.61	14.81

**Net Debt to Equity Ratio 2.77 times, calculated in accordance with the criteria specified in the terms and conditions of the debentures of Areeya Property Public Company Limited No. 2/2015, due for redemption in 2018, in which the issuer can redeem before maturity, Clause 6.2 The duties that the issuer must comply with. 6.2.11 Financial conditions.

** Net Debt to Equity Ratio 2.69 times, calculated in accordance with the criteria specified in the Terms and Conditions of “Debentures of Areeya Property Public Company Limited No. 1 / 2559 Maturity BE 2562 “,” Debentures of Areeya Property Public Company Limited No. 2/2016, due in 2020, which the issuer can redeem Can be completed before maturity “,” Areeyaporn’s debentures Property Public Company Limited No. 3/2016, due in 2019 “,” Debentures of Areeya Property Public Company Limited No. 1/2017 due Year 2020 “,” “Debentures of Areeya Property Public Company Limited No. 3/2017, Series 1, Matured in 2018 (“ Debenture Series 1 “) And the gradual repayment of debentures of Areeya Property Public Company Limited No. 3/2017, 2nd set Redemption year 2019 (“Debenture Series 2”) “,” Debentures of Areeya Property Public Company Limited No. 3/2017, Series 3, Maturity, B.E. Prof. 2020 (“Debenture Series 3”) and the principal repayment of Areeya Property Public Company Limited No. 3/2017, Series 4, due in 2021 (“Debenture Series 4”) “,” Debentures of Areeya Property Public Company Limited No. 1/2561 due for redemption Withdrawal of Year 2021 “,” Debentures of Areeya Property Public Company Limited No. 2/2018 Due 2565 “,” Article 6.2 The duty of the issuer must Practice 6.2.11 Financial terms And “Secured debentures of Areeya Property Public Company Limited No. 2/2017 due in 2020, which the debenture issuer can redeem before maturity” Article 7.2. Issuing debentures must be conducted. 7.2.12 Financial conditions Specify that the net debt to be calculated must be deducted by cash and cash equivalents. Temporary investment And bank deposits with guarantee.

3. General Information

The Company was founded in 2000. Later in 2003, the Company has transformed into a public limited company and registered its stocks in the stock market in 2004. In addition, the company has formed subsidiaries to provide of each business as follows:

- In the year 2004, the subsidiary (Areeya Service Co., Ltd.) has been formed to provide after – sale services for property with 99.99% ownership interest.
- In the year 2007, the Company has established a subsidiary company (One Up Co., Ltd.) with 64.99% ownership interest to provide construction services to Areeya’s projects and outside customers.
- In the year 2008 the Company purchased 35% of the share capital of One Up from other shareholder. As a result, the Company’s ownership interest increased to 99.99%.
- In the year 2008 the Company had formed 2 companies with 99.99% ownership interest which consisted of:
 - Areeya Management Co., Ltd. for development of real estate projects and to provide a management service for juristic person.
 - Cool Space Co., Ltd. for development of real estate projects.
- In the year 2009 the Company had formed a company with 99.99% ownership interest which consisted of White Living Co., Ltd. for development of real estate projects.
- In the year 2010 the Company had formed a company with 99.99% ownership interest which consisted of Chill Space Co., Ltd. for development of real estate projects.
- In the year 2014, the Company has established Areeya Convenience Store Co., Ltd with 99.97% ownership for retail business.
- On November 3, 2017, Areeya Convenience Store Co., Ltd. has changed its name to Areeya Hospitality Co., Ltd. and registered with Department of Business Development and Ministry of Commerce and change the business nature to restaurant business from retail business.
- In the second quarter of 2018, Areeya Hospitality Company Limited increased its capital by issuing 90,000 new ordinary shares with a par value of Baht 100 each, totaling Baht 9 million, resulting in an increase in paid – up ordinary shares. From 1 million baht to 10 million baht and registered with the Ministry of Commerce on 1 June 2018.

The Company business is real estate development business: land for sale and house construction, which all are single house projects. Since 2005, the Company has started to sell the pre – built house and 3, 4 – storey townhouse and additionally in 2006 – 2011 the Company has introduced two new products to the market. They are fully – furnished modern condominium and fully – furnished 2 – storey townhouse. In 2012, the Company launched 2 storey townhouse “village” and 3 storey townhouse “Daily” and, In year 2014, the Company launched new 2 storey single detached house “Areeya COMO” and launched new 3 storey townhouse “Brigg” in year 2015.

In addition, in the year 2013, the company started business on Community Mall in Sukhumvit 77 was named “Pickadaily Bangkok”. In the year 2015, the company has opened the news project named “Life Style Club” in Kaset – nawamintr.

4. Overview Summary and Significant Change

On 27 February 2014, the Extraordinary General Meeting of the Company no.1/2014 has approved the issuance and offering for sale of all types of debentures, with and/or without a name registered, secured and/or unsecured debentures, with and/or without debenture holders representative, subordinated debentures and/or unsubordinated debentures, and perpetual and/or tenured depending on market conditions at the time of offering. The combined total amount not exceeding 3 Billion Baht by issuing either single or multiple offerings.

On 10 September 2014, According to Board of Director ("BOD") Meeting No. 9/2014, has resolutions to register Areeya Convenience Store Co., Ltd. with registered, a subsidiary with a registered capital of one million baht in Thailand. This subsidiary operate the retail business.

On 26 February 2015, the Extraordinary General Meeting of the Company no.1/2015 has approved the issuance and offering for sale of all types of debentures, with and/or without a name registered, secured and/or unsecured debentures, with and/or without debenture holders representative, subordinated debentures and/or unsubordinated debentures, and perpetual and/or tenured depending on market conditions at the time of offering. The combined total amount not exceeding 2 Billion Baht by issuing either single or multiple offerings.

On 23 April 2015, The Annual General Shareholders' Meeting 2015 has approved the increase in the Company's authorized share capital by Baht 220 million; from 980 Million Baht to 1,200 Million, par value Baht 1 per share.

On 23 February 2016, the Extraordinary General Meeting of the Company no.1/2016 has approved the issuance and offering for sale of all types of debentures, with and/or without a name registered, secured and/or unsecured debentures, with and/or without debenture holders representative, subordinated debentures and/or unsubordinated debentures, and perpetual and/or tenured depending on market conditions at the time of offering. The combined total amount not exceeding 3 Billion Baht by issuing either single or multiple offerings.

On 5 October 2016, the Company issued 1,000 million baht of debentures (1,000,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature in year 2020, but not the company can be early redemption.

On 20 October 2016, the Company issued 646.8 million baht of debentures (646,800 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a

debenture holders' representative and debentures mature in year 2019.

On 20 December 2016, the Extraordinary General Meeting of the Company no.2/2016 has approved the issuance and offering for sale of all types of debentures, with and/or without a name registered, secured and/or unsecured debentures, with and/or without debenture holders representative, subordinated debentures and/or unsubordinated debentures, and perpetual and/or tenured depending on market conditions at the time of offering. The combined total amount not exceeding 5 Billion Baht by issuing either single or multiple offerings.

On 31 January 2017, the Company issued debentures amounting to Baht 654.5 million (amount of 654,500 units, 1,000 baht per unit) as debentures, named holders, unsubordinated, unsecured debentures and no bondholders' representatives Matured in 2020.

On 5 April 2017, the Company issued debentures amounting to 1,500 million baht (1,500,000 units, 1,000 baht per unit) as secured debentures, named holders, unsubordinated, secured and with debenture holders' representatives, maturing in the year 2020.

On 31 October 2017, the Company issued debentures amounting to 842.3 million baht (842,300 units, 1,000 baht per unit), as the principal debentures Specify the name of the unsubordinated, unsecured holder And there is no representative of the debenture holders in the amount of 4 sets, set 1, due in 2018, 2nd series, due in 2019, 3rd series, due in 2020 and series no.4 Matured in 2021.

In the second quarter of 2018, Areeya Hospitality Company Limited increased its capital by issuing 90,000 new ordinary shares at a par value of Baht 100 per share, totaling Baht 9 million, resulting in increased paid - up ordinary shares from 1 million baht to 10 million baht and registered with the Ministry of Commerce on 1 June 2018.

On 18 October 2018, the Company issued debentures amounting to Baht 250 million (250,000 units, 1,000 baht per unit) as debentures, named holders, unsubordinated, unsecured and without debenture holders' representatives, maturing in 2021.

On 22 November 2018, the Company issued debentures amounting to 166.6 million baht (166,600 units, 1,000 baht per unit) as debentures, named holders, unsubordinated, unsecured and without debenture holders' representatives, maturing in 2022.

As of 31 December 2018, the Company has 62 current projects and 2 community malls, totally 64 projects as follows:

No.	Project	Location	Type of Product
1	Areeya Busaba	Ladprao 130	Single Detached House
2	Areeya Sawana 3	Kaset - Nawamint	Single Detached House
3	Areeya Metro	Kaset - Nawamint	Single Detached House
4	Areeya Como Bangna	Bangna	Single Detached House
5	The Village Chaengwattana - Tiwanon	Chaengwattana - Tiwanon	Single Detached House/ Twinhome
6	The Village Cottage Kanjanapisek - Ratchapruek	Sai Noi	Single Detached House
7	Areeya Como Bangna - Wongwaen	Bangna	Single Detached House
8	Areeya Como Wongwaen - Ramintra	Hathairath	Single Detached House
9	Areeya Donmuang - Songprapa	Donmuang Songprapa	Single Detached House
10	Areeya Como Ladkrabang - Suvarnabhumi	Ladkrabang - Suvarnabhumi	Single Detached House
11	Areeya Como Wongwaen - Ratchapruek	Bangbuathong	Single Detached House
12	The AVA Residence	Sukhumvit 77	Single Detached House
13	Areeya Bussaba Ladpraw - Serethai	Serithai	Single Detached House
14	Areeya Como Premo Bangna Wongwaen	Bangna	Single Detached House
15	At Home	Kaset - nawamint	Townhouse
16	The Colors Chaengwattana - Tiwanon	Chaengwattana - Tiwanon	Townhouse
17	The Colors Premium Bangna	Bangna	Townhouse
18	The Colors Bangna K.M.10	Bangna	Townhouse
19	The Village Bangna K.M.10	Bangna	Townhouse
20	The Colors Leisure Bangna K.M.8	Bangna	Townhouse
21	The Village Kanjanapisek - Ratchapruek	Sai Noi	Townhouse
22	The Colors Premium Kanjanapisek - Ratchapruek	Sai Noi	Townhouse
23	The Colors Kanjanapisek - Ratchapruek	Sai Noi	Townhouse
24	The Colors Premium Wongwaen - Ramintra	Hathairath	Townhouse
25	The Colors Wongwaen - Ramintra	Hathairath	Townhouse
26	The Colors Premium Bangna - Wongwaen	Bangna	Townhouse
27	The Colors Bangna - Wongwaen	Bangna	Townhouse
28	The Village Bangna - Wongwaen	Bangna	Townhouse
29	The Colors Premium Wongwaen - Ratchapruek	Bangbuathong	Townhouse
30	The Colors Wongwaen - Ratchapruek	Bangbuathong	Townhouse
31	The Colors Premium Kanjanapisek - Ratchapruek 2	Sai Noi	Townhouse
32	The Village Bangna - Wongwaen 2	Bangna	Townhouse
33	The Colors Rangsit - Klong 4	Rangsit - Klong 4	Townhouse
34	The Village Kanjanapisek - Ratchapruek 2	Sai Noi	Townhouse

No.	Project	Location	Type of Product
35	The Place Kanjanapisek - Ratchapruek 2	Sai Noi	Townhouse
36	The Colors Kanjanapisek - Ratchapruek 2	Sai Noi	Townhouse
37	The Colors Premium Kanjanapisek - Ratchapruek 3	Sai Noi	Townhouse
38	Areeya Brigg Bangna K.M.10	Bangna	Townhouse
39	Areeya Brigg Bangna - Wongwaen	Bangna	Townhouse
40	The Colors Wongwaen - Ramintra 2	Hathairath	Townhouse
41	The Colors Mix Rangsit - Wongwaen	Rangsit	Townhouse
42	The Village Rangsit - Wongwaen	Rangsit	Townhouse
43	Areeya Brigg Rangsit - Klong 4	Rangsit	Townhouse
44	Areeya Brigg Rangsit - Wongwaen	Rangsit	Townhouse
45	The Colors Bangna - Wongwaen 2	Bangna	Townhouse
46	The Village Exclusive Bangna KM.10	Bangna	Townhouse
47	The Village Exclusive Bangna KM.10 - 2	Bangna	Townhouse
48	The Village Hathairath - Wongwaen	Wongwaen Ramintra	Townhouse
49	The Village Bangna - Wongwaen 2	Bangna	Townhouse
50	The Colors Wongwan - Ratchapruek 2	Bangbuathong	Townhouse
51	Areeya Brigg Rangsit Wongwaen 2	Rangsit	Townhouse
52	A Space Asoke	Asoke - Ratchada	Condominium
53	A Space Kaset	Kaset - nawamint	Condominium
54	A Space Play Ratchada - Suttisan	Ratchada - Suttisan	Condominium
55	A Space Sukhumvit 77	Sukhumvit 77	Condominium
56	A Space I.D. Asoke - Ratchada	Asoke - Ratchada	Condominium
57	A Space Me Bangna	Bangna	Condominium
58	A Space Me Sukhumvit 77	Sukhumvit 77	Condominium
59	A Space Me Rattanathibet	Rattanathibet	Condominium
60	A Space Mega	Bangna	Condominium
61	Chalermnit Art De Maison	Sukhumvit	Condominium
62	A Space Mega 2	Bangna	Condominium
63	Pickadaily Bangkok	Sukhumvit 77	Community Mall
64	Life Style Club	Kaset - Nnawamint	Community Mall

5. Previous Performance Results

Revenue from sale of real estate

The company's revenues consist of revenue from sales of land and houses which are recognized upon full payment and the land title deeds and constructions had been transferred to the buyers. And service income on house constructions which are recognized in proportion to the stage of completion of the contract.

The revenue recognition schedule for the year 2018 – 2016 by the type of real estate.

Type	Sales					
	2018		2017		2016	
	Unit	MB	Unit	MB	Unit	MB
Condo	1,559	3,966	1,881	4,246	491	1,030
Single Detached house	148	751	159	845	161	780
Townhouse / twin house	1,774	4,874	2,255	6,035	1,205	3,075
Land	1	20	1	2	-	-
Total	3,482	9,611	4,296	11,128	1,857	4,885
% Increase from prior year	- 19%	- 14%	131%	128%	6%	10%

Type	Transferred					
	2018		2017		2016	
	Unit	MB	Unit	MB	Unit	MB
Condo	315	980	637	1,569	636	1,330
Single Detached house	76	416	155	783	139	686
Townhouse / twin house	925	2,520	1,034	2,604	1,032	2,627
Land	1	20	1	2	-	-
Total	1,317	3,936	1,827	4,958	1,807	4,643
% Increase from prior year	- 28%	- 21%	1%	7%	- 4%	- 14%

Condominium

For the year 2018, condominium sales were 3,966 million baht, a decrease of 280 million baht from the year 2017, since in 2018 there were only 1 new project launched name A Space Mega 2. At the same time, projects that continued from last year still generate sales.

The main sales are from the A Space Mega 2 and A Space Mega projects with sales of 2,409 million baht this year. A Space Mega 2 project is a new project launched in 2018 and A Space Mega project is an ongoing project from the end of last year. While the A Space I.D. Asoke - Ratchada project, which has been very popular last year Sales decreased from last year. This year, sales were at 600 million baht. In addition, other projects the company can still generate sales especially the Chalermnijiit Art De Maison, A Space Me Rattatibet, A Space Me Bangna and A Space Me Sukhumvit 77, which have combined sales in this period of 954 million baht.

As for the transfer of condominiums for the year 2018, when compared to 2017, the company recognized revenue from condominiums in the amount of 589 million baht from the previous year, 3 major projects, namely A Space I.D. Asoke - Ratchada, A Space Me Sukhumvit 77 and A Space Me Rattatibet which were recognized in 2018 at 568 million baht, 277 million baht and 102 million baht. In addition, the baht respectively as income from other condominium projects of 33 million baht. Most of the revenue still comes from the same project that has been continued from the previous year. There are 3 main projects, namely A Space I.D. Asoke - Ratchada, A Space Me Sukhumvit 77 and A Space Me Rattatibet which has revenue recognition in 2018 at 568 million baht, 277 million baht and 102 million baht respectively. In addition, it is revenue from other condominium projects of 33 million baht.

For the year 2017, sales of condominiums amounted to Baht 4,246 million which increased from prior year for Baht 3,216 million. The increasing of revenue increase is mainly from the new project launched during the year and the international market expansion including with revenue from the projects continued from last year.

The main sales came from the A Space Mega and A Space I.D. Asoke - Ratchada projects with sales of 2,808 million baht this year. A Space Mega project is a new project launched. In the year 2017, the A Space I.D. Asoke - Ratchada project is a continuing project from the previous year. During the year, there is also one new launch project, Chalermnit Art De Maison, which generated sales of 312 million baht this year. In addition, other projects of the company can also generate more sales in this

period as well. Especially the A Space Me Rattatibet project, A Space Me Bangna and A Space Me Sukhumvit 77 which have combined sales in this period over 1,121 million baht for this reason. Therefore, resulting in the total sales of this period higher than the same period of the previous year.

As for the transfer of condominiums for the year 2017, compared to 2016, the company recognized revenue from condominiums in the amount of 239 million baht higher than last year. Last year, 3 major projects, namely A Space I.D. Asoke - Ratchada, A Space Me Bangna and A Space Me Sukhumvit 77, with revenue recognition in 2017 at 742 million baht, 250 million baht and 339 million baht. According to the order, including the transfer of new projects started during the year is a space which has Nonthaburi recognized revenue of 215 million baht this year as income from other condominium projects.

However, if considering the number of units transferred Will find that the number of units is not different from the previous year But the company can make higher income Which reflects the adjustment of higher selling prices from last year.

Single Detached House

For the year 2018, the sales of single detached houses decreased from the year 2017 in the amount of 94 million baht due to the launch of two new projects in late 2018, resulting in no sales from new projects in the period. Most of the incoming sales still belong to projects that have been in operation since last year, such as Areeya Como Wongwaen - Ramintra, Areeya Como Wongwaen - Ratchapruek, The Village Cottage Kanchanapisek - Ratchapruek and Areeya Metro Kaset with total sales of 538 million baht.

The transfer amount for the year 2018 decreased from the year 2017 in the amount of 367 million baht due to the fact that the company launched two new projects in the end of 2018, resulting in no transfer from the new project. Which the amount that came into the project is still completed and the ownership has been transferred since the previous year such as Areeya Como Wongwaen - Ratchapruek, The Village Cottage Kanchanapisek - Ratchapruek, The Colors Donmuang Songprapha Phase 2 and Areeya Metro Kaset with total sales of 257 million baht.

For the year 2017, single - detached house sales increased by Baht 65 million from 2016 as a result of the company launching a new project in 2017, "The AVA Residence", a single detached house project on Sukhumvit 77 with the selling price starting at 30 million. This project generate sales for Baht 123 million. In addition, The Projects that have been in operation since the prior

year, such as Areeya Como Bangna – Wongwaen and Areeya Wongwaen – Ramintra also increase sales this year. For this reason, the total sales are higher than the prior year.

For the revenue from transfer of the year 2017, it was increased by Baht 97 million from 2016. The increasing was from a new project in 2017, “The AVA Residence”, a single detached house project on Sukhumvit 77 which had revenue recognition this year for Baht 74 million and revenue from the Projects that have been transferred since the prior year, such as Areeya Como Bangna – Wongwaen and Areeya Wongwaen – Ramintra also continue transferred this year and recognize revenue for Baht 480 million. For this reason, the revenue from transfers was higher than the prior year.

Townhouse

Townhouse is the main product of the Company and the main target of townhouse project is people with low to medium income level. As of 31 December 2018. The Company has 37 townhouse projects with total project value of 16,271 Million Baht or 6,398 units, and recognize revenue this year for 36 projects, amounting to 16,249 Million Baht and recognize revenue from the transfer of ownership for the year 2018, equal to 2,520 million baht.

Townhouse is the main product of the Company and the main target of townhouse project is people with low to medium income level. As of 31 December 2017, The Company has 25 townhouse projects with total project value of 11,828 Million Baht or 4,423 units, and recognize revenue this year for 23 projects, amounting to 2,604 Million Baht.

As of 31 December 2016, there were 30 townhouse projects with total project value of 15,059 Million Baht or 5,579 units, which included 9 new projects opened in the year 2016, altogether contributed the total project value of 4,260 Million Baht and total revenue recognition amounting to 2,627 Million Baht.

- **Cost of sales of real estate**

The cost of sales for the year 2018 increased from prior year from Baht 3,302 million to Baht 2,475 million, representing an decrease of Baht 827 million or 25%, due to the decrease in cost of sales of single detached houses and townhouses by Baht 388 million and decreasing in cost of sales of condominiums for Baht 439 million. This decrease in cost of sales is the same as revenue from sales of real estate that have decreased this year. The gross profit margin of 2018 and 2017 is 37% and 33%, respectively.

The cost of sales for the year 2017 increased from prior year from Baht 3,056 million to Baht 3,302 million, representing

an increase of Baht 246 million or 8%, due to the increase in cost of sales of single detached houses and townhouses by Baht 102 million and increasing in cost of sales of condominiums for Baht 144 million. The increase of cost of sales was higher in the same way as the sale revenue. Gross margins of 2017 and 2016 are 33% and 34%, respectively.

For the year ended December 31, 2016, the cost of sales of real estate decreased by 24% from prior year (cost of sales in 2016 and 2015 amounted to 3,056 million baht and 4,017 million baht, respectively) mainly due to decrease in cost of sales of real estate from the cost of land sales of Baht 862 million in previous year. However, there is no sale of land in 2016. Therefore, when considering the cost of sales of real estate, only the portion of the house and condo will decrease from last year to 99 million baht. The company has improved cost management makes the perceived cost of home sales fell 317 million baht. The cost of condominium projects increased of Baht 218 million from the previous year due to the transfer of ownership of the project began in late 2015 and the second quarter of 2016 of two projects namely A Space Me Sukhumvit 77 and A Space I.D. Asoke – Ratchada.

