

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**REVIEW REPORT AND INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018**

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying consolidated statement of financial position of Areeya Property Public Company Limited and its subsidiaries as at September 30, 2018 and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2018, changes in shareholders' equity and cash flows for the nine-month period then ended, and the condensed notes to financial statements of financial position of Areeya Property Public Company Limited as at September 30, 2018 and the related statement of comprehensive income for the three-month and nine-month periods ended September 30, 2018, changes in shareholders' equity and cash flows for the nine-month period then ended, and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standards No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standards No. 34 "Interim Financial Reporting".

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

Dharmniti Auditing Company Limited
Bangkok, Thailand
November 14, 2018

" UNAUDITED "

" REVIEWED "

- 2 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

		<u>ASSETS</u>			
		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at September	As at December	As at September	As at December
Notes		30, 2018	31, 2017	30, 2018	31, 2017
CURRENT ASSETS					
	Cash and cash equivalents	125,299	291,717	79,587	214,665
	Current investment	84	83	84	83
	Trade and other receivables	63,982	94,264	607,676	575,568
	Real estate projects under development	12,161,757	11,474,271	9,514,008	9,314,927
	Deposits for land	316,462	291,600	316,462	291,600
	Short-term loans to related parties	-	-	1,347,556	1,303,804
	Other current assets	188,020	90,206	172,485	75,032
	Total current assets	12,855,604	12,242,141	12,037,858	11,775,679
NON-CURRENT ASSETS					
	Deposits at banks used as collateral	201,650	229,029	193,402	229,029
	Investments in subsidiaries	-	-	311,000	302,000
	Investment properties	454,229	454,183	416,629	416,583
	Property, plant and equipment	266,995	274,242	230,569	260,498
	Prepaid rental expenses	129,927	136,320	129,927	136,320
	Intangible assets	19,910	21,074	17,512	20,422
	Deferred tax assets	46,477	37,245	5,953	10,777
	Rental deposit	60,000	60,000	60,000	60,000
	Other non-current assets	47,737	55,565	36,620	47,482
	Total non-current assets	1,226,925	1,267,658	1,401,612	1,483,111
	TOTAL ASSETS	14,082,529	13,509,799	13,439,470	13,258,790

Notes to interim financial statements form an integral part of these statements.

" UNAUDITED "

" REVIEWED "

- 3 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2018

LIABILITIES AND SHAREHOLDER' EQUITY

		In Thousand Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
Notes		As at September	As at December	As at September	As at December	
		30, 2018	31, 2017	30, 2018	31, 2017	
CURRENT LIABILITIES						
Bank overdrafts and short-term loans						
	from financial institutions	10	298,522	347,017	289,006	347,017
	Trade and other payables		287,152	318,248	708,076	698,768
Current portion of long-term loans						
	from financial institutions	10	1,125,013	611,433	505,671	501,152
	Short-term loans from related parties	4	-	-	234,298	82,238
Current portion of long-term loans						
	from other parties	10	111,493	111,493	111,493	111,493
	Current portion of debentures	11	3,031,215	1,031,215	3,031,215	1,031,215
	Current portion of financial lease liabilities		16,886	16,971	15,953	15,968
	Construction retentions		157,599	177,910	132,129	146,793
	Unrecognised income on installments due		548,013	229,563	547,751	229,226
	Income tax payable		9,608	13,533	4,512	11,415
	Other current liabilities		74,681	62,001	31,764	21,552
	Total current liabilities		5,660,182	2,919,384	5,611,868	3,196,837
NON-CURRENT LIABILITIES						
	Long-term loans from financial institutions	10	801,675	1,031,767	605,930	963,496
	Long-term loans from related party	4	-	-	9,700	9,700
	Debentures	11	3,951,226	5,944,850	3,951,226	5,944,850
	Financial lease liabilities		25,979	23,633	22,888	23,363
	Utilities guarantees		2,261	2,485	2,261	2,485
	Employee benefit obligations		55,213	50,546	23,272	21,081
	Long-term lease agreement obligation		87,298	66,622	87,298	66,622
	Provision for litigation	12	-	-	-	-
	Other non-current liabilities		110,562	130,040	82,669	99,170
	Total non-current liabilities		5,034,214	7,249,943	4,785,244	7,130,767
TOTAL LIABILITIES			10,694,396	10,169,327	10,397,112	10,327,604

Notes to interim financial statements form an integral part of these statements.