- **Gross Profit Margin**

The Company's gross profit for the year 2018 and 2017 is Baht 1,460 million and Baht 1,656 million, or 37% and 33%, respectively. The increase in gross margin in 2018 was due to the company having more efficient cost of sales management. Making it possible to increase the gross margin more than 2017.

The Company has gross profit for the year 2017, 2016 amounted to Baht 1,656 million and Baht 1,587 million, respectively, or 33% and 34%, respectively which has no significant difference for the gross profit margin of both years. By the future trend, the company will have more efficient cost management. Making it possible to increase the gross margin in the future.

- **Unrealized Gain (loss) in Fair Value on Investment Properties**

As at 31 December 2018, the Company had unrealized loss from the fair value of investment properties amounting to Baht 2 million. The Company recorded investment properties at fair value estimated by an independent appraiser. Using the Income Approach. The main assumptions used in the valuation include occupancy rate, rental rate increase, discount rate and return rate. In addition, it is income from

rental and service fees for investment properties. And other types of income of the company according to the appraisal report dated 28 December 2018.

At 31 December 2017, the Company had unrealized loss in fair value on investment properties of 32.55 Million Baht. The Company presented investment properties in fair value which were appraised by the independent property valuers in the basis of income approach and the principal assumptions used in the appraisal are as follows: Rental rates, increasing rate of rental, discount rates and yields including with revenues from rental and services related to investment property and other types of income of the company as addressed in the appraisal report dated 17 January 2018.

At 31 December 2016, the Company had unrealized loss in fair value on investment properties of 44 Million Baht. The Company presented investment properties in fair value which were appraised by the independent property valuers in the basis of income approach as addressed in the appraisal report dated 5 January 2017 and 3 February 2017.

- **Selling Expenses**

Type	Transferred								
	2018			2017			2016		
	MB	Transferred	%	MB	Transferred	%	MB	Transferred	%
Selling Expenses	716.7	3,936.1	18.2%	742.8	4,958.1	15.0%	519.3	4,643.3	11.2%
% Increase (Decrease)	(26.1)		3.2%	223.5		3.8%	(16.5)		(1.6%)

The main selling expenses of the company and subsidiaries consist of advertising expenses, Public relations , marketing expenses ,transfer fees , specific business tax, and expenses related to other sales. The transfer fee and specific business tax will vary according to the revenue from the transfer of real estate. In the year 2018, when compared to the year 2017, it was found that the transfer amount decreased. In addition, it also decreased from advertising expenses especially in the part of billboards but while there are more brand building costs which will result in long - term sales and profit for the company that will increase in the future.

In 2017, compared with 2016, the company has increased in transfer amount which make the transfer fees and special business tax increase as well. In addition, the cost of advertising has increased especially online media and events, and in 2017, the company expand to international market so this also make the cost of marketing and events increased. As a result of international market expansion, the company can generate sales over 1,049 million baht, representing 10% of total transfer revenue in 2017.

In the year 2016, Advertising expenses, public relations expense have increased, especially in the billboard, online media and events has increased this year's expenses.

However, in year 2016, the government issued a policy to reduce Transfer fees from 1 percent to just 0.01 percent in January - April 2016, thus resulting in a decrease in selling expense for 2016, even with increased transfers.

- **Administrative expenses**

Type	Transferred								
	2018			2017			2016		
	MB	Transferred	%	MB	Transferred	%	MB	Transferred	%
Administrative expenses	552.0	3,936.1	14.0%	577.7	4,958.1	11.7%	523.9	4,643.3	11.3%
% Increase (Decrease)	(25.7)		2.3%	53.8		0.4%	87.9		0.9%

For the year 2018, the company had administrative expenses less than the year 2017 in the amount of 25.7 million baht, mainly due to the decrease in home care expenses before delivery and the cost of project maintenance because the company focuses on construction control policies including inventory management to reduce this cost.

For the year 2017, the company had administrative expenses more than 2016, amounting to 53.8 million baht, mainly due to the following expenses: Home care expenses before delivery And expenses for overseeing the project which increased according to the number of units of houses that were completed and the number of projects both horizontal and vertical from 39 projects in 2016 to 56 projects in 2017 and increased from staff expenses and management fees in order to be able to accommodate the increasing work from the expansion of the business, however, the proportion of administrative expenses per transfer between 2017 and 2016 is not much different compared to last year which increased 0.4percent while the transfer amount increased more than 315 million baht.

• Finance Costs

For the year 2018, the company had finance costs of 227 million baht, while in 2017 the financial cost was 260 million baht. The financial costs decreased by 33 million baht or 13 percent, mainly due to the interest on bills of exchange with an additional investment of 102 million baht at the end of 2018. While the year 2017, the company has invested in bills of exchange at the beginning of the year resulting in the overall interest rate of bill of exchange including the reduction of bank fees. And the outstanding amount of debentures decreased from the year 2017 in the amount of Baht 608 million.

For the year 2017 and 2016, the Company's financial cost was Baht 260 million and Baht 237 million, respectively. Increasing from prior year for Baht 23 million or 10% which resulting from the interest cost from debentures and debenture issuing costs. During the year 2017, the Company issued debentures amounting to Baht 2,997 million and debenture redemptions of Baht 3,000 million.

For the year 2016, financial cost was in amount of 237 Million and 166 Million Baht in the year 2015 increased by 43 percent. Mainly due to the Company had financial cost from debentures increased. Which in October 2015, the Company issued 1,000 million baht of debentures and 1,353.20 million baht in April 2016, (Redeemed of 511 million baht in April 2016) and issued 647 million baht in October 2016.

• Net Profit

For the year 2018, the Company's net profit was Baht 31 million, or 0.8% of total revenue, while net profit was Baht 98 million or 2% in 2016. Net profit decreased from prior year for Baht 67 million or 68%. Mainly due to the decrease in revenue from real estate sales and increased branding costs The company foresees long - term effects on sales and profits of the company that will increase in the future. But at the same time able to manage administrative expenses more efficiently.

For the year 2017, the Company's net profit was Baht 98 million, or 2%, while net profit was Baht 263 million or 6% in 2016. Net profit decreased from prior year for Baht 165 million or 63% due to the increase in selling expenses, such as advertising costs, marketing costs, advertising on billboards and especially online media and events. In addition, in the year 2017, the company expanded its customer base to overseas market. However, the increase in advertising and marketing this year, the company has analyzed the customer thoroughly and use the advertising and marketing tools, both in offline and online to communicate to the potential customers directly including the expansion to overseas market which will be a long - term impact on sales and profits in the future.

In addition, The Company had the Actuarial loss of Baht 23 million at the end of year 2017 due to the change in assumptions on employee benefit obligation. However, this item is included in the other comprehensive income statement and has no impact on the Company's earnings per share.

For the year 2016, the Company reported net profit of 263 million Baht, increased 22 percent from 217 million Baht in the year 2015. The main factor was the increase in revenue of real estate and effective project cost management.

From the above performance, Considering the company's profitability ratio Profitability Ratio For the year 2018, 2017 and 2016, the company has gross profit margin of 37, 33 and 34 percent respectively and the company has a net profit margin of 0.8, 2 and 6 percent respectively. The company has a rate of return to shareholders. Equal to 4, 3 and 8 percent for the year 2018, 2017 and 2016, respectively.

6 Financial position

6.1 Assets

	(Million Baht)		
	2018	2017	2016
Total assets (Million Baht)	14,297	13,510	13,516
Increase from the previous year (Million Baht)	787	(6)	655
Percentage	5.8	(0.0)	5.1
Real estate projects under development (Million Baht)	11,492	10,717	11,396
Increase from the previous year (Million Baht)	775	78	465
Percentage	7.2	0.7	4.2

For the year 2018, compared to the year 2017, the total assets increased mainly from investment properties from the purchase of additional land in Bangna and Pattaya and also developing low - rise projects in the Sai Noi and Rangsit zones, which are additional continuous phases including the development of high - rise projects in the Rajadamri, Bangna and Sukhumvit zones to support the transfer of ownership in the future.

For the year 2017, compared to 2016, total assets decreased slightly. Due to the decrease in Fixed assets and investment properties with the net increase in real estate projects under development, deposit of land and trade and other receivables.

The decrease in Fixed assets And investment property are due to the depreciation recognized during the year and unrealized losses on fair value of investment properties of Baht 98 million and Baht 33 million, respectively. The increase in real estate projects under development and the deposit of land is due to the low - rise projects under development in Bangna, Sai Noi and Rangsit and high - rise projects in the Rajdamri and Rattanathibet area, Including additional land acquisition in Bangna, Hathairath, Rangsit and Bang Lamung. For the increase in trade and other receivable was due to the income from penalty of the delayed project.

In the year 2016, Slightly increased in Real estate projects under development because of launched the new projects in year 2015 in the area Kanjanapisek - Ratchapruek (Soi noi), Wongwean - Ramintra, Wongwan - Ratchapruek (Bangbuathong), Rungsit, Ladkrabang - Suvarnabhumi and expansion in Bangna. Furthermore, The Company is acquired land in the area Sukhumvit zone.

• Cash and Cash Equivalent

Cash flow for the year ended 31 December 2016 to 2018 as follows.

	(Million Baht)		
	2018	2017	2016
Cash flow from operating activity before changing of operating assets and liabilities	364	524	695
Changing of operating assets and liabilities	- 27	508	- 437
Corporate income tax	- 64	- 84	- 51
Net cash provided by (used in) operating activities	273	948	207
Net cash provided by (used in) investing activities	- 119	- 22	- 77
Net cash provided by (used in) financing activities	- 360	- 956	- 114
Cash and cash equivalent increase/ - decrease	- 206	- 30	16
Cash and cash equivalent at the beginning of the year	292	321	306
Cash and cash equivalent at the end of the year	86	292	322

From the figures of cash flow as of 31 December 2018 above, the Company has balance of cash and cash equivalents decreased from December 31, 2017 amounting to Baht 206 million, resulting from the net cash used in the three operating activities. (1) Cash flow used in operating activities for Baht 119 million (2) Cash flow used in financing activities for Baht 360 million and (3) Cash flow from operating activities for Baht 273 million.

When compared to 2017, the cash flow used in the investment activities decreased as a result of reduced bank deposits and cash flow used in financing activities decreased Due to increased cash received from long - term and short - term loans from financial institutions For cash flow derived from operations before the change in operating assets and liabilities decreased Mainly due to lower operating profit from last year.

From the figures of cash flow as of 31 December 2017 above, the Company has balance of cash and cash equivalents decreased from December 31, 2016 amounting to Baht 30 million, resulting from the net cash used in the three operating activities. (1) Cash flow used in operating activities for Baht 22 million (2) Cash flow used in financing activities for Baht 956 million and (3) Cash flow from operating activities for Baht 1,084 million.

Compared to 2016, cash flow used in investing activities was decreased due to the company decrease in investing in fixed assets from last year. Cash flow used in financing activities increased due to the repayment of short - term loans from financial institutions during the year and change source of fund to long - term loans instead. For the Cash flow from operations before changes in operating assets and liabilities which decreased was mainly from the lower operating profit from last year.

As of 31 December 2016, cash and cash equivalent increased from the year 2015 by 16 Million Baht mainly from (1) Net cash provided by operating activities by 207 Million Baht. (Due to investment in real estate project under development and transferred in the period) (2) Net cash used in investing activities by 77 million baht, due to purchase machinery and construction equipment and vehicles. (3) Net cash used in financing activities by 114 million baht, mainly due to repayment of long - term loans from financial institutions, finance costs paid and repayments of debentures totaling 4,132 million baht and decrease in bank overdrafts and short - term loans from financial institutions, repayment of finance lease liabilities, dividends paid totaling 155 million baht (However, the Company had proceeds from issuance of debentures and long - term loans from financial institutions of 4,174 million baht.)

• Deposits for Land

	2018	2017	2016
Deposits for Land (Million Baht)	281	292	274
Increase/ - decrease from the previous year	- 11	18	194

As of 31 December 2018, the Company had a deposit of land decreased by Baht 11 million due to the transfer of large plots of land in Bang Na and Bang Lamung zones. But at the same time, there is additional deposit for new land located in the Bang Na zone and Banglamung as well. Therefore resulting in a decrease in land deposits.

As of 31 December 2017, the increase in Deposits for land for Baht 18 Million from year 2016 was from The Company has new deposits for new project in Sai noi and Bang Lamung zone.

As of 31 December 2016, the increase in Deposits for land for Baht 194 Million from year 2015 was from The Company has new deposits for new project in Rungsit, Sai Ma, expansion in Bangna zone.

• Investment Properties

	2018	2017	2016
Investment properties (Million Baht)	452	454	494
Increase/ - decrease from the previous year	- 2	- 40	- 41

As of 31 December 2018, investment properties decreased slightly from the previous year by 2 million baht or 0.4 percent due to the adjustment of the fair value of profits previously recognized in the previous year of Community Mall.

As of 31 December 2017, The Company had an investment properties decreased by Baht 40 million or 8% from previous year due to the adjustment of unrealized loss in fair value on investment properties Baht 32 million and the reclassification of investment property into real estate projects under development for Baht 8 million.

As of 31 December 2016, The company had an investment properties of 8 percent which decreased from that of the year 2015 mainly due to the decrease of unrealized gain on fair value adjustment of the previously recognized of community mall.

In the current period, investment properties named “Pickadaily Bangkok” and “Life Style Club” have been completed. Such investment properties is a shopping center by dividing the space for rent. The investment properties have been presented under fair value method. The fair value has been determined based on valuation performed by an accredited independent valuer, using the income approach as addressed in the appraisal report dated 17 January 2018. The valuation technique used in measuring the fair value of investment properties as rental rate, rental growth rate, Risk - adjusted discount rates, and the rental yield.

• Property, plant and equipment

	2018	2017	2016
Property, plant and equipment (Million Baht)	342	274	400
Increase/ - decrease from the previous year	68	- 126	- 11

Property, plant and equipment as of 31 December 2018 increased from prior year due to reclassification of land items from real estate projects during development into land Building and equipment in the amount of Baht 93 million, including additional investment in fixed assets Both in the vehicle And kitchen equipment of restaurants but at the same time reduced from the depreciation recognized during the year.

Property, plant and equipment as of 31 December 2017 decreased from prior year due to the depreciation recognized during the year for Baht 98 million, including reclassification of previously recognized property, plant and equipment to Investment properties for Baht 55 million and also decreasing in investing in fixed assets from prior year.

Decrease in Property, plant and equipment in the year 2016 because of accumulate depreciation and disposal of assets.

On 28 March 2013, the Board of Directors Meeting has approved the Company (the “Leasee”) entered into a land lease agreement (“Leased Property”) with two directors (“the lessor) to build a head office building , for a period of 10 years from the date of land lease registration.

Now, the Company and lessor has conclusion that the lessor and the leasee agreed to extend the lease for another 10 years. As for pricing, the rental rates in the 11 to 20 year lease agreement on the new rate at market price or other appropriate price. If the Company agrees to extend the agreement, the Company must submit written notice in advance as stipulated in the memorandum. Upon the expiry of the lease term of this agreement, or any extension thereof, or upon termination of the

agreement due to the fault of the Company, the Company must return the leased asset to the lessor in the same condition as before the lease commenced. The Company must demolish all assets on the leased asset, if not the ownership of assets will be transferred to the lessor without any cost. If the lessor does not intend to receive the assets, the Company has the obligation to pay for any cost, such as demolition cost as stipulated in the memorandum.

Consent to renew the lease for another 10 years, this intended to provide clarity and interest of the Company and its shareholders. However, the amendment to the terms of the lease and duration of the lease agreements have no significant impact on the financial statements of the Company.

As of 31 December 2015, all assets on the leased asset which recognized as Property, Plant and equipment in the statement of financial position were reclassified and newly recognize as "Building on lease land" and change to "prepaid rental expenses" from 2016 onward and the company has also amended the notes to the financial statement regarding the Significant Accounting Policies in the topic of "Building on lease land" to "Prepaid rental expense" and amortized over the estimate useful live of 20 years.

As of 31 December 2018, prepaid rental according to the consolidated financial statements for the year ended December 31, 2018 and 2017 had amount of 128 million baht and 136 million baht respectively, decreasing by 8 million baht with the amortization of prepaid rent during the year. Which is included in the administrative expenses category By disclosing this item in the notes to financial statements No. 15, prepaid rental and Article 34 administrative expenses by categorizing as depreciation and amortization And the company will classify the amortization of prepaid rent Being the correct rental fee in accordance with generally accepted accounting standards and financial reporting standards in the 2018 annual financial statements.

In case the reclassification from "depreciation and amortization" to "rental expense" was made, the amount of depreciation and amortization in notes to the financial statements no.32 for the year 2017 will be decreased from Baht 57 million to Baht 48 million and Baht 53 million to Baht 45 million for the year 2016. Meanwhile, the rental expense will be increased at the same amount of reclassification and no impact to the figure of Statements of comprehensive income.

For the Financial statement As of 31 December 2018, 2017 and 2016 have been reclassified to Prepaid Rental Expense as table below (Decreased from amortization prepaid rental expenses);

	(Million Baht)		
	2018	2017	2016
Building on lease land	128	136	145
Increase/ - decrease from the previous year	- 8	- 9	- 8

• The adequacy of the provision and allowance for doubtful accounts

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

• The ratio shows the efficiency of major operations.

Return on assets of the Company As of 31 December 2018, 2017 and 2016 was 2.11, 2.98 and 4.38 percent, respectively due to the Company had net profit in the year 2018 less than 2017. As a result, the return on assets decreased.

6.2 Liabilities and sources of financing.

	(Million Baht)		
	2018	2017	2016
Total liabilities	10,965	10,169	10,201
Increase from the previous year	796	(32)	430
Bank overdrafts and short - term loans from financial institutions	417	347	1,546
Current portion of long - term loans from financial institutions	1,564	301	492
Current portion of debentures	2,031	1,000	3,000
Long - term loans from financial institutions	878	1,342	214
Debentures	4,337	5,976	3,990

As of 31 December 2018, the company had total liabilities increased from the year 2017 in the amount of 796 million baht, mainly due to long - term loans from financial institutions which increased by 799 million baht from additional borrowing during the year. Including overdraft and short - term loans from financial institutions which increased from the investment in bill of exchange at the end of the year At the same time, during the year 2018, there was a redemption of the bonds due in the amount of 1,031 million baht and the issuance of replacement bonds during the year in the amount of 417 million baht, resulting in a decrease in debentures from 2017.

As of 31 December 2017, the Company's total liabilities decreased by Baht 32 million from 2016. Overall, the total liabilities of 2017 and 2016 were not significantly different. During the year 2017, the Company change source of fund by reducing short - term loans from financial institutions and increase the portion of long - term loans instead for more efficient in financial liquidity management. For this reason, during the year, a large amount of short - term loans from financial institutions were repay and the borrowings in long - term loans from financial institutions increased.

For the debentures of 2017, during the year, the debentures were redeemed in the amount of Baht 3,000 million, and new debentures for Baht 2,997 million were issued. Therefore, the debentures of the years 2017 and 2016 were not different.

As of 31 December 2016, Total liabilities increased from the year 2015 by 430 million baht mainly due to the Company issued 1,353 million baht of debentures in April 2016 (Redeemed of 511 million baht) and issued 1,647 million baht in October 2016 (Redeemed of 1,000 million baht). However, overdrafts and short - term loans from financial institutions were decreased, resulting in a decrease in liabilities of 64 million baht, a decrease in long - term loans from financial institutions amounting to 919.26 million baht and repayment of financial lease liabilities of 52 million baht.

• Bank overdrafts and short - term loans from financial institutions

As of 31 December 2018, Bank overdrafts and short - term loans from financial institutions increased from the previous year by Baht 70 million or 20 percent mainly due to the investment in bill of exchange to replace the original bill of exchange that is due during the year.

As of 31 December 2017, Bank overdrafts and short - term loans from financial institutions decreased from the previous year by Baht 1,199 million due to the repayment during the year and decrease in new borrowings, especially in promissory note and change source of fund to long - term loans instead for more efficient in financial liquidity management.

As of 31 December 2016, Bank overdrafts and short - term loans from financial institutions decreased from the previous year by 64 million Baht or 4 percent mainly from promissory notes.

• Long - term loans from financial institutions

As of 31 December 2018, long - term loans from financial institutions increased by Baht 799 million as a result of changing sources of financing by investing in long - term loans instead For better liquidity management With an additional loan of 3,041 million baht this year, which is more than the previous year loan And repayments during the year, another 2,242 million baht,

resulting in a long - term loan from financial institutions net higher than last year.

As of 31 December 2017, long - term loans from financial institutions increased by Baht 937 million due to the Company change source of funds by reducing the proportion of short - term loans from financial institutions and increase the portion of long - term loans instead for better liquidity management. This year, the company has borrowed Bath 2,723 million which more than last year and repayment during the year for Baht 1,786 million.

As of 31 December 2016, Long - term loans from financial institutions decreased by 919 million baht or 57 percent from prior year because of increase in revenue from sale of real estate. It can be used to more repayment long - term loan. Moreover, in April 2016 and October 2016, the Company issued debentures of 1,353 million baht and 1,646.80 million baht, respectively. Which objective for repayment the debentures maturing redemption and repayment of such long - term loan because debentures have lower financial costs.

• Debentures

As of 31 December 2018, the total amount of debentures was 6,368 million baht, a decrease of Baht 608 million from the previous year. During the year, the redemption of the debentures reached maturity of Baht 1,000 million and gradually repay the principal of the second tranche, which is a type of debenture. Gradually repay the principal in 2017, amounting to Baht 31 million. In addition, the company has issued two debentures during the year, 250 million baht and 167 million baht in October and November. In 2018, a total of 417 million baht. For the year 2018, the company issued debentures as detailed below;

On October 19, 2018, the Company issued debentures amounting to 250 million baht (250,000 units, 1,000 baht per unit) as debentures, named, unsubordinated, unsecured holders. There are bondholders' representatives Maturing on October 19, 2021, which is the replacement of the debentures due for redemption in 2018, the amount of 1,000 million baht that has been redeemed in full amount.

On November 22, 2018, the Company issued debentures amounting to 166.6 million baht (166,600 units, 1,000 baht per unit) as debentures, named unsubordinated, unsecured holders, with debenture holders' representatives, whose maturity date was 22nd, February 2022, which is a new release.

As of 31 December 2017, the debentures amounted to Baht 6,976 million, a slight decrease from the previous year of Baht 14 million. During the year, the debentures were redeemed in the amount of Baht 3,000 million and debentures were issued at Baht 2,997 million. For the year 2017, the Company issued the debentures as follows;

On January 31, 2017, the Company issued Baht 654.5 million of debentures (654,500 units, Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 31 January 2020.

On April 5, 2017, the Company issued Baht 1,500.0 million of debentures (1,500,000 units, Baht 1,000 each). The debentures were registered, unsubordinated and secured and debentures mature on 5 April 2021. The Company has right to redeem this debenture before maturity.

On October 31, 2017, the Company issued Baht 842.3 million of debentures (842,300 units, Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 30 April 2021.

As of 31 December 2016, the Company had debenture 6,990 million baht which increased from the year 2015 by 1,484 million baht or 27 percent. On 23 February 2016, the Extraordinary Shareholders' Meeting No. 1/2016 approved the issuance and offering of all types of debentures, with and/or without a name registered, the combined total amount not exceeding 3.0 Billion baht by issuing either single or multiple offerings.

On October 21, 2016, the Company issued 646.8 million baht of debentures (646,800 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 20 July 2019.

On October 5, 2016, the Company issued 1,000 million baht of debentures (1,000,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 1 October 2020. The Company has right to redeem this debenture before maturity. Meanwhile, the debenture of Areeya Property Public Company Limited No. 1/2015 due B.E. 2016 in amount of 1,000 million baht, which has been fully redeemed by the Company on 5 October 2016.

On April 1, 2016, the Company issued a debentures name of The Debentures of Areeya Property Public Company Limited No. 1/2016 due B.E. 2019 amounting to 1,353.20 million baht. Meanwhile, the debenture of Areeya Property Public Company Limited No. 1/2013 due B.E. 2016 in amount of 511 million baht, which has been fully redeemed by the Company on 12 April 2016.

• Short – term Bill of exchange

	(Million Baht)		
	2018	2017	2016
short – term Bill of exchange (Million Baht)	131	70	1,402
Increase/ – decrease from the previous year	61	(1,332)	122

As of 31 December 2018, short – term bill of exchange amounted to 131 million baht, an increase of 61 million baht from 2017, mainly due to the investment in bill of exchange to replace the existing bill of exchange during the year to be used as working capital in the company.

As of 31 December 2017, short – term bills of exchange amounted to Baht 70 million, a decrease of Baht 1,332 million from the end of last year. It was mainly from the Company policy to change the funding sources from short – term to long – term by reducing short – term bills of exchange and increase the portion of long – term loans instead for more efficient in financial liquidity management.

As of 31 December 2016, Increase in short – term Bill of exchange by 122 Million Baht or 9 percent from year 2015 for working capital in the companies. Because of the Short – term bill of exchange have lower financial costs and unsecured loans.

• Equity

As of 31 December 2018, the Company's shareholders' equity was Baht 3,332 million, slightly decreasing for Baht 8 million or 0.2% from the previous year, resulting from an increase in profit for the year 2018 of Baht 31 million and decrease by the payment of dividends during the year 2017 amounting to Baht 39 million.

As of 31 December 2017, the Company's shareholders' equity was Baht 3,340 million, increasing for Baht 26 million or 1% from the previous year, resulting from an increase in profit for the year 2017 of Baht 98 million and decrease by the payment of dividends during the year 2017 amounting to Baht 48.98 million and the Actuarial loss of Baht 23 million due to the change in assumptions on employee benefit obligation. However, this item is included in the other comprehensive income statement and has no impact on the Company's earnings per share.

As of 31 December 2016, the shareholders Equity of the Company was amount 3,314 million baht which the shareholders Equity increased from year 2015 of amount 224 million baht or 7 percent due to increase in net profit for the year of 263 million baht and dividend payment of 39 million baht during the year 2015.

• Liquidity

	(Million Baht)		
	2018	2017	2016
Cash flow from operating activities before changing of operating assets and liabilities	364	524	695
Changing of operating assets and liabilities	- 27	644	- 437
Income tax paid	- 64	- 84	- 51
Net cash provided by (used in) operating activities	273	1,084	207

Total cash flows from operations in 2018 decreased from last year mainly due to the decrease in cash received from real estate projects during development Which corresponds to the revenue from real estate sales which decreased from the previous year Although there is cash received from trade accounts receivable and additional deposits. But a smaller proportion Therefore resulting in the overall cash flow from the operation of the decrease from last year.

	(Million Baht)		
	2018	2017	2016
Net cash provided by (used in) investing activities	- 119	- 158	- 77

Net cash flow used in investment activities in 2018 decreased from 2017, The main reason for bank deposits that are used to guarantee for the letter of guarantee until the maturity and free of burden during the year is more than 35 million baht.

	(Million Baht)		
	2018	2017	2016
Net cash provided by (used in) investing activities	- 3,560	- 956	- 114

Cash flow used in financing activities in 2018 decreased from 2017, mainly due to cash received from long - term loans from financial institutions of 799 million baht and cash received from bank overdrafts and short - term loans 70 Million Baht However, during the year Proportion of repayment of debentures higher than cash received from debentures Resulting in a 617 million net debt repayment, payment of financial costs of 554 million baht and a dividend payment of 39 million baht. In general, the net cash used in financing activities is less than 2017.

As of December 31, 2017, the company had cash flow used in financing activities of Baht 956 million due to repayment of short - term loans from financial institutions in the amount of Baht 1,200 million, payment of financial costs of Baht 595 million and dividend payment of Baht 49 million. While the proportion of repayment of debentures is higher than cash received from

the issuance of debentures Resulting in a net debt repayment of Baht 21 million. However, the company has cash received from long - term loans from financial institutions of Baht 938 million baht, resulting in net cash used in financing activities this year higher than last year.

As of 31 December 2016, The Company had cash flow used in financing activities amounting to 114 million baht, mainly due to repayment of long - term loans from financial institutions, debentures and finance costs paid total amounting to 4,132 million baht, decrease in bank overdrafts and short - term loans from financial institutions, repayment of finance lease liabilities and dividend paid totaling 155 million baht. (However, the company had issued of debentures and proceed from long - term loan from financial institutions during the period amounting to 4,174 million baht).

• Significant Financial Policy Analysis Ratios

Liquidity ratio

The Company's liquidity ratio as of December 31, 2018 was 2.21 times and as of December 31, 2017 was 4.75 times, decreasing by 2.54 times. The increasing in current liabilities was mainly from the increase in debentures and current portion of long - term loans from financial institutions by 1,031 million baht in prior year to 2,031 million baht. The current portion of long - term loans from financial institutions increased from 611 million baht in the previous year to 1,564 million baht for this reason Therefore increasing current liabilities in 2018 resulting in a decrease in the liquidity ratio.

The Company has quick liquidity ratio as at December 31, 2018, equal to 0.08 times and as at December 31, 2017 is 0.23 times, decreasing by 0.15 times with the reasons mentioned above. Causing the company to have a large amount of current liabilities compared to last year and resulting in a faster ratio of liquidity from the end of last year.

The Company's liquidity ratio as of December 31, 2017 was 4.75 times and as of December 31, 2016 was 2.07 times, increasing by 2.68 times due to the Company's current liabilities decreased. The decreasing in current liabilities was mainly from the decrease in short - term loans from financial institutions and debentures due within one year. Short - term loans from financial institutions decreased from the repayment during the year and less borrowing since the Company change to funding from long - term loans instead. For the debentures due within one year, it was decreased due to the outstanding debentures due within the year 2016 amounting to Baht 3,000 million, while the balance of 2017 are only Baht 1,000 million. As a result of matters above, the current liabilities decreased for the year 2017 and affected to the better liquidity ratio.

The Company has the quick ratio as of December 31, 2017, equal to 0.23 times and as at December 31, 2016 is 0.11 times, increasing by 0.12 times with the reasons mentioned above. Causing the company to have a large amount of current liabilities when comparing from last year and resulting in a better liquidity ratio from the end of last year.

The company has a liquidity ratio of 2.07 times as of 31 December 2016, decreasing from 2.44 times in 2015 because current liabilities increased by 1,152 million baht, equivalent to 25 percent mainly due to the increase in debentures due within one year in the amount of 1,491 million baht.

Interest coverage ratio

The company has interest coverage ratio of 1.29 times as of December 31, 2018 and 1.55 times as of December 31, 2017, which is reduced by 0.26 times. Profit before interest and income tax from operations divided by financial costs. In 2018, profit before interest and income tax from operations was less than the year 2017, amounting to 109 million baht or 27 percent, although at the financial cost of the year 2561 less than 2017, amount 33 million baht or 13%, with the proportion of profit that is lower than the cost of finance in the year Making the interest payment ratio in the year 2561 decreased from 2017.

While the Company has interest coverage ratio (Cash Basis) of 0.49 times as of December 31, 2018 and 1.82 times as of December 31, 2017, which decreased by 1.33 times due to the year 2018, the company had cash flow from operations amounted to 273 million baht, a decrease of 811 million baht from the year 2017. The main cash flow from operations decreased from the cash received from real estate projects during development that has decreased.

The company has interest coverage ratio of 1.82 times as of December 31, 2017 and 0.50 times as of December 31, 2016, which increased by 1.32 times. Profit before interest and income tax from operations divided by financial costs, which in 2017 had a profit before interest and income tax from operations less than 2016, amounting to 175 million baht, or 30 percent reduction, while financial costs Year 2017, more than 2016, amount of 23 million baht or 10 percent, with the proportion of profit declining but the financial cost increased this year Causing the interest coverage ratio in 2017 to decrease from 2016.

Debt to equity ratio

The Company has a total debt to equity ratio of 3.29 times as at December 31, 2018 and 3.04 times as at 31 December 2017. The increase in the total debt to equity ratio is caused by Increased company liabilities and shareholders' equity decreased slightly this year. The increased debt of the company was due to the increase in long - term loans from financial institutions during the year.

The Company has a total debt to equity ratio of 3.04 times as of December 31, 2017 and 3.08 times as of December 31, 2016. The decrease in the total debt to equity ratio is caused by Decreased company liabilities and increased shareholders' equity this year. The decrease in the company's liabilities was a result of a decrease in short - term and long - term liabilities from financial institutions. Including liabilities from finance leases that were reduced from repayment during the year.

• The Maintenance of the net debt to equity ratio

The Company has a duty to comply with the terms and conditions of the right to maintain net debt to shareholders' equity not exceeding 3: 1 times according to the criteria specified in the Terms and Conditions Clause 6.2. financial The Company has maintained net debt to equity ratio at 2.69 times for the debentures of Areeya Property Public Company Limited No. 2/2015 due in 2018 at the issuer. Can be redeemed before maturity At present, the debentures have been redeemed in full amount on 19 October 2018.

Therefore, the company has a duty to comply with the right to maintain net debt to equity. 3: 1 times, in accordance with the criteria specified in the Terms and Conditions, Clause 6.2. The duties that the issuer must comply with Clause 6.2.11 Financial Conditions Specify that the net debt to be calculated must be deducted by cash and cash equivalents. Temporary investment and bank deposits with guarantees for debentures as follow ;

- 1) Debentures of Areeya Property Public Company Limited No. 1/2016, due B.E. 2019
- 2) Debentures of Areeya Property Public Company Limited No. 2/2016, due B.E. 2020, which the issuer can redeem before maturity
- 3) Debentures of Areeya Property Public Company Limited No. 3/2016, due B.E. 2019
- 4) Debentures of Areeya Property Public Company Limited No. 1/2017 due B.E. 2020
- 5) Secured debentures of Areeya Property Public Company Limited No. 2/2017, due B.E. 2020, which the debenture issuer can redeem before maturity

- 6) Debentures of Areeya Property Public Company Limited No. 3/2017, Series 1, due B.E. 2021
- 7) Principal repayment of the debentures of Areeya Property Public Company Limited No. 3/2017, Series 2, due B.E. 2019
- 8) Debentures of Areeya Property Public Company Limited No. 1/2561 due B.E. 2021
- 9) Debentures of Areeya Property Public Company Limited No. 2/2561 due B.E. 2022

As at December 31, 2018, the Company has maintained net debt to equity ratio equal to 2.69 times for debentures No. 1) – Article 4) and Clause 6) – Article 12) in accordance with duties in the Terms and Conditions, Clause 6.2.11) and For the debenture, Article 5) in accordance with duties in the Terms and Conditions 7.2.12) financial conditions Specify that the net debt to be calculated must be deducted by cash and cash equivalents, short – term investment and deposits at banks used as collateral.

However, the Company has prepared the policies to maintain its debt to equity ratio and capital structure to the appropriate level in the future: 1) Capital Increase Plan, 2) Partial Repayment for Debt from financial institutions and 3) Debenture Partial Redeem Plan and 4) Accelerate the sale and transfer of completed projects in both of low – rise and high – rise projects by launching new promotions and advertisement both offline and on – line to reach the potential customers including with controlling the Company's operating expenses. As a results of these policies, the Company expect the increase in revenue recognition and decrease in operating expenses which will help the profit increased, debt – to – equity ratio decreased and appropriate structure of Company's capital.

COMPANY'S LOAN

List of Loans of Areeya Property Public Co., Ltd. and Subsidiary Companies in the previous 2016 to 2018 are as follows.

	Unit : Million Baht		
	2018	2017	2016
Promissory Note	247	275	115
Bill of Exchange	131	70	1,402
Loan from financial institutions	2,442	1,643	706
Debentures	6,368	6,976	6,990
Total	9,188	8,964	9,213

AUDIT FEE

1. Remuneration from Audit Fee

The Company and its subsidiaries paid audit fees to the auditing office of the auditor, persons of activities in connection with the auditor or his office in the previous in 2016 to 2018 are as follows:

Unit : Baht

	Audit Firm		
	Dharmniti Auditing Co., Ltd.	Dharmniti Auditing Co., Ltd.	KPMG Phoomchai Audit Co.,Ltd.
Detail	2018	2017	2016
Areeya Property Public Co., Ltd.	1,539,000	1,120,000	2,050,000
Subsidiaries company	1,567,000	1,365,000	1,450,000
Total	2,980,000	2,485,000	3,500,000

2. Non-Audit Fee

The company and its subsidiaries do not have to obtain another service from the Office of Auditor, persons of activities in connection with the auditor or his office in fiscal year 2016 to 2018.

Board of directors and number of publicly listed companies

The company has set the limit policy for our board of directors related to serve in the board of directors of publicly listed companies not to exceed 5 companies. The company has disclosed individual as follows:

No.	Name	Position	Publicly listed companies	Subsidiaries of Publicly listed companies
1	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer	No	No
2	Mr. Viwat Lauhapoonrungsi	Director	No	No
3	Mrs. Niphapat Romerattanaphun	Director	No	No
4	Mr. Thun Thiansuwan	Director	No	No
5	Mr. Archawan Eiampaiboonphan	Director	No	No
6	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	1	No
7	Mr. Preecha Boonyakida	Independent Director and Audit Committee	1	No
8	Mr. Sompol Thiensuvan	Independent Director and Audit Committee	1	No

Additional policy for Chief Executive Officer (CEO)

To maximize time and skill dedication of our CEO, the company will not allow our chief executive officer to serve the same role in other publicly listed company.

New board members

For a new member of board, the company will provide the orientation as follows:

- Provide company rules and regulation, code of conducts and business overview as needed.
- Appoint the meeting with existing board members for guidance and recommendations.
- Enroll the board of director training or seminars as appropriate.

During 2018, the board of directors have appointed Mr. Archawan Eiampaiboonphan as a board member on April 27, 2018.

RELATED TRANSACTIONS

last 2018, the Company entered into the transactions with the connected persons under the following details.

Person who may have conflict of interests	Relationship with the Company	Nature of Transaction and Necessity	Value of Connected Transaction (Million Baht)	Price and Details
Mr. Wisit Laohapoonrungrsee and Mr. Viwat Lauhapoonrungrsi	Director and shareholder of the Company	Areeya Property Public Company Limited entered into a land lease agreement with two directors to build a head office building.	1.1 MB	- land lease agreement is for a period of 10 years. The lessor promises that upon the expiry of the lease term of 10 years, the lessor will allow an extension for another 10 years and negotiate the new rate at market price or other appropriate price. If the Company agrees to extend the agreement, the Company must submit written notice in advance as stipulated in the memorandum. As at December 31, 2018, the Company had commitment up to the end of lease agreement amounting to Baht 6.06 million.
			60.0 MB	- The Company paid rental deposit to the lessor amounting to Baht 60 million to guarantee that the leased asset would not be foreclosed by the financial institution since the lessor agreed to mortgage the leased asset under a credit facility agreement with the financial institution to finance the construction of the office building.
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	Areeya Property Public Company Limited provides loans to subsidiaries	1,148.3 MB	- Short-term loans to related parties, Pricing policy at 5.45% - 6.05% per annum.
			224.9 MB	- Interest receivable - related parties
			72.9 MB	- Interest income

Person who may have conflict of interests	Relationship with the Company	Nature of Transaction and Necessity	Value of Connected Transaction (Million Baht)	Price and Details
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	Subsidiary company for Areeya Property Public Company Limited borrowing money	2.8 MB	- Short-term loans from related parties ,Pricing policy at 5.45% - 6.05% per annum.
			25.2 MB	- Accrued interest expense - related parties
			0.5 MB	- Borrowing costs - related parties (included in real estate projects under development)
			2.9 MB	- Finance costs
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	Management income / Management fee	72.0 MB	- Management fee income at the agreed price
			44.3 MB	- Management fee at the agreed price
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	Areeya Property Public Company Limited allocated project costs to subsidiaries.	590.5 MB	- Trade and other receivables resulting from the allocation of project costs
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	The subsidiaries liquidated loans financial institutions instead of Parent company.	436.8 MB	- Trade and other payables - related parties
Mr.Wisit Laohapoonrungsee Mr.Viwat Lauhapoonrungsi and Mr.Archawan Eiampaiboonphan	Director and shareholder of the Company	Director and shareholder of the Company booked the condominium with Areeya Property Public Company Limited	5.1 MB	- Un-recognized income on installments due Key management
Areeya Property Public Company Limited and One up Co.,Ltd.	Parent company and subsidiaries	Areeya Property Public Company Limited hired and One up Co.,Ltd. for the construction projects.	5.0 MB	- The Parent company paid installment work to One up Co.,Ltd. and deducted 5% of installment payments

Measures and Procedures for Approving Related Transactions

In the event of related transaction between the Company or its subsidiaries and the person who may have conflict of interest and gain and loss or may have conflict of interest in the future, the Company determines that the Audit Committee shall provide opinion on the necessity of entry into the transaction and appropriateness of price of the said transaction by considering on various conditions to be in line with the normal course of business in the industry. Furthermore, there shall be a price comparison with the price of the third party or market price. If the Audit Committee is not expert in considering the contingent related transaction, the Company shall arrange the independent expert or the Company's auditor to provide opinion on the said related transaction to be used as support of the Audit committee's decision. The opinion of the Audit Committee or the expert shall be used as support of the decision of the Board of Directors or the Shareholders as the case may be. The director with gain and loss shall have no voting right in the said transaction. In addition, the related transactions shall be disclosed in Notes to Financial Statements, audited or reviewed by the Company's auditor.

AUDIT COMMITTEE REPORT

To Shareholders

Areeya Property Public Company Limited

The Audit Committee of Areeya Property Public Company Limited consists of 3 independent members; Mr.Wanchai Tantikul is the Chairman, While Mr.Preecha Boonyakida and Mr.Sompol Thiensuvan are members of the Audit Committee All members of the Audit Committee are selected from those specialized in finance, law and organization management. They have performed their duties and provided their opinion independently within the scope of duties and responsibilities assigned to them by the Board which are in compliance with the Notification of the Stock Exchange of Thailand regarding Qualifications and Scope of the Operation of the Audit Committee B.E.2008.

In the year 2018, the Audit Committee held 12 meetings which were also attended by the management, chief of internal audit officer and representatives from accounting department according to the agenda. Including one meeting was held to discuss with the Audit Committee, the External Auditors and the Internal Auditors without the Management. The Audit Committee's opinions and recommendations are provided independently which can be summarized as follows:

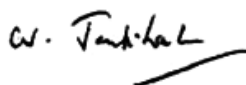
- **Reviewed quarterly and annual financial statements of the year 2018** with the cooperation from the management and the CPA, it is of the view that financial reports and transactions with related persons are correctly and adequately prepared with transparency and reliability and they are in accordance with generally accepted accounting standards. Accounting system and financial statements can be relied upon with adequate disclosure of information in such financial statements in a timely manner. They also give observations and acknowledge solutions for the optimal benefit of the company.
- **Reviewed and assess adequacy of internal control system** The Audit Committees have reviewed internal control system with the internal control office every quarter and is of the view that the company has adequately implemented internal control system. There is none of material concern or defect. Therefore, confidence is reasonably established that the company has achieved the objectives in respect of efficient and effective operation including assets management, reliability of financial reports and compliance with rules and regulations and policy of the company.
- **Supervision of internal control operation** The Audit Committee reviewed auditing report for the year 2018 according to the approved work plan in order to enhance

efficiency and effectiveness of the operation with well-established internal control system, compliance with laws relating to securities and stock exchange market and other provisions of laws relating to the company's businesses as well as following up the issues needed to be addressed according to internal audit report. In addition, the Audit Committee has also considered auditing plan for 2019 which was prepared on the basis of the assessment of internal controls according to The Committee of Sponsoring Organizations of the Treadway Commision (COSO.)

- **Appropriateness of the CPA** The Audit Committee is of the view that Dharmniti Auditing Ltd., the company's auditor in 2018, has no relationship to the company whether through shareholding nor providing other services for the company other than auditing works. They have performed their function appropriately in accordance with auditing professional standards and have good understanding toward the company's businesses.
- **Related transactions** The Audit Committee has audited related transactions which may cause conflict of interest and is of the view that they were all actual transactions in normal course of business. Their related transactions were disclosed in accordance with the principle of good corporate governance while conflict of interest was prudently avoided in a reasonable and independent manner and all shareholders were treated impartially.

In conclusion, the Audit Committee views that the company bases its operation on good corporate governance and as a result, it has adequately established internal control system without any material shortcoming. Appropriate risk management system is also implemented while statutory requirements are properly met. For the financial statements for the year ended 31 December 2018, there is no such event indicating problem or such item affecting financial status. Preparation of financial statement is properly done with adequate information disclosure and in accordance with accounting standards.

On behalf of the Audit Committee



(Mr. Wanchai Tantikul)

Chairman of the Audit Committee

27 February 2019

EXECUTIVE COMMITTEE REPORT

The Executive Committee is appointed by the Board of Directors to supervise and supervise the management and control of the Company's business operations in accordance with the policy and business strategies as determined by the Board of Directors including compliance with business ethics and laws relating to the business of the company.

1. To consider the planning of work, determine the operational strategy together with the Managing Director and the executives of all departments of the company and subsidiaries.
2. To consider and approve the company's business plan, annual budget and investment of the Company, subsidiaries and affiliates companies to propose to the Board of Directors

3. To consider and approve the transactions related to the purchase of land as assigned by the Board of Directors.
4. To consider and approve the remuneration policy and salary structure of the employees of the company, subsidiaries and affiliates companies.
5. To consider and monitor the performance of the company, subsidiaries and affiliates on a weekly basis.
6. To consider the appointment of persons for the management positions of the company, subsidiaries and affiliates.
7. To perform various matters as assigned by the Board of Directors.

The Executive Committee is committed to performing its duties fully. For maximum benefit and equality for all shareholders and stakeholders to lead the organization to grow steadily and sustainably.



(Mr. Wisit Laohapoonrungrsee)

Chairman and Chief Executive Officer

ADHERING TO BEST CORPORATE GOVERNANCE PRACTICES

CORPORATE GOOD GOVERNANCE

COMPANY OBJECTIVES AND GOALS

Short-term

- Strive for achievement in accordance with the annual business plan
- Persuade our commitment to create sustainable happiness and to make distinction in unique design, quality of construction and service for our customers, communities and society. We have mainly implemented and applied our 4 corporate values in day-to-day business operation:
 1. Aesthetic Design & Premium Quality; The unique design and premium quality.
 2. Sustainable Happiness ; deliver sustainable happiness to all related parties and environment.
 3. Innovative Living ; Create, seek and implement innovations into individual lifestyle.
 4. Best in Class After Sale Services ; Taking Care of our customers and community before and after sales with care.

Mid-term

- Develop both low-rise and high-rise projects in potential locations ,in the heart of the city or community with convenient and modern mass transportation.
- Operate the business in accordance with the above 4core concepts for the mission of caring for stakeholders towards employees, customers and society.
- Aiming to create Areeya as the first brand in the mind of customers.

Long-term

- Company's performance grow steadily and sustainably ,able to adapt to the economic conditions well.
- Areeya be the first brand that is in the customer's heart for sustainable growth.

CORPORATE GOVERNANCE POLICY OF THE COMPANY AND SUBSIDIARIES

The boards have determined to operate business and maintain a good governance to all stakeholders such as shareholders, investors and other related parties by providing principles and guidance to the company and subsidiaries as follows:

1. Rights of shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Responsibility of the Board

Rights of Shareholders

The company has policy to support and facilitate every shareholder to ensure the basic right execution in an equal and fair basis. The company has provided guideline as follows:

1. The company has appointed Thailand Securities Depository Company Limited which acts as a company registrar to facilitate security transactions for shareholders
2. Prior to the actual meeting date, the company is required to inform all shareholders about meeting agendas in a sufficient detail and timely manner. The company is required to distribute the notice letter of the shareholder meeting which addressed agenda and detail at least 14 days prior to the actual meeting date in accordance with the company's regulations No. 29, citing the notice of the shareholder meeting. The company will post the notice letter of the shareholder meeting on the website www.areeya.co.th at least 30 days in advance.

During the year of 2018, the company has held the 2018 Annual General Meeting of Shareholders on April 27, 2018, 10.00 a.m. at Ratchavipa room, 19th floor, the Bazaar Hotel Bangkok, located at 5 Ratchadapisek road, Chompon, Bangkok, 10900. The company has followed the principle and policies as mention above. However, the company had no extraordinary meeting of shareholders during this year.

- The Chairman of the meeting has set the sufficient and appropriate meeting time period for proceeding all agendas. During the meeting, the Chairman will encourage all shareholders to openly express their opinions and inquiries on the company's business operations and other related matters.

- The Chairman and other board members have participated in the meeting to answer any inquiries by shareholders if any.
 - The company has shown to operate its business based on efficiency, transparency, and accountability to ensure the optimal benefits to shareholders and the appropriate disclosure to other related parties.
3. The company will allow our shareholders to propose advanced inquiries and agenda or to nominate a candidate of board member or audit committee via the company's website and to the investor relations prior to the meeting.
 4. The board and executive member who willing to process any sales or purchase of the company's shares. The company required such personal to inform the board or assigned committee at least 1 day in advance.
 5. If any shareholders are unable to attend the meeting, the company will provide an additional alternative for the shareholder. He or she will be able to proxy his/her right to an independent board member.
 6. In voting in the Annual General Meeting of Shareholders, the Company has implemented voting cards for every agenda and employed a barcode system in vote counting for convenience and expedition. In addition, representatives from the Company's auditors also bear witness to the vote counting, and the votes are clearly declared in the minutes of the Annual General Meeting of Shareholders, detailing approval, disapproval, and abstained votes for each agenda requiring voting.
 7. Resolutions reached at the Annual General Meeting of Shareholders as well as votes for each agenda are disclosed via SET Portal of the Stock Exchange of Thailand and published on the Company's website after the Annual General Meeting. 1.7 The Company prepared the Minutes of the Annual General Meeting of Shareholders, both in Thai and English, and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the date of the meeting as stipulated by law. They were also disseminated on the Company's website.
 8. The Company prepared the Minutes of the Annual General Meeting of Shareholders, both in Thai and English, and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the date of the meeting as stipulated by law. They were also disseminated on the Company's website.

Equitable Treatment of Shareholders

1. Treatment of Minority Shareholders

The Company has prescribed criteria and procedures whereby minority shareholders may propose agenda items for the Meeting and to nominate candidates to be elected as a director beforehand. The Company provides channels for minor shareholders to give suggestions, express opinions or file complaints to website or investor relation representative by phone or email.

2. Monitoring the Usage of Insider Information

Board of Directors has realized about defense to be misused by someone with self-exploitation. They are stipulated information confidentiality policy to limit access to information within company for authorized staffs solely.

The company informs executives, including executive's spouses and minor children to report their holding or changing the company's securities to the Securities and Exchange Commission (the office) under the rule and procedures of the Securities and Exchange Act B.E. 2535 section 59 and its punishment of section 275.

Also, such mentioned persons as directors, management and employees including their spouse and minor children, are prohibited to make any security transaction; either purchasing, or selling, or transferred by taken advantage of the internal confidential information, which has not yet been disclose to the public. However, in case of the transactions occur in normal business, directors and management including their spouse and minor children, he/she had to report to the office within three working days since the event takes place, and copy to documents will be handled to company as evidence.

In addition, the company provides ethical policy that director, management and employees are always expected to observe honestly and virtuously, and should not participate to any immoral behaviors deteriorating company recognition. If any evidence has shown that company information confidentiality are disclosed by self exploitation insiders, it's doomed that such a person is accused of severe disciplinary violation and may be deserved condemnation according to employee regulation.

3. Preventing Conflicts of Interest

The Board of Directors has established policies regarding conflicts of interests as follows:

- The Shareholder structure shall be clear, transparent and shall not have cross-holding among major shareholders, thereby preventing any conflict of interests with any party. Also, the shareholder structure of the company and its subsidiaries shall be disclosed in the Annual report.
- Directors and top executives must file a report stating their own and their related persons' interests in the management of the Company or subsidiaries to the company secretary. The company secretary shall deliver a copy of such a report to the Chairman and Chairman of the Audit Committee within seven days upon the receipt of the report.
- In case any director or executive has a vested interest in any agenda item under consideration, such a person must not attend the meeting or must abstain from voting on such an agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.
- Compliance and internal information use policies are prescribed and written in Approval Authority, SCG Code of Conduct, and Regulations for Employees, along with clear 20/79 disciplinary action if the management or employees disclose internal information to the public or use it for their own advantage.

Roles of Stakeholders

The company has committed to provide fair treatment and transparency to our stakeholders such as employees, creditors, customers, vendors, shareholders, auditors, independent appraisers, government officials, and communities. The company has set the principle and guidelines as follows:

1. Shareholders:

The company has attempted to offer the attractive returns to all shareholders by generating outstanding performances and sustainable business development. The company also provides the effective internal control to assure best interest to our organization and shareholders.

2 Customers:

The company has continued to focus and maintain our quality of services and high customer satisfaction as our core value via the after-sale service team members consisting of Call Center, After-Sale Service (AS), Customer Management (CM), and Customer Relations Management (CRM).

3 Creditors and Partners:

With fairness and transparency in purchasing policy, the company has developed its strategic partners throughout these years to provide quality products and services to the company with competitive advantages, vice versa the company also provide knowledge-sharing programs, seek financing source from banks, provide liquidity or equipment loans for the contractors/partners to help out in their cash flow.

4 Competitors:

The company has supported the free trade agreement policy and emphasize mainly on fair and acceptable rules to avoid dishonest practices that may lead to unfair trade advantages.

5 Employees:

The company also remains firm in recruiting and retaining skillful and experienced employees while consistently focusing on the development and maximization of skills required for each particular task. In addition, the employees will be encouraged to acquire occupational progress and stability to keep pace with the advancement of the organization, with the allocation of lucrative welfares and benefits such as provident fund, health insurance, annual health check-up program, and more.

6 Community, Society, and Environment:

The company has strongly committed corporate social responsibility policy in our core value. The company has implemented its core value into day-to-day business operation with full responsibility towards the community, society, and environment in accordance with laws, rules and regulations.

Non-Violation Intellectual Property Policy

To continue the sustainable success on the company business and align with corporate transparent procedure, the company considers the intellectual property policy as part of the employment agreement. The content included is as follows:

- The employee must strictly follow non-violation of any intellectual properties.
- The employee must ensure the permissible right on all works under the terms on which the company was granted.
- The employee must immediately inform the Company, when involving in any issue on copy rights or intellectual property.

Moreover, the company sets the specific procedure, for

example, the computer system and information technology usage must be certified by the proper license. Installation or publicity of illegal software product that is not properly licensed to the company is strictly prohibited.

Human Rights Policy

The company issues human right procedure for all people to follow strictly. From the sourcing and recruiting process, the company ensures that no discrimination on gender, race, religion, skin color, or any factors that are not related to ability to operate the job, and no labor abuse or illegal practice. The procedure regarding to human rights is as follows:

- The company shall fairly determine employee compensation according to qualifications, job scope, competencies and working performance that employee delivers, together with organization compensation structure.
- The company shall fairly encourage employees in all levels to attend training programs according to the organization training roadmap.
- The company shall treat employees with honor and respect to each other's opinion.

Transparency and Disclosure of Information

The company emphasizes on providing its business information in a sufficient and timely manner. The information included the delivery of corporate news via new electronic systems known as SET Community Portal (SCP) and ELCID, developed by the Stock Exchange of Thailand (SET) and the publication of news in local newspapers in accordance with the Public Limited Company Act. The company has also unveiled its business information in the form of annual registration statement (56-1 form) and financial statement in both Thai and English languages in the company's website www.areeya.co.th.

Significant information technology systems include financial reports, non-financial data, and other related information approved by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The information stated in the financial statements to be disclosed to the SET is fully reviewed and verified by the company's auditing team and approved by its Board of Directors. Obviously, the Board of Directors is responsible for financial statements of the company and its subsidiaries. It is clearly understood that the financial information specified in the annual report will be prepared in accordance with the accounting standards generally used and accepted in Thailand. It is also required

to select the most appropriate accounting policies, pursue the policies' requirements, determine accurate judgment in a cautious manner, generate the most effective estimation for the preparation of information, and sufficiently disclose important information in the financial statements' remarks. The Board of Directors has also maintained progressive internal audit to ensure that the accounting records are accurate, complete, and sufficient, particularly to sustain the value of properties and identify weaknesses to prevent fraud and other corrupted actions. The Board has appointed members of the Internal Audit Committee, who are not considered the company's executives, to be responsible for the quality of financial reporting and internal controls. The Internal Audit Committee's approval can be seen in the internal audit reports already listed in the annual report and annual registration statement (56-1 form).

The Company has the Chairman of the Board of Directors, the Chairman of the Executive Committee and the Managing Director being the same person. However, transactions that are not normal operations of the company will be considered by the Board of Directors every time and there are 3 independent directors. The decision to invest in various projects must be considered by the Board of Directors. Including the purchase of land for project development To ensure that there is no direct or indirect benefit or interest in both the financial and management of the company.

The Board of Directors regularly holds meetings, in which each management meeting has prepared information and details for the Board to consider. During the meeting, the chairman of the meeting gave the time for the directors to carefully consider various agendas, including providing full opinions. And a written meeting record In addition, the minutes of the meeting that have been approved for collection by the relevant parties can be examined. In 2018, there were 5 Board meetings. With details of the attendance of the Board of Directors as specified in the topic Remuneration for Directors and Executives.

The Audit Committee regularly holds meetings, which at the meeting of the Audit Committee has considered, selected and nominated the auditor's name and auditor's remuneration. Providing opinions in the interim financial statements and annual financial statements that the auditor has reviewed or audited Consider compliance with accounting standards And disclosure of information in the financial statements before presenting to the Board of Directors for consideration, reviewing the disclosure of related party transactions or connected

transactions. Consideration of the appropriateness of the internal audit and audit plan and consider the internal audit report that has examined various work systems within the organization prepared by the Internal Audit Department. As well as providing recommendations on improving the internal control system to present to the management. In addition, the Audit Committee presented the assessment of the adequacy of the internal control system to the Board of Directors to consider as well. In 2018, the Audit Committee's meeting was held in total of 12 Times with details of attendance of the Audit Committee As specified in the topic Remuneration for Directors and Executives.

As for the Nomination Committee and the Remuneration Committee The company has not yet been established. Because the Board of Directors considered that the number is

not small and can call a meeting to consider the matter in the Board of Directors meeting is already normal. In addition, the directors must comply with the Code of Best Practices of Listed Companies such as complying with relevant laws and regulations of the company. Be honest and responsible to the company and shareholders. Have knowledge and ability and have a willingness to use knowledge, ability and experience in business operations continuously and have responsibility for financial reports, etc.

Responsibility of Directors

The management structure of the Company consists of three committees: the Board of Directors , Audit Committee and executive board. The management structure of the Company as at 31 December 2018 is as follows:

1. Board of Directors
2. Audit Committees
3. Executive Committees

1. Board of Directors

As at 31 December 2018, the Board of Directors comprised of eight members as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2018
1	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive	5/5
2	Mr. Viwat Lauhapoonrungrsi	Officer	5/5
3	Mrs. Niphapat Romerattanaphun	Director	5/5
4	Mr. Thun Thiansuwan	Director	5/5
5	Mr. Archawan Eiampaiboonphan	Director	4/5*
6	Mr. Wanchai Tantikul	Director*	5/5
7	Mr. Preecha Boonyakida	Independent Director and Chairman of the Audit Committee	5/5
8	Mr. Sompol Thiensuvan	Independent Director and Audit Committee	5/5
Total number of meetings			5

Mr. Archawan Eiampaiboonphan was appointed as a director on April 27, 2018

Authorized signatories are Mr. Wisit Laohapoonrungsee and Mr. Viwat Lauhapoonrungrsi and the company's seal or one of these two directors signing together with Mrs. Niphapat Romerattanaphun or Mr. Thun Thiansuwan or Mr. Archawan Eiampaiboonphan with affixing the company's seal.

Scope of duty and responsibility of the Board

1. To comply with the law, objectives, regulations of the company as well as the resolution in the shareholders' meeting with the following exception that need approval from shareholders' meeting before execution such as the activities that the law assign to have the resolution from the shareholders' meeting, relating transactions and purchasing and selling any securities according to the regulation of the Stock Exchange of Thailand or as assigned by other Government section.
2. To determine or change the company's authorized signatories.
3. To set policy, strategy and direction of company management as well as to supervise the executive to carry on the work effectively in accordance with the business policy, strategy and direction, in order to supremely increase economic value for the shareholders and for sustainable growth.
4. To consider and decide in important activities such as business plan, budget, mass investment projects, power of management, or any legal regulation.
5. To assess the results of the performance and determine the payment for the executives.
6. To be responsible for the results of execution and duty performance of executives with intention and carefulness.
7. To conduct accounting system, financial report and accounting report, to set the process in assessing the proper internal control, as well as to have an efficient and effective of internal audit; risk management; financial reporting and monitoring.
8. To prevent conflict of interest among the company's stakeholders.
9. To supervise duty performance to be in ethical behavior.
10. To set internal regulation and company code.
11. To report their job responsibility, in conducting financial report, together with the audited financial report revealed in the annual report; and include important activities in accordance with the Stock Exchange of Thailand policy of desirable performance for the company's board.
12. To appoint someone to administer the company business activities under their supervision or give the person authority and/or within the agreed time period; and the board can cancel, discharge or change this authority at any time.

2. Audit committees

As of December 31, 2018, there are three Audit Committee directors which are appointed from the Board of Directors as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2018
1	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	13/13
2	Mr. Preecha Boonyakida	Audit Committee	13/13
3	Mr. Sompol Thiensuvan	Audit Committee	13
Total number of meetings			13

Audit Committee is an independent organization to support, review the financial information, and report to the shareholders and other related persons.

Scope of duty and responsibility of the audit committee

1. To review the Company's financial report is accuracy and adequacy.
2. To ensure that the Company has a suitable and efficient internal control system and internal audit, the audit committee shall consider the following issue:
 - To strengthen the independence of the internal audit department, the audit committee shall approve any selection, promotion, rotation or termination of the department head.
 - To ensure the independence of the internal audit department, the audit committee shall consider other factors that might impact its independent performance, including reporting and supervision processes.
3. To ensure that Company compliance with the securities and stock exchange laws, the Stock Exchange of Thailand's regulations and other business laws.
4. To consider, select, nominate, recommend, termination and remuneration of the Company's external auditor. The audit committee shall consider the following issues:
 - To ensure the independence of the external auditor. The audit committee shall consider any factors that may conflict with the auditor's efficient and professional operations.
 - To freely discuss significant matters, the audit committee shall meet privately with the external auditor once a year,
5. To ensure that the firm complies all related rules when is a connected transaction or transaction that may lead to conflict of interests.
6. To make Audit's Committee's performance report which is signed by the chairman of Audit Committee and disclosed in the Company's annual report, its report should include the following information:
 - (a) accurateness, completeness and credibility of the company's financial report
 - (b) adequacy of the firm's internal control system
 - (c) compliance with SEC's and SET's laws and regulation and other laws relevant to the company's business
 - (d) suitability of the external auditor
 - (e) transactions that may cause conflicts of interest
 - (f) the number of committee meetings and attendance of each member
 - (g) other concerns that have arisen as the audit committee performed its duties as defined in the committee's charter.
 - (h) anything else which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board.
7. To perform any other activities assigned by the Board of Directors and agreed by Audit Committee.

3. Executive Committees

As at As of December 31, 2018, the Executive Committees of the Company consists of five persons as follow:

No.	Name	Position	Number of attended meetings/ all meetings of year 2018
1	Mr. Wisit Laohapoonrungrsee	Chairman and Chief Executive Officer	16/17
2	Mr. Viwat Lauhapoonrungrsi	Director	16/17
3	Mrs. Niphapat Romerattanaphun	Director	16/17
4	Mr. Thun Thiansuwan	Director	17/17
5	Mr. Archawan Eiampaiboonphan	Director*	11/17*
Total number of meetings			17

*Mr. Archawan Eiampaiboonphan was appointed as a director on April 27, 2018

The member shall be appointed by the board to have duty and responsibility. Their power are unable to authorize items or persons that can gain and loss, or may have a conflict of interest (according to the designation of The Securities and Exchange Commission, Thailand) except in approve some activities that agree with policies, methods or regulations that Board approved.

Scope of duty and responsibility of Executive Committee

1. To determine policies, directions strategies and structures of the Company's business to support an economic conditions and competition that has announced to the shareholders to ask for and agreement of the Board.
2. To determine business plan, budget and managing authority of the Company to ask for an agreement of the Board.
3. To examine and monitor the determined policy and managing method to be efficiently and benefit to the company.
4. To monitor the company's progress to follow the approved business plan.
5. To consider an investment project of the company in order to offer to the Board.
6. To make the legal act with the financial institution of opening an account, borrowing, mortgaging, pawning, guaranteeing, bargaining and register a proprietary right in order to run company's business.
7. To supervise and approve company's normal business activities, and may hand over power to the Directors or other people to run time work.
8. To run other business activities as the Board assigned.

Chief Executive Officer

Chief Executive Officer of the company is Mr. Wisit Laohapoonrungsee.

The Board of Directors has assigned Chief Executive Officer (CEO) to have duties and responsibilities in operation. The detail of assigned authority conforms to the scope of duty and responsibility of Chief Executive Officer which the authority assignment of CEO and other persons as the approval by CEO have not included the power and/or authority to approve any transactions that CEO or the authorized person may have any conflict of interests or any advantage from the company or subsidiary company (compliance with the Regulation of the Securities and Exchange Commission). Such transactions have to be proposed in the Board of Directors' meeting and/or Shareholders' meeting for consideration and approval as indicated in the company's Articles of Association or related law except the approval of transactions following the company's Policies, Methods, Rules approved by the Board of Directors or Executive Committee.

Scope of duty and responsibility of Chief Executive Officer

1. To operate and manage the Company's business complying with plan and budget approved by the Board of Directors
2. To operate and manage the company's business entirely complying with the company's Objectives, Policies, Rules, Articles of Association, Orders, Resolutions of Board of Directors' Meetings or Executive Committee's Meetings
3. To have an authority to operate and act as the company's representative for the related business beneficial to the company
4. To have an authority to issue the Announcement, Orders or Memorandum in order to control the operation complying with the company's Policies and benefit and to maintain the disciplines in the organization work
5. To approve the appointment of Staffs and Consultants in any fields necessary for the company's operation
6. To operate as assigned by the Board of Directors or Executive Committee under the company's Rules and Articles of Association

The approval of transactions under the scope of duty and responsibility has to comply with the payment approval authority approved by the Board of Directors.

Nomination of the Board of Director

At present, the Company has no the nominating committee for selecting directors and independent directors. However, the Board has to consider the person who has good qualifications, knowledge, capabilities and related experiences. In addition, he (or she) shall not have prohibited characteristics according to the law. The independent directors are not the company's employee, advisor or stakeholder, not have any family related with major shareholder and not a management of subsidiary. The company's director selection is as follow regulation:

1. Committee election by the shareholders shall follow the majority of votes by the following the rules and method below:
 - a) Each shareholder will have a number of votes equal to one share per one vote.
 - b) In case that the number of nominees is less than the number of the member required, the shareholders shall vote according to their belonging shares as the subject (1). The votes can not be divided to any other person.

- c) Casting a vote one by one shall be used, in case that the number of nominees is more than the number of member required. Each nominee shall get the vote from the shareholders according to their belonging shares as the subject (1). The votes can not be divided to any other person. Nominee who gets the highest votes shall carry an election. The number of nominees who carry an election depends on the member required. The chairman of the meeting shall decide if voted are tie.
2. In case that member of the Board vacates until unable to be a quorum, remaining directors have to work on behalf of the Board only to run an election for replacing directors.
 3. Subject 2 above, in case that a vacant position comes from other factors except retiring by rotation, the Board will, at the next scheduled meeting, to select a replacing director who has proper qualification and shall not have prohibited characteristics according to the law. The said director shall be on duty as long as the term of office of the retiring director remains. Unless the term of office is less than 2 months, there will be no replacing director.

The Board's resolution according to the first clause comprises more than 3/4 of votes.

Furthermore, The Company specifies the qualifications of its independent director in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

1. Holds shares not exceeding 1% of the total voting shares of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that the shares held by the related parties of such independent director shall be included.
2. Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling parties of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company.
3. Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the Company or its subsidiary.
4. Have no or never had business relationship with the

Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company in respect of controlling which may harm the independent decision-making, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company

5. Is not or has never been the auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of Company, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received the service fee more than 2 Million Baht per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms.
7. Is not the director who is nominated to be the representative of directors of the Company, major shareholders, or any other shareholders related to the major shareholders
8. Do not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds share of more than 1% of the total voting shares of any other company which operates same and competitive business with the business of the Company, or its subsidiaries.
9. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the Company.

After being appointed as the independent director in accordance with the conditions under the article (1) – (9), such independent director may be assigned by the board of directors to make decision in respect of collective decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of Company.

The definition of independent director of the Company is equal to the minimum requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand.

1. Remuneration from Audit Fee

The Company and its subsidiaries paid audit fees to the auditing office of the auditor, persons of activities in connection with the auditor or his office in the previous in 2016 to 2018 are as follows:

Unit : Baht			
	Audit Firm		
	Dharmniti Auditing Co., Ltd.	Dharmniti Auditing Co., Ltd.	KPMG Phoomchai Audit Co.,Ltd.
Detail	2018	2017	2016
Areeya Property Public Co., Ltd.	1,539,000	1,120,000	2,050,000
Subsidiaries company	1,567,000	1,365,000	1,450,000
Total	2,980,000	2,485,000	3,500,000

2. Non-Audit Fee

The company and its subsidiaries do not have to obtain another service from the Office of Auditor, persons of activities in connection with the auditor or his office in fiscal year 2016 to 2018.

Board of directors and number of publicly listed companies

The company has set the limit policy for our board of directors related to serve in the board of directors of publicly listed companies not to exceed 5 companies. The company has disclosed individual as follows:

No.	Name	Position	Publicly listed companies	Subsidiaries of Publicly listed companies
1	Mr. Wisit	Laohapoonrungsee	Chairman and Chief Executive Officer	No
2	Mr. Viwat	Lauhapoonrungsi	Director	No
3	Mrs. Niphapat	Romerattanaphun	Director	No
4	Mr. Thun	Thiansuwan	Director	No
5	Mr. Archawan	Eiampaiboonphan	Director*	No
6	Mr. Wanchai	Tantikul	Independent Director and Chairman of the Audit Committee	No
7	Mr. Preecha	Boonyakida	Independent Director and Audit Committee	No
8	Mr. Sompol	Thiensuvan	Independent Director and Audit Committee	No

*Mr. Archawan Eiampaiboonphan was appointed as a director on April 27, 2018

Additional policy for Chief Executive Officer (CEO)

To maximize time and skill dedication of our CEO, the company will not allow our chief executive officer to serve the same role in other publicly listed company.

New board members

For a new member of board, the company will provide the orientation as follows:

- Provide company rules and regulation, code of conducts and business overview as needed.
- Appoint the meeting with existing board members for guidance and recommendations.
- Enroll the board of director training or seminars as appropriate.

During 2018, the board of directors have appointed Mr. Archawan Eiampaiboonphan as a board member on April 27, 2018.

ANTI-CORRUPTION POLICY

Corruption means a form of dishonest, unethical or illegal conduct performed by a person entrusted with a position of government authority, often to acquire personal benefit directly or indirectly. Corruption may also include other immoral practices occurred when a business entrepreneur, corporate partner, or related person acts in a wrongful manner considered as personal exploitation.

- Internal Organizational Anti-Corruption Policy

The company is strictly committed to operating its business in an honest and transparent manner towards its customers, partners, employees, and other people in the society without being involved in any corrupted action, where the board of directors, executives, and employees at all levels are permanently prohibited to use their authority in performing duties to seek personal gain or benefit for their families or other people.

- External Organizational Anti-Corruption Policy

As the company has successfully complied with its anti-corruption policies developed for internal enforcement, it is also required to make progress of external organizational anti-corruption policy as well. Anti-corruption practices are strategically developed to hinder a government official's dishonest or illegal conduct and prevent possible impacts on Thailand's economic growth and national image. The company has never supported any form of bribery, whether it is considered unethical business supports offered to partners or immoral financial incentives given to government officials. In addition, the company has determined to operate its business based on the legal enforcement of laws and the correct procedure of business practices to ensure that the risk of corruption is minimized.

Similarly, the company is always ready and willing to comply with all rules and regulations issued by government organizations to fight against corruption. The company has

also reiterated its intention to create greater awareness on anti-bribery and corruption for executives and employees at all levels by supporting this agenda in the new employee orientation program and public this agenda in internal communication channels. Also encourage for monitoring the Anti-Corruption practices which is responsible by internal audit department and all superior levels. Moreover, the company set the procedure regarding to Anti-corruption policy as follows:

- The employee must not offer the benefit to any parties in order to induce them to omit the duty or to commit the illegal action.
- The employee must not receive the benefit from any parties in order to be induced to omit the duty or to commit the illegal action.
- The employee shall avoid receiving or offering any gift in the form of cash, bond, shares, and jewelry, real estate both in festival or non-festival periods.
- The employee shall avoid receiving or offering any gifts either tangible or intangible benefit from any parties, unless in festival or traditional practice within reasonable value and under the condition that the recipient must report and consult to superior level in advance.

Complaint and following up

The company provides communication channels in case employees need to complain or detect any action which is suspicious that it may be in violation or illegal by contacting directly to superior level or Human Resources Department or Internal Audit Department via internal phone number 02-798-9971 or email via areeya.co.th or post mail to company address. Regarding to the matter, the company shall take into appropriate process by the investigation committee on a case by case basis to lead the impartiality and to keep the said person information as a strictly confidential.

MANAGEMENT STRUCTURE

The management structure of the Company consists of three committees: the Board of Directors , Audit Committee and executive board.

Nomination of Independent Directors and Audit Committee

The Company has a policy to nominate independent directors and members of the Audit Committee by allowing the shareholders to propose names of the Board of Directors in advance through the Company's website and nominations from the management team. The selection of directors will be considered from Qualifications and work history that are suitable for the position and is independent enough to act as an independent director and / or audit committee, In order to comply with good corporate governance principles.

By the information of directors and controlling persons of the Company and its subsidiaries that are the main business companies And showing details about the directors of the subsidiaries as per attachment 2 and 3 by the management structure of the company as at 31 December 2018 as follows:

Board of Directors

As at 31 December 2018, the Board of Directors comprised of eight members as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2018	
1	Mr. Wisit	Laohapoonrungsee	Chairman and Chief Executive Officer	3/5
2	Mr. Viwat	Lauhapoonrungsi	Director	5/5
3	Mrs. Niphapat	Romerattanaphun	Director	5/5
4	Mr. Thun	Thiansuwan	Director	5/5
5	Mr. Archawan	Eiampaiboonphan	Director*	4/5*
6	Mr. Wanchai	Tantikul	Independent Director and Chairman of the Audit Committee	5/5
7	Mr. Preecha	Boonyakida	Independent Director and Audit Committee	5/5
8	Mr. Sompol	Thiensuvan	Independent Director and Audit Committee	5/5
Total number of meetings				5

*Mr. Archawan Eiampaiboonphan was appointed as a director on April 27, 2018

Authorized signatories are Mr. Wisit Laohapoonrungsee and Mr. Viwat Lauhapoonrungsi and the company's seal or one of these two directors signing together with Mrs. Niphapat Romerattanaphun or Mr. Thun Thiansuwan or Mr. Archawan Eiampaiboonphan with affixing the company's seal.

Audit Committees

As of December 31, 2018, there are three Audit Committee directors which are appointed from the Board of Directors as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2018	
1	Mr. Wanchai	Tantikul	Independent Director and Chairman of the Audit Committee	13/13
2	Mr. Preecha	Boonyakida	Audit Committee	13/13
3	Mr. Sompol	Thiensuvan	Audit Committee	12/13
Total number of meetings				13

Audit Committee is an independent organization to support, review the financial information, and report to the shareholders and other related persons.

Executive Committees

As of December 31, 2018, the Executive Committees of the Company consists of five persons as follow:

No.	Name	Position	Number of attended meetings/ all meetings of year 2018
1	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer	16/17
2	Mr. Viwat Lauhapoonrungsi	Director	16/17
3	Mrs. Niphapat Romerattanaphun	Director	16/17
4	Mr. Thun Thiansiwan	Director	17/17
5	Mr. Archawan Eiampaiboonphan	Director*	11/17*
Total number of meetings			17

*Mr. Archawan Eiampaiboonphan was appointed as a director on April 27, 2018

The member shall be appointed by the board to have duty and responsibility. Their power are unable to authorize items or persons that can gain and loss, or may have a conflict of interest (according to the designation of The Securities and Exchange Commission, Thailand) except in approve some activities that agree with policies, methods or regulations that Board approved.

Board of Directors in subsidiary companies

Areeya Service Co., Ltd.

No	Name	Position
1. Mr. Wisit	Laohapoonrungsee	Managing Director
2. Mr. Viwat	Lauhapoonrungsi	Director
3. Mrs. Niphapat	Romerattanaphun	Director
4. Mr. Thun	Thiansuwan	Director
5. Mr. Archawan	Eiampaiboonphan	Director

One-up Co., Ltd.

No	Name	Position
1. Mr. Wisit	Laohapoonrungsee	Managing Director
2. Mr. Viwat	Lauhapoonrungsi	Director
3. Mrs. Niphapat	Romerattanaphun	Director
4. Mr. Thun	Thiansuwan	Director
5. Mr. Archawan	Eiampaiboonphan	Director

Areeya Management Co., Ltd.

No	Name	Position
1.	Mr. Wisit	Laohapoonrungsee
2.	Mr. Viwat	Lauhapoonrunsi
3.	Mrs. Niphapat	Romerattanaphun
4.	Mr. Thun	Thiansuwan
5.	Mr. Archawan	Eiampaiboonphan

Cool Space Co., Ltd.

No	Name	Position
1.	Mr. Wisit	Laohapoonrungsee
2.	Mr. Viwat	Lauhapoonrunsi
3.	Mrs. Niphapat	Romerattanaphun
4.	Mr. Thun	Thiansuwan
5.	Mr. Archawan	Eiampaiboonphan

White Living Co., Ltd.

No	Name	Position
1.	Mr. Wisit	Laohapoonrungsee
2.	Mr. Viwat	Lauhapoonrunsi
3.	Mrs. Niphapat	Romerattanaphun
4.	Mr. Thun	Thiansuwan
5.	Mr. Archawan	Eiampaiboonphan

Chill Space Co., Ltd.

No	Name	Position
1.	Mr. Wisit	Laohapoonrungsee
2.	Mr. Viwat	Lauhapoonrunsi
3.	Mrs. Niphapat	Romerattanaphun
4.	Mr. Thun	Thiansuwan
5.	Mr. Archawan	Eiampaiboonphan

Areeya Hospitality Co., Ltd.

No	Name	Position
1.	Mr. Wisit	Laohapoonrungsee
2.	Mr. Viwat	Lauhapoonrungsi
3.	Mrs. Niphapat	Romerattanaphun
4.	Mr. Thun	Thiansuwan
5.	Mr. Archawan	Eiampaiboonphan

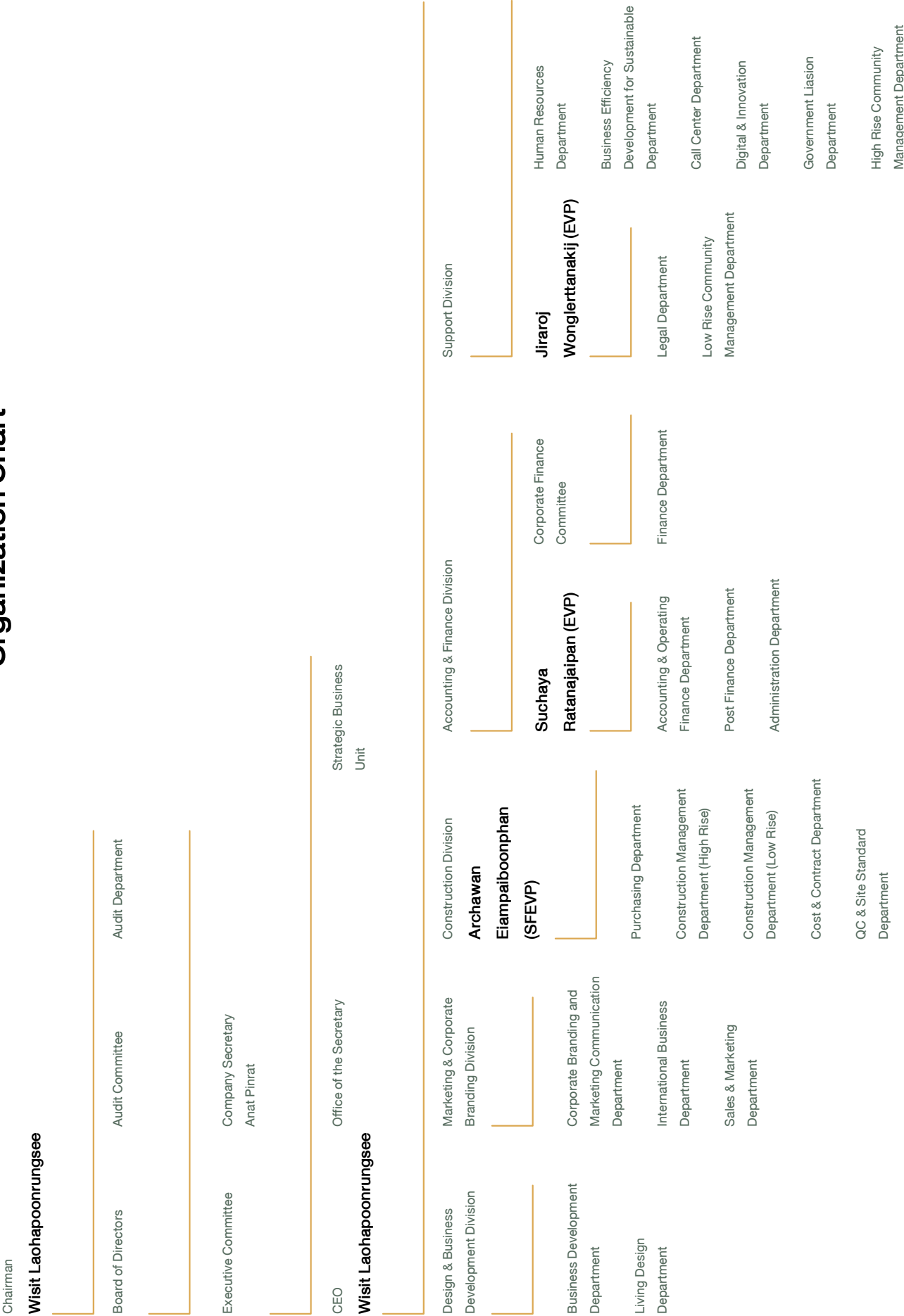
Management Team

As of December 31, 2018, the management team of the Company consists of 12 members as follow:

No	Name	Position
1.	Mr. Wisit	Laohapoonrungsee
2.	Mr. Viwat	Lauhapoonrungsi
3.	Mrs. Niphapat	Romerattanaphun
4.	Mr. Thun	Thiansuwan
5.	Mr. Archawan	Eiampaiboonphan
6.	Ms. Suchaya	Ratanajaipan

Remark : Executive (according to the SEC definition) means Managing Director or the first four executive level positions, counting from the Managing Director down. Those who hold positions equivalent to those of the fourth executive level And shall include those holding positions at the management level in accounting and finance That is the department manager level up or equivalent

Organization Chart



Chief Executive Officer


Chief Executive Officer of the company is Mr. Wisit Laohapoonrungrsee

The Board of Directors has assigned Chief Executive Officer (CEO) to have duties and responsibilities in operation. The detail of assigned authority conforms to the scope of duty and responsibility of Chief Executive Officer which the authority assignment of CEO and other persons as the approval by CEO have not included the power and/or authority to approve any transactions that CEO or the authorized person may have any conflict of interests or any advantage from the company or subsidiary company (compliance with the Regulation of the Securities and Exchange Commission). Such transactions have to be proposed in the Board of Directors' meeting and/or Shareholders' meeting for consideration and approval as indicated in the company's Articles of Association or related law except the approval of transactions following the company's Policies, Methods, Rules approved by the Board of Directors or Executive Committee.

Secretary of the Company

The Board of Directors passed a resolution to appoint Mr. Anat Pinrat to be the Company Secretary since February 22, 2013 with the main duties and responsibilities as specified in the Securities and Exchange Act As well as being responsible for overseeing and giving advice to the Board of Directors and executives in various laws and regulations that the Board of Directors must know and practice Including being responsible for organizing the Board of Directors meeting Sub-committee And shareholders' meeting Coordinate with internal departments to comply with laws, objectives, company regulations. Board resolution And the resolution of the shareholders' meeting As well as overseeing the disclosure of information and information reports in accordance with the requirements of the relevant regulatory agencies.

The profile and information of company secretary as below :

Mr. Anat Pinrat	Year of Appointment as a Director: None	Age : 57	
Company Secretary			
Education			
<ul style="list-style-type: none">Bachelor Degree in Accounting, Thammasat UniversityMaster of Business Administration (Accounting), Thammasat University			
Training;			
<ul style="list-style-type: none">CFO TrainingCFO Getting Together 2018Refreshment of the Role and Expectation of A CFOIA Clinic 11/2018			
Work Experiences During the Past Five Years			
Listed companies ;			
<ul style="list-style-type: none">Legal Advisor, Amarin Printing and Publishing Public Company Limited			
Non-Listed companies;			
<ul style="list-style-type: none">Deputy Managing Director , Sirakorn Public Company Limited (into the Stock Exchange of the Year 2019)			
Any other positions which may cause conflict of interest with the company:	-None-		
Government sector:	-None-		
Work Experiences in the Past			
<ul style="list-style-type: none">FEVP Finance & Accounting , Areeya Property PCL.Director and Vice President of Finance & Accounting , Thai Polycons PCL.Accounting and Finance Manager, Pinthara Co., Ltd.Senior Accounting Manager, Misumi Co., Ltd. (Thailand)			
Criminal records during the past 10 years:	-None-		
Shareholding in the Company (Including spouse) (as of 31 December 2018):	-None-		

Remuneration of Directors

1. Monetary Remuneration

1.1 Director Remuneration

In the year 2018, the company paid remuneration in the following:

(Unit : Baht)

No.	Name	Position	Amount
1.	Mr. Wisit Laohapoonrungrsee	Chairman and Chief Executive Officer	-
2.	Mr. Viwat Lauhapoonrungrsi	Director and Executive Director	-
3.	Mrs. Niphapat Romerattanaphun	Director and Executive Director	-
4.	Mr. Thun Thiansuwan	Director and Executive Director	-
5.	Mr. Archawan Eiampaiboonphan	Executive Director and Senior First Executive Vice President – Construction Department	-
6.	Mr. Wanchai Tantikul	Independent Director and Chairman of Audit Committee	660,000
7.	Mr. Preecha Boonyakida	Independent Director and Audit Committee	660,000
8.	Mr. Sompol Thiensuvan	Independent Director and Audit Committee	660,000

The remuneration was given in term of a meeting allowance and annual premium. The directors who act as The Executive Committee will not be paid.

1.2 Remuneration of the Executive committee and Management

The Company has paid remuneration and benefits in total amount of 81.3 million baht to the board of directors and executive management for the year as of December 31, 2018.

2. Other Remuneration

-None-

INTERNAL CONTROL AND RISK MANAGEMENT

Our company has established the internal control system and internal audit department. Internal control is a process for assuring of our company objectives in operational effectiveness and efficiency, risk mitigation, reliable financial reporting and compliance with laws and regulations.

Internal auditors are responsible for evaluating and provide recommendations to improve the effectiveness of internal control and directly report to the audit committee.

Internal audit process is mainly as follows:

1. Planning
 2. Auditing
 3. Reporting and following up
1. In the planning process, internal auditor needs to set audit objectives and audit process, evaluate risks, evaluate the effectiveness of internal control. Internal auditor has prioritized risks as the picture below:

Risk Priority

Level of Impact	Extreme (4)	High	High	Extreme	Extreme
	High (3)	Medium	High	High	Extreme
	Medium (2)	Low	Medium	High	High
	Low (1)	Low	Low	Medium	High
		Low (1)	Medium (2)	High (3)	Extreme (4)
Level of Likelihood					

Definitions		Way to treat risk
Extreme	Extreme Risk	Discontinue operation and/or immediate corrective action required.
High	High Risk	Corrective action needed. Action in short term as appropriate.
Medium	Medium Risk	Attention in dicated.
Low	Low Risk	Implement practicable short-medium term control measures.

2. In the auditing process, the internal auditor will audit in accordance with the audit plan set force and conclude any findings.

3. Internal auditors will provide finding reports with recommendation for process improvement to related parties and audit committees. If there are any needs, they may need to reevaluate and repeat the audit process to ensure corrective actions applied.

Opinion of Audit Committee

In the Audit Committee Meeting No. 2/2019 held on February 27, 2019, Audit Committee had evaluated the sufficient and appropriated internal control system. This annual evaluation based on summary data of 5 main categories as follows:

1. Organization and Environment
2. Risk Management
3. Management Control
4. Information Technology System
5. Monitoring System

The Audit Committee give an opinion that the company's Internal Control System is sufficient and all of functions work effectively. The 2018 Annual Evaluation Questionnaire of Sufficient of an Internal Control System is submitted to Board of Directors for consideration in the Board of Directors' Meeting No. 2/2019 held on February 27, 2019.

The Company has provided effective management and internal control system where executives have contributed to be aware of the importance on internal control by providing effective organizational supervision, definitely assign roles and responsibilities, including regulations, rules, policies, management level, and authorization level in written form.

The Company also provides Internal Control Department, whose independently follow-up and evaluate internal control system and report directly to Audit Committee, to review operating systems to meet overall corporate objectives and goals. In previous audit, there are no mistake found that affect internal control substantially.

In addition, the company's auditor is Dharmniti Auditing Co.,Ltd., the auditors for fiscal year 2018 to review the efficiency of company's internal control, and found no significantly deficiencies in the company's internal control system.

AUDIT COMMITTEE REPORT

To Shareholders

Areeya Property Public Company Limited

The Audit Committee of Areeya Property Public Company Limited consists of 3 independent members; Mr.Wanchai Tantikul is the Chairman, While Mr.Preecha Boonyakida and Mr.Sompol Thiensuvan are members of the Audit Committee All members of the Audit Committee are selected from those specialized in finance, law and organization management. They have performed their duties and provided their opinion independently within the scope of duties and responsibilities assigned to them by the Board which are in compliance with the Notification of the Stock Exchange of Thailand regarding Qualifications and Scope of the Operation of the Audit Committee B.E.2008.

In the year 2018, the Audit Committee held 12 meetings which were also attended by the management, chief of internal audit officer and representatives from accounting department according to the agenda. Including one meeting was held to discuss with the Audit Committee, the External Auditors and the Internal Auditors without the Management. The Audit Committee's opinions and recommendations are provided independently which can be summarized as follows:

- **Reviewed quarterly and annual financial statements of the year 2018** with the cooperation from the management and the CPA, it is of the view that financial reports and transactions with related persons are correctly and

adequately prepared with transparency and reliability and they are in accordance with generally accepted accounting standards. Accounting system and financial statements can be relied upon with adequate disclosure of information in such financial statements in a timely manner. They also give observations and acknowledge solutions for the optimal benefit of the company.

- **Reviewed and assess adequacy of internal control system**
The Audit Committees have reviewed internal control system with the internal control office every quarter and is of the view that the company has adequately implemented internal control system. There is none of material concern or defect. Therefore, confidence is reasonably established that the company has achieved the objectives in respect of efficient and effective operation including assets management, reliability of financial reports and compliance with rules and regulations and policy of the company.
- **Supervision of internal control operation** The Audit Committee reviewed auditing report for the year 2018 according to the approved work plan in order to enhance efficiency and effectiveness of the operation with well-established internal control system, compliance with laws relating to securities and stock exchange market and other provisions of laws relating to the company's businesses as well as following up the issues needed to be addressed

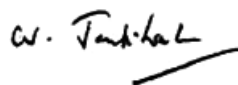
according to internal audit report. In addition, the Audit Committee has also considered auditing plan for 2019 which was prepared on the basis of the assessment of internal controls according to The Committee of Sponsoring Organizations of the Treadway Commission (COSO.)

- **Appropriateness of the CPA** The Audit Committee is of the view that Dharmniti Auditing Ltd., the company's auditor in 2018, has no relationship to the company whether through shareholding nor providing other services for the company other than auditing works. They have performed their function appropriately in accordance with auditing professional standards and have good understanding toward the company's businesses.
- **Related transactions** The Audit Committee has audited related transactions which may cause conflict of interest and is of the view that they were all actual transactions in normal course of business. Their related transactions were disclosed in accordance with the principle of good corporate governance while conflict of interest was prudently avoided in a reasonable and independent manner and all shareholders were treated impartially.

In conclusion, the Audit Committee views that the company bases its operation on good corporate governance and as a result, it has adequately established internal control system without any material shortcoming. Appropriate risk management system is

also implemented while statutory requirements are properly met. For the financial statements for the year ended 31 December 2018, there is no such event indicating problem or such item affecting financial status. Preparation of financial statement is properly done with adequate information disclosure and in accordance with accounting standards.

On behalf of the Audit Committee



(Mr. Wanchai Tantikul)

Chairman of the Audit Committee

27 February 2019

The Board's opinion to the company's internal control

The board believe that our internal control of our company has designed and maintained efficiently and effectively. The internal control provides reasonably assurance that our financial report is accurate, reliable and complete. In addition, the internal control is also protecting our company's assets for appropriate uses and preventing frauds may occur.

Reference: Section 4.1 Board of Director's Responsibility for Financial Reporting

LITIGATIONS AND CONTINGENT LIABILITIES

As of December 31, 2018, in the opinion of the directors with appropriate legal advice, the company and its subsidiaries do not believe whether there are neither significant negative financial effects (considerably more than 5% of total shareholder's equity) nor toward our normal operational course of business from on-going legal claims.

For the year as of December 31, 2018, the company and its subsidiaries report there are claims and lawsuits in amount of 75.76 million baht which are still in litigation process. Out of which, there are three cases that the courts gave the verdicts in favor of counter party which cause the company losses in total amount of 15 million baht, however, the company will appeal all cases.

Therefore, the company did not yet record these liabilities in our financial statement as of December 31, 2018 due to uncertainty regarding timing and amount of these contingent liabilities. The company will disclose any further information as the litigation process.

PROMOTING INNOVATION AND INTEGRATION

PROPERTY MARKET TRENDS IN THE YEAR 2019

For the 2019 outlook, based on the expectation that the global economy will slow down, The Thai property market will meet many changes, in the first half year of 2019 the developers will focus distribute finished goods and In the latter half of 2019 will focus on launch new project, the group of buyers for speculation or investment faced the declining trend because the higher of land cost , interest expense and deposit from according to the requirements of Bank of Thailand ,It makes benefit form rental business and resell had become more challenging.

Overall, the Thai economy is seen in the year 2019 is sensitive to external factors , such as trade war, measures to discourage trade of USA and China , slow down business of china and increase interest rate of USA which will impact the investment to the domestic economy. Internal factors such as control measures for housing loan is tighter, expanding economic

from consumption domestic , investment of business sector, investment and government spending that will make private sector investment and domestic consumption, more. The elections that are going to happen in March 24, 2019 will affect economic policy in the future.

However, there are positive factors that contribute to the economy in 2019 is likely better to millions home of policies to stimulate the housing market. Infrastructure investment project the Eastern Economic Corridor Project (EEC) is developed including the mass transit project in Bangkok and its vicinity. Motivate investment spending disbursement in government projects to the Mega Project plan for public utilities to create confidence investors and consumers. While the government must carry out monetary and fiscal finance policies to maintain the stability of the exchange rate. And foreign capital flowing out and must reform the legal and tax structure to increase competitiveness.

RISK FACTORS & RISK MANAGEMENT

The Company aware of necessity for risk management, so company's goal is to manage the risk in the limit. Nature business has risk factors that may occur and affect core business under the following details;

Risk from result of change in regulation and laws

- The impact from the Bank of Thailand's mortgage control measures that will take effect on April 1 is a factor that has a huge impact on the overall property development business. The company has adapted and communicated to understand the customers in order to prepare themselves since the end of 2017. In addition, the company will have the proportion of the first house customers about 80% which will not have a direct impact from this measure.
- The impact of land expropriation for the development of the country's infrastructure that the government sector does not have a clear expropriation zone affecting the project plan. However, the company has been able to reduce the amount of expropriation from the expropriation to prevent future land, which the company expects that the expropriation zone will be clear within 2019.

Risk from land selection for development

Since in the prior year, the land price has increased significantly due to the development of the mass transit network and roads. Land in various locations which has needs in the community, therefore has a sharp rise in land price. Which causes the real estate development company to have higher costs and the housing market will increase as well, which may not be suitable for the purchasing power of the general customers. To acquire the land that has the highest value

Production risks

1. Fluctuation of construction material prices, wage increases

Fluctuations in the prices of materials used in construction. The demand for the company. The Company has no control over the management of this risk, such as fluctuations of crude oil price in the world market affecting to the main construction materials. The construction material price volatility risk may affect to cost management and profitability of the company. The Company is aware of construction material price volatility risk and planned to mitigate such risk by studying and analyzing construction cost trend resulting from the changing price of fuel and also following closely the news and situation of crude oil price in the world market. In this regards, it stands for the main construction material is subject to all the major commercial construction projects. The contractor can buy materials from material suppliers that the Company has already negotiated prices to reduce the

volatility of prices of construction materials in a while. It can be used to control the cost of construction and to prevent the prices increase from existing materials trader. The Company has established a working group to track prices of building materials and renewable supply of new products to be able to set up a construction contract and at competitive prices in the market. The company has established R & D team to learn more about technology and innovations in the purpose of reduction in the cost of construction and more efficient construction work, such as Aluminium Formwork System, Precast Element, Bathroom Pods, Solar cell System, Design Improvement and so on. This could affect the period of construction of 2-3 storey townhome project to be completed within 8-12 months to control the risk of fluctuations in material prices as well. Regarding condominium projects which must be at least 2-3 years of construction, the Company has already included fluctuations in prices and inflation rate in cost of construction according to the economic situation. And after the construction work has been completed, the company has taken to improve its past experience in the section that affects the cost of the construction.

As for the minimum wage that is adjusted every year, such as 1 Jan 2017, adjust the minimum wage from 300 baht per day to 310 baht per day, 1 April 2018, adjust the minimum wage to 325 baht per day and It is expected that the minimum wage adjustment for the year 2019. At present, the wage subcommittee of each province has summarized result submitted to the Academic Subcommittee and moderated and than is under consideration carefully. The increase may not be much at an average of 2 -10 baht. The risk in this matter does not affect the employment.

2. Sub-contractor qualification and profile

The Company has used the services of medium to high level subcontractors for several years which provide good quality of work and also have good finance. The Company then has reduced these risks by building their owned construction company with experienced management team creating more confident and trust for construction projects. In each projects, the Company controls the sub-contractors and identifies specifically the project costs for wages and construction materials including of standard work quality and construction period to meet the project requirements and budgets.

In addition, the company has started to develop personnel to use the BIM (Building Information Modeling) system, a new technology developed for the construction industry that can cover all construction work, starting from building design, account removal, material quantity (BOQ: Bill of quantity), Shop drawing is a form that is written for real work throughout the construction planning.

3. Quality and standard of construction work

This topic Considered an important topic The company has given importance to the company, has set up a team to develop and study the construction system, including monitoring past construction, which parts have to be developed in order for the company to achieve the set goals. At present, the company has organized training to develop knowledge, ability for employees, contractors and workers in order to understand the correct work procedures, even if it is a routine work. The company is strict in terms of quality Standard of construction, time and cost according to the plan as the company has opened more new projects, which requires the management of the number of workers, the number of contractors. Including improvement and defining the working model to be clearer and more efficient Therefore, a team called “Troop team” has been established and has changed the working model By grouping work to reduce operation, reduce the number of employment contracts. The team must prepare a summary and monitor the progress of each job in order to know the trend of work that can be planned or faster / delayed than the plan. Which will make it easier to manage and evaluate the performance of the team as well and also allocating workers by adjusting workers to work on their own to reduce mistakes in work, the Company uses ISO program as a tool to develop their business operations. Additionally, the Company set up a QC team to have a main duty of examination for quality and quantity of construction works to meet the project requirements and the standard of work. This team helps to create and deliver the efficient and effective work operations. However, there are still many external factors having an impact on the construction and project developments such as labor shortage, increase of rate of minimum wages and construction material costs, etc. The company has to adjust its business strategies all the times to solve the problems e.g. sales of prebuilt housing for sustained sales.

4. Labor shortage in the construction industry

Because the company has been operating for a long period of time Causing the team to collect a small amount of workers, subcontractors and intermediaries Currently, the number of contractors that the company has hired is sufficient to support the opening of various projects, which is in the form of contracting. At present, the company has received cooperation from suppliers of various products to install various materials that manufacturers sell such products, such as contracting roofing, roofing, roofing, steel work with installation, precast work with installation, so it is sealed Strength to build the company’s production capacity. But the fact of economic is rising and falling, we still remain very cautious of dealing with unfavorable situations that may occur to our business, particularly to protect the company’s

long-standing reputation. We have formulated tactical strategies to focus on the allocation of appropriate wages with reference to the rates of the labor market and the classification of contractors to compensate their greatly outstanding and reliable performances with competitive employment rates. Obviously, the current construction industry is required to rely on semi-finished construction systems and materials, varying in structuring, flooring, roofing, and plastering. This can ensure an effective solution for labor shortage. However, we have also determined to increase the number of our labor forces, suppliers, and contractors aiming to hinder all possible impacts that may wreck the company’s business operations.

Another factor is a group of entrepreneurs who adjust themselves by diversifying their investments especially those that develop condominiums and turned to invest in low-rise projects that have to face construction problems Because when making high-rise buildings, there are large contractors built so there is no quality problem But when doing horizontal Sub-contractors Difficult quality control Labor shortage construction work is not timely, so there is no quality, therefore, may be highly competitive in attracting quality sub-contractors.

5. Risk concerning construction costs of condominium

Presale condominiums before the start of construction has a risk of controlling construction costs. Because it is the selling price before the construction starts Therefore, there may be a risk that the gross profit margin will decrease if the construction cost is fluctuated. Therefore, the Company reduces such risk by entering into a comprehensive contract with the contractor and negotiating the purchase of important materials in advance. Open sales to prevent material price changes and reduce the risk that gross margins will be affected by fluctuations in construction material prices. In addition, pre-sales of condominiums before the start of construction (in addition to reducing marketing risks and increasing flexibility in product modification and development to suit changing circumstances) Also allows the company to use the money to receive installments from customers to use as working capital as well And with more than 10 years of project development time, the opening of new projects Product development by placing concepts from construction methods Which makes the company more accurate in high cost. However, the company started to launch condominium projects from 2006 until the present under the name “A Space”. There are 11 projects, more than 10,000 units, which confirms the professional entrepreneurship in Condominium market.

Risk from operating under control of major shareholder group

The Company’s major shareholders were the Laohapoonrungrsee family and Porncharoenchaisilp family will hold shares 55.03 percent and 10.77 percent, respectively, if the group’s major

shareholder. Both groups have banded together to control the tone of the meeting was half over. Whether the appointment of directors. Or to seek a resolution in which the majority of the shareholders, unless a special resolution requiring the voice of the shareholders' meeting for more than three in four, so the other shareholders may not be able to collect votes for. And the balance of the shares offered to the Company's Audit Committee to examine and consider the list to avoid potential conflicts. And to bring transparency in the operations of the Company. However, the Company has complied with the code of conduct for directors of listed companies by striving to conduct business according to principles of good governance (Good Corporate Governance) ethical practice. A transparent information disclosure with the approval of the transaction the person who may have a conflict of interest cannot approve the transaction with its own. The Committee will consider the comments before making such a report for submission to the Board of Directors and / or shareholders for consideration and approval

Financial risk

As at December 31, 2018, the Company had Bank overdrafts and short-term loans of Baht 417.2 Million, including bank overdrafts of Baht 39.1 Million, Promissory notes of Baht 247.00 Million and bills of exchange of Baht 131.1 Million. Also, the Company had long-term loans of Baht 2,442.4 Million from financial institutions to invest in condominium, townhouse and single detached house and debentures of Baht 6,368.1 Million. The company has bank debt to equity ratio equal to 2.68 times in 2017 to 2.77 time in 2018, increasing 0.09 time from the year 2017. For debt to equity, it equals to 3.04 times and 3.29 times in the year 2017 & 2018. The main reason was due to the increasing from advance receive 2017, amounting to 397 million baht, which was recorded in the current liabilities in the financial statements. Installments that have not yet recognized revenue most of the money was received by booking, contracting and down payment from customers of work in process of condominium projects. Demonstrates the company's sales capability. Another reason is Liabilities which are long-term loans from financial institutions increased by 799 million baht from project investment during the year, including changing the proportion from the use of debentures to using more loans from financial institutions. In order to reduce the risk of managing funding sources Cash and cash equivalents decreased by 206 million baht from 2017. Revenue decreased in 2018, resulting in a net debt to equity ratio increased from 2.53 times in 2017 to 2.69 times in 2018, so the company has The risk of debt is higher than the previous year.

If considering the company's profitability ratio for 2018 and 2017, the company has a gross profit margin of 37 percent, increasing from 2017 at a gross profit margin of 33 percent

because the company can manage and control the cost of sales as well. However If considering the net profit rate The company had a net profit margin of 0.8 percent, down 1.2 percent from the previous year. Mainly due to the decrease in revenue from real estate sales from single-detached houses, townhouses and condominiums, in which the townhouse projects were reduced due to government measures and the economic slowdown, including single-detached house projects. Launched at the end of the year 2561, under construction, therefore unable to deliver to customers within 2018. Condominium projects Is gradually recognizing revenue at the end of the project completed in the last 1-2 years, resulting in a decrease in revenue recognition. However, in the year 2019, the company will recognize revenue from the new condominium project named "Chalermnit Art de Maison" project, which is currently being increased by 557 million baht. Has invested in branding Resulting in increased branding costs The company foresees long-term effects on sales and profits of the company that will increase in the future.

From an increase in gross profit margin but lower net profit margin Causing the shareholders' equity in 2018 to decrease slightly compared to 2017. The Company therefore has a lot of financial risk when compared to the previous year. The company reduces the risk of accessing funding sources and can control financial costs by reducing access to funding sources in various forms, whether from long-term loans from financial institutions. Short-term bills of exchange, including unsubordinated and unsecured debentures / insurance The issuance of such debentures was well received by the market. Making the company have the option for more suitable and efficient funding for future project development From the management of such funds, the company can reduce financial costs from 260 million baht in 2017 to 227 million baht in 2018. In addition, the company still has a loan that has not yet been drawn down for another amount of 3,045 million baht on 7 March, 2019.

1. Risk of interest rate fluctuation

Due to the fact that the company has to borrow money from domestic financial institutions. To finance the project development and operation. Therefore, the interest rate in the money market has a significant impact on the financial cost of the company. Although the company's loans are charged at floating rates. But it is the interest rate of the loan at the minimum loan rate (MLR) or lower. For this reason, the company has taken measures to reduce the risk of fluctuating interest rates. By issuing long-term bonds with fixed interest rates. To repay some existing loans that are floating interest rates and have higher interest costs. Including the issuance of short-term bills with low interest rates. To be able to control the company's interest rate to a reasonable level. For this reason, the company measures to reduce the risk of

interest rate that fluctuates by issuing long-term bonds at a fixed interest rate for repayment of the original loan, some of which amounted to a floating interest rate and higher interest costs. Including the issuance of short-term bills of exchange with low interest rates in order to control the interest rate of the company to the appropriate level.

As of December 31, 2018, the Company had overdraft and short-term loans amounting to Baht 471 million and long-term loans amounting to Baht 2,442 million, totaling Baht 2,913 million, which were liabilities that may be affected by fluctuations in interest rates. If the interest rate increases by 1% per annum, the Company may incur an additional interest of approximately Baht 29 million per year

For the risk that may affect the purchase of housing, the impact of the home loan is a long-term. The interest rate fluctuations affect the monthly installments. And consumers have already paid down. In addition, the company is able to offer special deals on interest rates to commercial banks, as well as multi-level pricing, which focuses on the true purchasing power of real estate residents. It is also a part that reduces the impact of interest rate fluctuations on buyers.

2. Risks of Maintaining Net Debt for Shareholders Complying with Terms and Conditions of Authorization

The company has reiterated its intention to fully comply with terms and conditions of maintaining net debt for shareholders not exceeding the proportion of 3:1 in accordance with the rules stated in the Terms and Conditions clause 6.2. financial The following debentures include:

- 1) Debentures of Areeya Property Public Company Limited No.1 /2016, shall be due for redemption in 2019.
- 2) Debentures of Areeya Property Public Company Limited No.2 /2016 , shall be due for redemption in 2020 with redemption before the maturity date.
- 3) Debentures of Areeya Property Public Company Limited No.3/2016, shall be due for redemption in 2019
- 4) Debentures of Areeya Property Public Company Limited No.1 /2017, shall be due for redemption in 2020.
- 5) Secured bonds of Areeya Property Public Company Limited No.2 /2017, shall be due for redemption in 2020 with redemption before the maturity date.
- 6) Debentures of Areeya Property Public Company Limited No.3 /2017, set1 , shall be due for redemption in 2021

- 7) Debentures gradually repay principal of Areeya Property Public Company Limited No.3 /2017, set2, shall be due for redemption in 2019.
- 8) Debentures of Areeya Property Public Company Limited No.1 /2018, shall be due for redemption in 2021.
- 9) Debentures of Areeya Property Public Company Limited No.2 /2018, shall be due for redemption in 2022.

As of December 31, 2018, the Company has maintained net debt to equity ratio equal to 2.69 times for debentures No. 1) - Article 4) and Clause 6) - Article 12) in accordance with duties in the Terms and Conditions, Clause 6.2.11) and For the debenture No. 5) in accordance with the terms and conditions in clause 7.2.12) Financial conditions specify that the net liabilities to be calculated must be deducted by cash and cash equivalents, temporary investments and bank deposits None Pledged.

3. Credit Rating Risk

Debenture holders have a risk that they may not receive interest or principal payments. In the event that the business and operating results of the issuer are not as expected or the assets of the issuer are insufficient to repay the debt, therefore, before investing Investors should consider the financial status and debt repayment ability of the debenture issuer based on the information specified in the prospectus. In assessing the credit risk of debentures Investors can view the credit rating. Of the debenture issuers prepared by the credit rating agency for making investment decisions If the credit rating of the issuer is low Indicates that the risk The credit of the debenture or the issuer is high. The returns that investors receive should also be high to compensate for the high risk of such debentures.

However, the credit rating is not a recommendation to buy or hold the bonds offered for sale and the credit rating may be canceled or changed throughout the life of the debentures. Investors should follow the information of the issuers of the issuers and improve the credit rating from the Securities and Exchange Commission's website. Relevant credit rating agencies or the Thai Bond Market Association.

4. Price Risk

The market price of such debentures may change depending on many factors. For example Interest rate level in the financial market Policy of the Bank of Thailand Overall economic conditions inflation Age of debentures or excess demand or lack of debentures Therefore, bondholders may be affected by Fluctuations in bond prices in the event that the instrument is traded before the maturity date, the longer-term debentures will be more affected by such volatility.

5. Liquidity Risk

The debenture holders may not be able to sell the debentures before the maturity of the debentures immediately at the price they want. Due to the change in the trading of the bonds in the secondary market, there may not be a lot. The debenture issuer will apply to register the debentures in the Thai Bond Market Association and will maintain the debentures as listed securities in the Thai Bond Market Association or any other trading center that the debenture issuer deems to have equal status throughout the life of the debenture. However, the debenture holders may trade the bonds at commercial banks, securities companies or any other juristic person having a debt securities trading license If someone has offered to buy or sell the bonds through the aforementioned licensees. In addition, debenture holders will not be able to sell or transfer debentures to anyone in general, but will be limited to selling or transferring bonds only within institutional investors and large investors. Because the debenture issuer has registered the transfer restrictions with the Securities and Exchange Commission to limit the transfer of debentures only within institutional investors and large investors according to the definitions specified in the board announcement Securities and Exchange Commission at KorJor. 5/2009 Re: Determination of definitions in the announcement regarding the issuance and offering of all types of debt securities, dated 13 March 2009 (including amendments) and according to the Notification of the Securities and Exchange Commission At Kor. 4/2560, regarding the definition of institutional investors Special large investors And major investors, dated 8 February 2017 (including additional amendments), except for inheritance transfers.

**STRIVING TO
BECOME A “VALUE
ORGANIZATION”**

GENERAL INFORMATION AND OTHER SIGNIFICANT INFORMATION

GENERAL INFORMATION OF THE COMPANY

Company's Name	:	Areeya Property Public Company Limited
Type of Business	:	Development of real estate projects
Head Office's Location	:	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	:	0107546000431
Telephone	:	02-798-9999
Facsimile	:	02-798-9990
Call Center	:	1797
Website	:	http://www.areeya.co.th/
Authorized Share Capital	:	Baht 1,200,000,000
Issued and paid-up share Capital	:	Baht 980,000,000

SUBSIDIARY

Company's Name	:	Areeya Service Co., Ltd.
Type of Business	:	After sale service for property and agent
Head Office's Location	:	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	:	0105547117047
Telephone	:	02-798-9999
Facsimile	:	02-798-9990
Authorized Share Capital	:	Baht 10,000,000 (Shareholding Percentage: 99.99%)

Company's Name	:	One Up Co., Ltd.
Type of Business	:	Construction Service
Head Office's Location	:	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	:	0105550125381
Telephone	:	02-798-9999
Facsimile	:	02-798-9990
Authorized Share Capital	:	Baht 100,000,000 (Shareholding Percentage: 99.99%)

Company's Name	:	Areeya Management Co., Ltd.
Type of Business	:	Development of real estate projects and property management
Head Office's Location	:	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	:	0105551013404
Telephone	:	02-798-9999
Facsimile	:	02-798-9990
Authorized Share Capital	:	Baht 65,000,000 (Shareholding Percentage: 99.99%)

Company's Name	:	Cool Space Co., Ltd.
Type of Business	:	Development of real estate projects
Head Office's Location	:	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	:	0105551096733
Telephone	:	02-798-9999
Facsimile	:	02-798-9990
Authorized Share Capital	:	Baht 60,000,000 (Shareholding Percentage: 99.99%)

Company's Name : **White Living Co., Ltd.**
Type of Business : Development of real estate projects
Head Office's Location : 999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No. : 0105552008129
Telephone : 02-798-9999
Facsimile : 02-798-9990
Authorized Share Capital : Baht 65,000,000 (Shareholding Percentage: 99.99%)

Company's Name : **Chill Space Co., Ltd.**
Type of Business : Development of real estate projects
Head Office's Location : 999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No. : 0105553039931
Telephone : 02-798-9999
Facsimile : 02-798-9990
Authorized Share Capital : Baht 1,000,000 (Shareholding Percentage: 99.99%)

Company's Name : **Areeya Hospitality Co., Ltd**
 (Former "Areeya Convenience Store Co., Ltd.")
Type of Business : Restaurant and service businesses
Head Office's Location : 999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No. : 0105557141625
Telephone : 02-798-9999
Facsimile : 02-798-9990
Authorized Share Capital : Baht 10,000,000 (Shareholding Percentage: 99.99%)

SECURITY REGISTRAR

Company's Name : **Thailand Securities Depository Co., Ltd.**
Head Office's Location : 93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindeang, Dindeang, Bangkok 10400
Telephone : 02-009-9000
Facsimile : 02-009-9991
Legal Advisor :

Company's Name : **Kunnatham Law Office**
Head Office's Location : 72/2-3 Sutthisanwinitchai Road, Samsen-Nok, Huay-Kwang, Bangkok 10310
Telephone : 02-274-7529-30
Facsimile : 02-274-7638
Auditor :

Company's Name : **Dharmniti Auditing Co.,Ltd.**
Auditor's Name :
 Miss Wannisa Ngambuathong Certified Public Accountant Registration No. 6838 or
 Miss Sulalit Ardsawng Certified Public Accountant Registration No. 7517 or
 Mr. Peradate Pongsathiansak Certified Public Accountant Registration No. 4752 or
 Miss Thanyaporn Tangthanopajai Certified Public Accountant Registration No. 9169 or
 Mr. Suwat Maneekanoksakul Certified Public Accountant Registration No. 8134
Head Office's Location : 178 Dharmniti Building 6-7th Floor, Soi Permsap (Pracha Chuen 20), Pracha Chuen Road, Bangsue, Bangkok, 10800
Telephone : 02-596-0500
Facsimile : 02-596-0539

BUSINESS OPERATION OF EACH PRODUCT LINE

BUSINESS OPERATION

The Company and subsidiary companies conduct a business in two segments, including real estate development business and service business. The details are as follows:

Real Estate Development Business

The Company started the real estate development business in the type of land development for sell and undertakes to single detached house construction. In 2005, the Company started in residential development which is single detached house, 3 - storey townhouse and 4 - storey townhouse. In 2006 - 2011, the Company added 2 new main products, which are fully furnished condominium and 2 - storey townhouse. In response to the customer need in the market. In addition, in 2012, the Company designed a new 2 - storey townhouse which name The Village and new 3 - storey townhouse which name Daily. Both of them had received good customer feedback. Moreover, the Company also used The Village pattern in single house too. In 2014, the Company designed a new 2 - storey single detached house which named Areeya Como. In 2015, the Company designed a new 3 - storey townhouse which named Brigg and in 2018, the Company designed a new 4 - storey townhouse which named The Parti Kaset - Nawamin

The Company and subsidiary companies operate by three product categories. The details are as follows:

1. Single Detached House Project

The Company sells vacant land which is company's ownership and undertakes to house construction on that land. Furthermore, the Company also sells land with completed house.

2. Townhouse Project

The Company develops two designs of townhouse project

- **Two - storey design:** The townhouse project with 2 - storey and 5.7 - meter wide that serves to small - size family or new family who need residential. Currently, there are 8 locations: Kaset - Nawamin., Tiwanon, Bang Na, Rangsit, Songprapha, Ratchapruet, Serithai and Wongwaen - Ramindra Road. The company also plans to increase the number of locations to accommodate the demand throughout Bangkok - Metropolis area. In addition, the company developed a new 2 - storey townhouse named The Village which has atmosphere like single detached house. Because there is wide area, garden around house and two car parks.






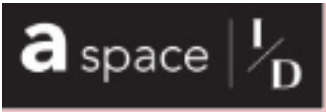




- **Three - storey design:** The townhouse project with 3 - storey and 5 meters wide or 5.5 meters wide that be an alternative for a small to medium - sized family. At present, there are 2 locations which are Rangsit - Lamlukka and Bangna.
- **Four - storey design:** The townhouse project with 4 - storey and 5 meters wide or 5.5 meters wide that serve to premium customer group who require a larger utility area. In addition, there is a distinctive design to support differentiation customer needs. At present, there are 2 projects, including, Areeya Mandarin Ekamai - Ramintra and The Pariti Kaset - Nawamin.

3. Condominium Project

Highlights of the company's products that is located in city center, near the public transportation, department store and various facilities. In order to fully customers' need, the condominium project focuses on 3 types as follows:

- **Eight - storey design:** The small condominium project with 7 - 8 storey and the area not more over 10,000 square meters in each building. There are 5 locations, including Kaset - Nawamin, Asoke - Ratchada, Sutthisan, Sukhumvit 53 and Sukhumvit 77. The company also plans to increase the number of locations to support the same customer needs throughout Bangkok - Metropolis area.
- **Over eight - storey design but less than 30,000 Square meters:** The medium - sized condominium project that focus on customer privacy and serve more utilities. There are 3 locations, including Asoke - Ratchada, Bangna and Rattanathibet.
- **Over eight - storey design and more than 30,000 Square meters:** The large condominium project that develop in central business area. The private club is distinctive point that meets to customer premium group needs. At present, there is 1 location in Bangna. In addition, the Company has plans to increase the number of location to support the same customer need throughout Bangkok - Metropolis area.

The Company developed real estate project under various brands and designs, including single detached houses, townhouses and condominiums. Company's products are covered all price levels that to support the various customer need throughout Bangkok - Metropolis area. The details are as follows:

Price Range	Product Type		
	Single - Detached House/ Twin House	Townhouse/Home Office	Condominium
	> 20.00 Million Baht per unit	> 7.00 Million Baht per unit	> 250,000 Baht per sq.m.
High			
	8.00 - 20.00 Million Baht per unit	3.00 - 7.00 Million Baht per unit	150,000 - 250,000 Baht per sq.m.
Medium			
	3.50 - 8.00 Million Baht per unit	< 3.00 Million Baht per unit	< 150,000 Baht per sq.m.
Low		 	

Service Business

1. After Sales Service and Agent Business

This business is well support to real estate business. Because the Company aware of customer needs that is required standard service. Including, being responsible for managing residential that the buyers (investors) wish to rent out or sell.

2. Project Management Business

Perform management service for residential projects, according to ownership transfer. The service is offered complimentary management for a year or until the residential juristic persons entity is formed. This arrangement maintains high standard service and encourages residents' confidence.

3. Community Mall Business

The Company has 2 community mall projects. First is Pickadaily Bangkok project. This project is constructed in old and classic architecture style by simulating the English old town. And the other project is Life Style Club project that locates at Kaset - Nawamin.

4. Restaurant Business

The Company has one restaurant business, which name White lies, locates at the Peninsula Plaza. White lies is an Italian Omakase restaurant that combines classic Italian cooking and Japanese food serving concepts.

MARKETING AND COMPETITION

MARKETING OF PRODUCTS AND SERVICES

The Company formulates a policy and strategy to promote distribution as follows:

Product Strategy

The Company remains committed to develop residence to meet customer behavior. Starting from the product design, both exterior and interior design that create complete living elements and meet customers need in every lifestyle. Furthermore, The Company remains drive sustainable happiness for resident.

Furthermore, the Company has implemented customer feedback to improve product development that help to meet customer needs more and help to prepare project expansion in new location. Especially, The Colors project, 2 – storey townhome, has been popular for a long time. Due to there is good facilities and construction. In 2018, the Company developed The Color project into various home designs in order to meet the resident needs. The Village project, one of the most popular project, that has a unique style and responding to customer who want to have a single detached house but the budget is limited. With indistinctive design, there are 4 bedrooms and the house wall is not attached to anyone. Moreover, The Company launched new products that focus on new segment and cover all segment. Such as, Areeya Busaba Ladprao – Serithai, the 2 – storey single detached house located at Serithai main road. This location is one of the best areas in Eastern Bangkok.

Price Strategy

The Company is aware of purchasing power of the customer group with low to medium income which is the main company customer group. This group usually concerned about their uncertainty financial stability in purchasing their residences. Therefore, the Company gives precedence to construction cost management by applying new technologies and innovations. Such as, Aluminum Formwork System, Precast System, Design Improvement, etc. In addition, the Company also launched new projects in the same location to serve comprehensive products to all target segments with prices starting from 1.50 – 6.00 million Baht.

Distribution Strategy

The selling method of the Company is direct sale by the Sales Team which comprises salespersons who are experienced and have good understanding of products and services. The team will provide information and recommendations to support customers' decision. Salespersons are regularly trained about the product and basic sale technique. And another thing that the Company pays attention to is the decoration of sales office as well as, the show unit and the site. These are the main company distribution channel, which creates a good impression and confidence in visitors.

In addition, the Company also participated in the events organized by real estate association such as house and condo expo at Queen Sirikit Convention Center, etc. For the international marketing, the Company focuses on organizing the event that cooperate with expertise agent in that country.

Advertisement and PR Strategy

The Company drives sustainable happiness and uplifts the standard of living for residences, communities and the society. The Company projects use the concept “Aesthetic of Living” to give birth to unique designs, and high standards of construction & services. In 2018, the Company has a policy to change the new image. In order to match consumer lifestyle that likes modernity and attention to physical and mental health. The Company realizes that each person is happy at different times and each person's happiness is different. So the Company has a duty to create the basis of happiness, by creating a space for family members to have a happy lifestyle in their own way. The Key message is “Areeya, Kwarm Suk Mee Tua Ton”. (Areeya, the happiness has identity) This campaign wants to reflect the diversity of person's pleasure. But everyone can be happy when living in their house.

Both offline and online communication channels have been integrated in order that each media can perform function of access to all target customers. Whet ever, brand awareness creating to remind “Areeya Brand” is the first brand in customers' mind. Including, creating the content match customers' need by Corporate Branding VDO or other online media. In this channel can reach the right target group quickly and in line with current customer behavior. At the same time, the Company still not leaves the local media, such as Billboard and Cut Out, which is the main successful media.

PROCUREMENT OF PRODUCTS AND SERVICES

The Company formulates a policy to procure products and services as follows:

Manpower Policy

Having self – sufficient work force and improving the quality of labor is sustainable employment. The Company reduced construction risk by providing own construction teams, as well as improving their skills along with the technology used. Therefore, those workers have more skills and I able to work with the Company in long term.

Subcontracting Policy

In order to continuously deliver quality products. The Company has a policy to hire large contractors that have high quality and have a clear work history to be part of the quality success.

Alien Workers Employment Policy

At present, the company has legal alien workers. For workers who are in the requesting permission process must be within the legal permission as well.

Training Center Policy

From the problem of skilled workers lacking, The Company has a policy to build training center for considering the suitable worker wages. That is a chance for the workers to develop themselves to meet the standard and company's standard. Moreover, the construction will be better quality too.

Construction Material and Equipment Procurement and After Sales Service Policy

The Company has a policy to guarantee product quality for longer. By negotiating with product manufacturer, to guaranteed product quality from 3 – 5 years depending on the type of material. As well as having a policy of customer caring from the beginning and after – sales service.

PRODUCT AND SERVICE PROCUREMENT PROCESS DETAILS

1. Land Procurement

Land is the main cost of business, representing 30 – 40% of the total cost. Therefore, the Company focused on land purchasing very much. The Company will look for potential areas and locate at the urban area. In order to be able sold out in short time. Before land purchasing, the Company always studies the feasibility of the project. Then, the Company negotiates the land purchasing with broker or land owner at suitable price that compared to the appraised price or market price. The Company has no policy to stock land before the development of the project for a long time.

2. Subcontracting Policy

The Company will select suitable medium or small contractors by determining the proper contracting fee, including wages and construction material cost. The Company always controls the quality of the work and the construction cost as company's policy. The risk of shortage of contractors can be reduced as follows:

- 2.1 The Company has negotiated the price of the main construction materials with with suppliers and set the standard price for a while. The contractor will buy materials from suppliers who have negotiated. As a result, the contractor can determine and control their own costs. Therefore, the contractor would like to do business with the Company.
- 2.2 At present, the Company has more than 20 contractors that continuously work with company. The Company can arrange for other contractors to replace immediately.
- 2.3 The Company uses new technology instead of manpower, such as Aluminum formwork or Precast system, etc. Both of them will help reduce dependency on skilled workers.
- 2.4 At present, the Company has planned in advance by coordinating the Company to recruit workers and legally alien workers. These workers are guaranteed alien labor through the importing process from the origin country and have a guarantee labor quality for a period of 3 months – 1 year. The Company able to import labor throughout the year, it can ensure that in normal condition, the Company will continue to proceed with construction smoothly.

- 2.5 The company emphasizes on the quality of both low – rise and high – rise. Some projects have procured to hire high quality contractors to operate and arrange to evaluate the quality of the contractor every year.

3. Construction Delivery Policy

The Company will pay the construction cost to the contractor according to the completion period that identify in construction contract and after quality check. The Company will deduct the performance insurance fee for each project at 2.5 – 5.0 percent of the value of the construction delivered. The Company hired the medium – sized contractors with experience and expertise in construction. Moreover, they have good quality of work, a stable financial position and good trade credit. The Company has also set up a quality inspection construction team by hiring an external consultant to be the supervisor of the working. There are training for supervisors and construction engineers of both the company and the contractor, prepare a manual on construction and home inspection standards. In monitoring construction progress, the construction supervisors will keep up with construction progress reports. When there is a delay, the problem will be resolved in time. In case of the original contractor is unable to deliver the work as scheduled, they will provide other contractors to work instead.

4. Environmental Management Environmental Policy

Every company projects must be relevant to the environment legally at least. The mainly related environment affects to external parties as well as environmental governance in the organization and including the project environment that affects to workers. It must be under the principles of Health Safety and Environment (HSE).

The project development and land development permission, the Company must comply with the related regulatory. The Company is aware of the environmental impact in project development. The soil removal transportation, the Company always cleans the car and the road after finished. In addition, the Company uses the water spraying, dust dispersing and limited working hours as well.

In the large project development and construction, the Company will have to study environmental impact and propose to the Office of Natural Resources and Environmental Policy and Planning. The Company must proceed to improve the work and reduce the impact on the environment. The Company will be able to start developing the project when received a certificate. In addition, the Company has cooperated with communities to clean the streets outside the project and plant trees to absorb dust. The Company chooses electrical equipment that is all energy saving models to install for customers or prepared as a gift or promotion. In the past, the company has never had any legal disputes about the environment.

The Company also considers the environmental impact after the project is completed. The company regularly checks the cleanliness of the project in order to make good environment for workers and prevent the effects of daily life of workers.

CURRENT PROJECT OF THE COMPANY

Project launch	Company ⁱ	Project Name	Location	Type of product	Target Group ⁱⁱ	Unit Sold / Total unit	Project Value (MB)	Sold Amount (MB)	Progress (%)
Single Detached House									
Jun-2003	ARY	Areeya busaba (Hua Mark)	Ladphrao 130	Single Detached House	AB	143/143	867	867	100
Jul-2004	ARY	Areeya Sawana 3	Kaset-Nawamin road	Single Detached House	AA	25/48	524	252	100
Oct-2004	ARY	Areeya Metro Kaset - Nawamin	Lat Pla Khao road	Single Detached House	AB	32/35	393	346	90
Jul-2012	ARY	The Village Changwattana - Tiwanon	Tiwanon road	Single Detached House	AC	115/150	601	444	100
Oct-2014	ARY	Areeya Como Bangna	Bangna-Wongwaen	Single Detached House	AB,AA	60/61	341	334	100
Nov-2014	ARY	The Village Cottage Kanchanaphisak - Ratchapruk	Ratchapruk Road	Single Detached House	AB,AC	48/86	354	182	100
Mar-2015	ARY	Areeya Como Bangna - Wongwaen	Bangna KM.10	Single Detached House	AB	128/128	625	625	100
Mar-2015	ARY	Areeya Como Wongwaen - Ramintra	Wongwaen - Ramintra	Single Detached House	AB	106/124	550	449	100
Jan-2016	ARY	Areeya Donmung Songpapra (Single Detached House)	RPC Road, Tambon Lak Hok.	Single Detached House	AB,AA	20/20	141	141	100
Feb-2016	ARY	Areeya Como Ladkrabang - Suvarnabhumi	Ladkrabang-Suvarnabhumi	Single Detached House	AB	24/73	549	146	45
May-2016	AMM	Areeya Como Wongwaen - Ratchapruk	Wongwae - Ratchapruk	Single Detached House	AC	34/115	453	125	83
Feb-2017	ARY	The AVA Residence	Sukumvit 77	Single Detached House	AA	4/20	801	104	65
Sep-2017	ARY	Busaba Ladprao - Serithai	Serithai	Single Detached House	AA	1/20	310	14	50
Nov-2017	COL	Areeya Como Primo Bangna - Wongwaen	Bangna-Wongwaen	Single Detached House	AA, AB	3/144	1,125	20	25
Total							7,634	4,049	

Project launch	Company ⁱ	Project Name	Location	Type of product	Target Group ⁱⁱ	Unit Sold / Total unit	Project Value (MB)	Sold Amount (MB)	Progress (%)
Townhouse									
Feb-2007	ARY	Areeya At home	Kaset - Nawamin road	Townhouse	BA	103/104	247	245	100
Jun-2007	ARY	The Colors Chaengwattana Tiwanon	Tiwanon road	Townhouse	BB	186/187	345	342	100
Oct-2010	ARY	The Colors Premium Bangna	Bangna - Wongwaen	Townhouse	BB	179/181	426	418	100
Jan-2012	ARY	The Colors Bangna KM.10	Bangna - Wongwaen	Townhouse	BB, BA	271/272	584	582	100
Jul-2012	ARY	The Village Bangna	Bangna - Wongwaen	Townhouse	BA	104/105	313	308	100
Sep-2014	ARY	The Colors Leisure Bangna KM.8	Bangna - Wongwaen	Townhouse	BA,AC	214/214	570	570	100
Nov-2014	ARY	The Village Kanchanapisek - Ratchapruek	Ratchapruek Road	Townhouse	AC,BA	114/133	398	330	100
Nov-2014	WHL	The Colors Premium Kanchanapisek - Ratchapruek	Ratchapruek Road	Townhouse	BB,BA	261/262	513	510	100
Nov-2014	COL	The Colors Kanchanapisek - Ratchapruek	Ratchapruek Road	Townhouse	BB,BA	262/263	472	470	100
Mar-2015	ARY	The Colors Premium Wongwaen - Ramintra	Wongwaen - Ramintra	Townhouse	BB,BA	267/267	641	641	100
Mar-2015	WHL	The Colors Wongwaen - Ramintra	Wongwaen - Ramintra	Townhouse	BB,BA	269/269	592	592	100
Sep-2015	ARY	The Colors Premium Bangna - Wongwaen	Bangna - Wongwaen	Townhouse	BB	190/191	555	550	100
Sep-2015	AMM	The Colors Bangna - Wongwaen	Bangna - Wongwaen	Townhouse	BA	177/178	468	463	100
Jan-2015	AMM	The Village Bangna - Wongwaen	Bangna - Wongwaen	Townhouse	BA	113/113	411	411	100
Apr-2016	ARY	The Colors Premium Wongwaen - Ratchapruek	Wongwaen - Ratchapruek	Townhouse	BB,BA	177/265	574	371	100
Apr-2016	AMM	The Colors Wongwaen - Ratchapruek	Wongwaen - Ratchapruek	Townhouse	BB,BA	118/225	479	226	100

Project launch	Company ^j	Project Name	Location	Type of product	Target Group ⁱⁱ	Unit Sold / Total unit	Project Value (MB)	Sold Amount (MB)	Progress (%)
Townhouse									
May-2016	ARY	The Colors Premium Kanchanapisek – Ratchapruek 2	Ratchapruek Road	Townhouse	BA	113/115	249	243	100
May-2016	ARY	The Village Bangna – Wongwaen2	Bangna – Wongwaen	Townhouse	AC	160/167	685	649	100
Jul-2016	ARY	The Colors Rangsit Klong4	Thumbon Ladsawai	Townhouse	BB,BA, AC	164/342	831	360	90
Aug-2016	ARY	The Village Kanchanapisek – Ratchapruek 2	Ratchapruek Road	Townhouse	BB,BA	100/128	393	299	95
Aug-2016	ARY	The Place Kanchanapisek – Ratchapruek 2	Ratchapruek Road	Townhouse	BB,BA	80/117	201	138	100
Dec-2016	ARY	The Colors Kanchanapisek – Ratchapruek 2	Ratchapruek Road	Townhouse	BB,BA	131/215	418	246	100
Mar-2017	AMM	The Colors Premium Kanchanapisek – Ratchapruek 3	Ratchapruek Road	Townhouse	BB,BA	124/219	460	263	100
May-2017	ARY	Areeya Brigg Bangna KM.10	Bangna – Wongwaen	Commercial Building	AC	6/6	27	27	100
May-2017	AMM	Areeya Brigg Bangna Wongwaen	Bangna – Wongwaen	Commercial Building	AC	1/4	23	6	100
Jun-2017	WHL	The Colors Wongwaen – Ramintra2	Wongwaen – Ramintra	Townhouse	BA	118/179	476	292	100
May-2017	WHL	The Colors Mix Rangsit Wongwaen	Rangsit Klong5	Townhouse	BB,BA, AC	91/481	1,071	188	60
May-2017	ARY	The Village Rangsit Wongwaen	Rangsit Klong5	Townhouse	BA	56/319	1,046	178	64
Dec-2017	ARY	Areeya Brigg Rangsit Klong4	Rangsit Klong4	Commercial Building	AC	1/7	32	4	100
Oct-2017	ARY	The Colors Bangna – Wongwaen 2	Bangna – Wongwaen	Townhouse	BB,BA	216/270	684	547	92
Aug-2017	ARY	The Village Exclusive Bangna KM.10	Bangna – Wongwaen	Townhouse	AC,AB	19/19	79	79	100

Project launch	Company ⁱ	Project Name	Location	Type of product	Target Group ⁱⁱ	Unit Sold / Total unit	Project Value (MB)	Sold Amount (MB)	Progress (%)
Townhouse									
Aug-2017	ARY	The Village Exclusive Bangna KM.10 - 2	Bangna - Wongwaen	Townhouse	AC,AB	11/11	62	62	100
Mar-2018	ARY	The Village Hathairat - Wongwaen	Hathairat - Wongwaen	Townhouse	AC,AB	17/130	635	73	60
Jul-2018	ARY	Areeya Brigg Rangsit Wongwaen	Rangsit Klong5	Commercial Building	AC	4/8	32	16	100
Aug-2018	ARY	The Village Bangna - Wongwaen	Bangna - Wongwaen	Townhouse	AC,AB	32/152	674	139	74
Oct-2018	CHS	The Colors Wongwaen - Ratchapruek 2	Wongwaen - Ratchapruek	Townhouse	BB,BA	1/272	573	2	54
Dec-2018	WHL	Areeya Brigg Rangsit Wongwaen2	Rangsit Klong5	Commercial Building	AC	0/8	32	-	-
Total							16,271	10,840	

Project launch	Company ⁱ	Project Name	Location	Type of product	Target Group ⁱⁱ	Unit Sold / Total unit	Project Value (MB)	Sold Amount (MB)	Progress (%)
Condominium									
Oct-2006	ARY	A Space Kaset	Kaset-Nawamin road	Condo	BB	199/205	326	313	100
Nov-2006	ARY	A Space Asoke – Ratchada	Dindeang road	Condo	BB	2,176/2,178	4,209	4,206	100
Jan-2008	ARY	A Space Play	Sutthisarn road	Condo	BB	483/485	800	792	100
Jun-2010	ARY	A Space Sukhumvit 77	Sukumvit 77 road	Condo	BB,BA	391/443	789	660	100
Mar-2012	ARY	A Space Me Sukhumvit 77	Sukumvit 77 road	Condo	BB	666/832	1,501	1,165	100
Mar-2012	ARY	A Space Me Bangna	Bangna – Wongwaen	Condo	BB	927/960	1,221	1,190	100
Mar-2012	ARY	A Space I.D. Asoke – Ratchada	Dindeang road	Condo	AC,AB	448/547	2,433	2,028	100
Aug-2013	ARY	A Space Rattanathibet	Thumbon Bangkasor Nontaburi	Condo	BB,BA	159/406	885	317	100
May-2017	ARY	A Space mega	Bangna – Wongwaen	Condo	BB,BA, AC	1,325/1,366	2,552	2,504	-
Aug-2017	ARY	Chalermnit Art De Maison	Sukumvit	Condo	AA	39/124	2,000	557	16
Jul-2018	ARY	A Space mega 2	Bangna – Wongwaen	Condo	BB,BA, AC	687/1,003	2,281	1,536	-
Total							18,997	15,268	

¹Company and subsidiaries of Areeya Group

ARY	is	Areeya Property PCL.
AMM	is	Areeya Management Co.,Ltd.
COL	is	Cool Space Co.,Ltd.
CHS	is	Cool Space Co.,Ltd.
WHL	is	White Living Co.,Ltd.

²Definition of Target Group

AA	=	The project has cost 8 million or above
AB	=	The project has cost 5–8 million or above
AC	=	The project has cost 3–5 million or above
BA	=	The project has cost 2–3 million or above
BB	=	The project has cost 1–2 million or above

Sales already stated in the table includes sales to customers who have already purchased the contract and the transfer of ownership has not been transferred.

ASSET USED IN BUSINESS OPERATION

Important assets of the company include land in various projects, assets used in operations, land, buildings and equipment is as follows;

1) Inventory in the Projects

As of December 31, 2018, has details and location as per the follows;

Project Name	Location	Area (rai-ngan-wah)	BookValue (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec,2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec,2018
A Space kaset Areeya At Home Sawana9Rai Future project Zone Sawana	Kaset - Nawamin road, Ladprao, Ladprao, Bangkok	12-0-54.5	168	198	SIAM CITY APPRAISAL CO.,LTD , As of 30/12/2014 And 30/12/2016 ADVANCE APPRAISAL CO.,LTD , As of 20/12/2018	190
Sawana4	Kaset - Nawamin road, Ladprao, Ladprao, Bangkok	60-0-39.9 ²	266	362	SOUTHEAST ASIA INTERNATIONAL CO.,LTD , As of 25/12/2017	-
Sawana5 (partial)	Kaset - Nawamin road, Ladprao, Ladprao, Bangkok	6-0-26.0	135	170	SOUTHEAST ASIA INTERNATIONAL CO.,LTD , As of 25/12/2017	-
Areeya Mandarina Ekkamai - Ramintra	Kaset - Nawamin road, Ladprao, Ladprao, Bangkok	11-2-67.3	323	385	REAL ESTATE APPRAISAL CO.,LTD ,As of 29/04/2018	306
Areeya Mandarina Ratchada A Space Play	Sutthisarn road, Samsen Nok, Huai Khwang, Bangkok	0-2-38.56	14	21	SIAM CITY APPRAISAL CO.,LTD , As of 30/12/2016 ADVANCE APPRAISAL CO.,LTD , As of 20/12/2018	-

Project Name	Location	Area (rai-ngan-wah)	Book Value (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec, 2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec, 2018
The Colors Chaengwattana Tiwanon Future project Zone Tiwanon	Tiwanon - pakket road, Banmai, Nontaburi.	4-1-11.2	40	53	SIAM CITY APPRAISAL CO.,LTD , As of 30/12/2014 ADVANCE APPRAISAL CO.,LTD , As of 29/12/2017	-
Areeya Metro Kaset - Nawamin The Parti Kaset - Nawamin	Wat Lat Pla Khao road, Ladprao, Ladprao, Bangkok	20-1-83.2	487	530	ADVANCE APPRAISAL CO.,LTD , As of 23/12/2017 AGENCY FOR REALE STATE AFFAIRS CO.,LTD , As of 11/05/2018	252
The Colors Premium Bangna	Bang Phli Yai, Bang Phli, Samut prakan	0-0-59.7	8	8	SIAM CITY APPRAISAL CO.,LTD , As of 30/12/2016	-
The Colors Bangna Km 10 The Village Bangna Areeya Como Bangna	Bang Phli Yai, Bang Phli, Samut prakan	7-3-53.7	34	56	SIAM CITY APPRAISAL CO.,LTD , As of 21/09/2011 and 30/12/2016	-
Future project Zone Sukumvit 77 (Sukumvit 77 ph.2)	Onnuch road, Suan Luang, Bangkok	9-0-87.6	430	443	SIAM CITY APPRAISAL CO.,LTD , As of 30/12/2014	-
A Space Rattathibet	Rattathibet road, Bangkasor, Nontaburi, Nontaburi	2-1-33.8	442	639	AGENCY FOR REALE STATE AFFAIRS CO.,LTD, As of 26/12/2017	-
Chalermnit Art De Maison	Soi Sukumvit 53 , Khlong Tan Nuea, Watthana, Bangkok	1-1-77.2	648	798	AGENCY FOR REALE STATE AFFAIRS CO.,LTD, As of 12/02/2016	146

Project Name	Location	Area (rai-ngan-wah)	BookValue (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec,2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec,2018
The AVA Residence (partial) Future project Zone Sukumvit	Sukumvit 77 road (Soi Onnuch), Suan Luang, Bangkok	2-3-50.6	89	150	AGENCY FOR REALE STATE AFFAIRS CO.,LTD, As of 24/02/2017	-
Areeya Como Ladkrabang - Suvarnabhumi	Ruam Pattana Road, Khuaamtong, Ladkrabang, Bangkok	16-3-96.4	145	185	GROW ESTIMATION CO.,LTD , As of 11/01/2013	-

Project Name	Location	Area (rai-ngan-wah)	Book Value (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec, 2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec, 2018
A Space I.D. Asoke - Ratchada	Dindeang road, Huai Khwang, Bangkok	17-0-93.2	1,103	2,324	SIAM CITY APPRAISAL CO.,LTD , As of 30/12/2016, 01/03/2017, 02/03/2017 and 03/03/2017	349
A Space Sukhumvit 77	Sukumvit 77 road (Soi Onnuch), Suan Luang, Bangkok					
A Space Me Sukhumvit 77						
A Space Me Bangna	Bang Phli Yai, Bang Phli, Samut prakan				AGENCY FOR REALE STATE AFFAIRS CO.,LTD ,As of 23/09/2017 and 25/09/2017	
Areeya Como Wongwaen - Ratchapruk (partial)	Bangbuathong - Suphanburi Road, Lahan, Bang Buathong, Nonthaburi					
The Colors Premium Wongwaen - Ratchapruk (partial)						
The Colors Wongwaen - Ratchapruk (partial)	Tiwanon - pakket road, Banmai, Nontaburi.					
The Village Tiwanon	Bangkruay - Sainoi					
The Village Cottage Kanchanaphisak - Ratchapruk (partial)	Road,Sainoi, Bang Bua Thong, Nonthaburi					
The Village Kanchanaphisak - Ratchapruk (partial)	Wat Lat Pla Khao road, Ladprao,					
Areeya Metro Kaset - Nawamin (partial)	Ladprao, Bangkok					

Project Name	Location	Area (rai-ngan-wah)	BookValue (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec,2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec,2018
The Village Cottage Kanchanaphisak - Ratchapruk (partial) The Village Kanchanaphisak - Ratchapruk (partial) The Village Kanchanaphisak - Ratchapruk 2 The Village Kanchanaphisak - Ratchapruk 3 The Colors Premium Kanchanaphisak - Ratchapruk The Colors Premium Kanchanaphisak - Ratchapruk 2 The Colors Premium Kanchanaphisak - Ratchapruk 3 The Colors Kanchanaphisak - Ratchapruk The Colors Kanchanaphisak - Ratchapruk 2 The Colors Kanchanaphisak - Ratchapruk 3 The Colors Kanchanaphisak - Ratchapruk 4 Future project Zone Sainoi	Bangkruay - Sainoi Road,Sainoi, Bang Bua Thong, Nonthaburi	255-0-69.1	932	1,300	SOUTHEAST ASIA INTERNATIONAL CO.,LTD / PHET SIAM APPRAISAL CO.,LTD , As of 03/03/2014 and 27/09/2013 ADVANCE APPRAISAL CO.,LTD , As of 15/12/2015, 30/6/2015 and 20/12/2018 SOUTHEAST ASIA INTERNATIONAL CO.,LTD , As of 22/12/2014	151

Project Name	Location	Area (rai-ngan-wah)	Book Value (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec, 2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec, 2018
The Place Kanchanapisek - Ratchapruek1 The Place Kanchanapisek - Ratchapruek 2 (partial)	Bangkruay - Sainoi Road, Sainoi, Bang Bua Thong, Nonthaburi	33-3-85.8	87	120	ADVANCE APPRAISAL CO., LTD , As of 15/01/2017 and 05/04/2018	-
Areeya Como Wongwaen - Ramintra (partial) The Colors Wongwaen - Ramintra (partial)	Soi Surao khlong Nung 15, Hathairat road, Bangchan, Bangkok	40-1-55.4	171	280	SOUTHEAST ASIA INTERNATIONAL CO., LTD , As of 03/03/2014	-

Project Name	Location	Area (rai-ngan-wah)	BookValue (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec,2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec,2018
Areeya Como Wongwaen - Ramintra (partial) The Colors Wongwaen - Ramintra (partial) The Colors Wongwaen - Ratchapruk (partial) The Place Kanchanapisek - Ratchapruek 2 (partial)	Soi Surao khlong Nung 15, Hathairat road, Bangchan, Bangkok Bangbuathong - Suphanburi Road, Lahan, Bang Buathong, Nonthaburi Bangkruay - Sainoi Road,Sainoi, Bang Bua Thong, Nonthaburi	8-2-64.3	265	298	ULTIMA APPRAISAL CO.,LTD , As of 02/08/2018	132
The Colors Premium Wongwaen - Ratchapruk (partial) The Colors Wongwaen - Ratchapruk (partial) The Colors Wongwaen - Ratchapruk Areeya Como Wongwaen - Ratchapruk (partial) Future project Zone Bangbuathong	Bangbuathong - Suphanburi Road, Lahan, Bang Buathong, Nonthaburi	30-0-19.02	360	558	FUTURE APPRAISAL CO.,LTD , As of 17/04/2015	-

Project Name	Location	Area (rai-ngan-wah)	Book Value (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec, 2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec, 2018
The Colors Premium Bangna - Wongwaen The Colors Bangna - Wongwaen The Village Bangna - Wongwaen 2 Areeya Brigg Bangna - Wongwaen Future project Zone Bangna - Wongwaen	Bang Phli Yai, Bang Phli, Samut prakan	33-3-40.5	480	682	SOUTHEAST ASIA INTERNATIONAL CO.,LTD , As of 25/09/2014 SIAM CITY APPRAISAL CO.,LTD , As of 21/09/2015	-
The Colors Rangsit Klong 4 Areeya Brigg Rangsit - Klong4	Sutsawat road, Ladsawa, Lam Luk Ka, Pathum Thani	24-1-88	261	314	ADVANCE APPRAISAL CO.,LTD, As of 16/10/2015	91
Future project Zone Sainoi zone 3	Bangkruiy - Sainoi Road, Sainoi, Bang Bua Thong, Nonthaburi	109-3-3.2	401	446	ADVANCE APPRAISAL CO.,LTD, As of 05/10/2017 and As of 25/03/2017	-
Busaba Ladprao - Serithai	Serithai road, Khlengkum, Buengkum, Bangkok	4-0-9.2	110	218	G.P.V. GLOBAL PROPERTY CO.,LTD , As of 13/01/2016	-

Project Name	Location	Area (rai-ngan-wah)	BookValue (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec,2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec,2018
The Village Hathairat - Wongwaen	Thairaman road, Samwatawantok, KhlomSamwa, Bangkok	26-0-57	260	315	SIAM CITY APPRAISAL CO.,LTD , As of 11/07/2017	126
The Village Rangsit Wongwaen Areeya Brigg Rangsit Wongwaen The Colors Mix Rangsit Wongwaen Areeya Brigg Rangsit Wongwaen 2	Sutawat road, Ladsawai, Lam Luk Ka, Pathum Thani	80-0-43.8	672	792	SIAM CITY APPRAISAL CO.,LTD , As of 09/11/2016	110
Areeya Como Bangna - Wongwaen 2 The Colors Bangna - Wongwaen 2 Future project Zone Bangna wongwean (partial)	Bang Phli Yai, Bang Phli, Samut prakan	33-2-78	109	209	SIAM CITY APPRAISAL CO.,LTD , As of 23/02/2017	-
The Village Bangna - Wongwaen3 The Colors Bangna - Wongwaen3 The Colors Bangna - Wongwaen4 Future project Zone Bangna wongwean (partial)	Bang Phli Yai, Bang Phli, Samut prakan	60-1-7	331	362	SOUTHEAST ASIA INTERNATIONAL CO.,LTD , As of 19/10/2017 and As of 12/02/2018	320
Areeya Como Primo Bangna - Wongwaen	Bang Phli Yai, Bang Phli, Samut prakan	42-0-35	288	326	ADVANCE APPRAISAL CO.,LTD, As of 12/03/2018 and As of 27/06/2018	103
A Space Mega	Bang Phli Yai, Bang Phli, Samut prakan	4-1-16.1	294	325	SIAM CITY APPRAISAL CO.,LTD, As of 9/10/2017	131

Project Name	Location	Area (rai-ngan-wah)	Book Value (Million Baht) As at Dec, 2018	Cost Appraisal (Million Baht) As at Dec, 2018	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec, 2018
A Space Mega 2	Bang Keaw, Bang Phli, Samut prakan	3-2-0	201	275	AGENCY FOR REALE STATE AFFAIRS CO.,LTD, As of 20/02/2018	102
Areeya Sawana 3	Kaset - Navamin road, Ladprao, Ladprao, Bangkok	58-3-53.8 ²	1,712	1,971	SOUTHEAST ASIA INTERNATIONAL CO.,LTD , As of 25/12/2017	1,500 ³
The AVA Residence (partial)	Sukumvit 77 road(Soi Onnuch), Suan Luang, Bangkok				AGENCY FOR REALE STATE AFFAIRS CO.,LTD, As of 24/02/2017	
Future project Zone Lat Pla Khao	Wat Lat Pla Khao road, Ladprao, Ladprao, Bangkok					
Future project Zone Pattaya	HuaiYai, Bang Lamung, Chon Buri	37-2-49.9	226	250	GROW ESTIMATION CO.,LTD	158
	As of 29/09/2017		11,492	15,443 ¹		4,1674

Note :

¹The appraised value is the price that is adjusted from the appraised value of the land as appraised by the appraiser according to the condition on the appraisal date with the additional development fee paid from the appraisal date until 31 December 2018, deducted by the value of the land transferred to the customer according to Revised appraised price

²With a total area of 59-0-25.5 rai which includes about 45 rai of swamp

³ As collateral for the debentures of Areeya Property Public Company Limited No. 2/2017 due in 2020, the issuer can redeem before maturity Debentures with outstanding value of 1,500 million baht

⁴ Outstanding loan means the company's interest-bearing liabilities from the assets specified in the above table as collateral for bank loans and debentures. The outstanding loan as at 31 December 2018 in the table is not equal to the outstanding loan amount as at 31 December 2018 in the financial statements of the company. Due to include short-term loans from financial institutions in the form of promissory notes in the amount of 247 million baht to ensure the completeness and accuracy of the information, the promissory notes are shown in the financial statements of the company in the bank overdraft and short-term loans from financial institutions. And total debentures of 1,500 million baht but excluding the loan for the construction of the head office of 43 million baht and not deducting the loan for 21 million baht

2) The book value of the main assets, land, buildings and equipment of the Company as at 31 December 2018 are shown as follows.

Main assets used in operations

Unit : Million baht					
Item	Ownership	Ownership of Non-obligation part	Collateral with financial institutions	Financial lease commitments	Net Book Value
Land ¹	Areeya group	170	-	-	170
Buildings and system	Areeya group	28	-	-	28
Leasehold improvement	Areeya group	1	-	-	1
Clubhouse and temporary building	Areeya group	10	-	-	10
Furniture, fixtures and office equipment	Areeya group / Financial institution	50	-	9	59
Machineries and construction equipment	Areeya group / Financial institution	42	-	1	43
Vehicle	Areeya group / Financial institution	-	-	30	30
Assets under construction	Areeya group	1	-	-	1
Total		302	-	40	342 ²

Note : Land¹ is the location of the clubhouse, various projects of the company is the part that is free of all obligations.

² December 31, 2018, the cost of main assets used in is Baht 342 million, by Ownership of Non - obligation part of Baht 40 million.