" UNAUDITED "

" REVIEWED "

- 4 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT SEPTEMBER 30, 2018

LIABILITIES AND SHAREHOLDER' EQUITY (CONT.)

		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at September	As at December	As at September	As at December
Notes		30, 2018	31, 2017	30, 2018	31, 2017
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
	Authorised share capital	1,200,000	1,200,000	1,200,000	1,200,000
	Issued and paid-up share capital	980,000	980,000	980,000	980,000
	PREMIUM ON ORDINARY SHARES	669,210	669,210	669,210	669,210
RETAINED EARNINGS					
	Appropriated				
	Legal reserve	80,874	80,874	80,874	80,874
	Unappropriated	1,658,049	1,610,388	1,312,274	1,201,102
	TOTAL SHAREHOLDERS' EQUITY	3,388,133	3,340,472	3,042,358	2,931,186
TOTAL LIABILITIES AND					
	SHAREHOLDERS' EQUITY	14,082,529	13,509,799	13,439,470	13,258,790

Notes to interim financial statements form an integral part of these statements.

" UNAUDITED "

" REVIEWED "

- 5 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
Notes		2018	2017	2018	2017
	INCOME	4			
	Revenue from sale of real estate	1,018,352	1,390,665	816,675	1,177,177
	Interest income	338	421	18,758	18,592
	Other income	23,392	13,309	27,720	10,118
	Total income	1,042,082	1,404,395	863,153	1,205,887
	EXPENSES	4			
	Cost of sale of real estate	636,372	951,939	497,081	810,185
	Selling expenses	145,501	142,834	120,436	120,692
	Special Business Tax and transferred fee	38,959	54,436	31,280	46,305
	Administrative expenses	135,913	135,115	103,969	107,482
	Finance costs	56,529	59,837	55,101	60,374
	Total expenses	1,013,274	1,344,161	807,867	1,145,038
	Profit (loss) before income tax expense	28,808	60,234	55,286	60,849
	Income tax expense	11,821	14,810	13,695	12,970
	PROFIT (LOSS) FOR THE PERIOD	16,987	45,424	41,591	47,879
	Other comprehensive income for the period	-	-	-	-
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16,987	45,424	41,591	47,879

Notes to interim financial statements form an integral part of these statements.

" UNAUDITED "

" REVIEWED "

- 6 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

		In Thousand Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
Notes		2018	2017	2018	2017	
	Profit (loss) attributable to					
	Shareholders' equity of the parent company	16,987	45,424	41,591	47,879	
	Non-controlling interests	-	-	-	-	
		<u>16,987</u>	<u>45,424</u>	<u>41,591</u>	<u>47,879</u>	
	Total comprehensive income attributable to					
	Shareholders' equity of the parent company	16,987	45,424	41,591	47,879	
	Non-controlling interests	-	-	-	-	
		<u>16,987</u>	<u>45,424</u>	<u>41,591</u>	<u>47,879</u>	
	BASIC EARNINGS PER SHARE OF					
	THE PARENT COMPANY					
	Profit (loss) for the period (Baht per share)	15	0.02	0.05	0.04	0.05

Notes to interim financial statements form an integral part of these statements.

" UNAUDITED "

" REVIEWED "

- 7 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

		In Thousand Baht				
		Consolidated		Separate		
		Financial Statements		Financial Statements		
Notes		2018	2017	2018	2017	
	INCOME	4				
	Revenue from sale of real estate	3,019,231	3,595,082	2,444,840	2,923,309	
	Interest income	1,786	3,704	57,236	61,823	
	Reversal of provision for litigation	12	-	11,500	-	11,500
	Other income	79,327	72,658	102,895	55,955	
	Total income	3,100,344	3,682,944	2,604,971	3,052,587	
	EXPENSES	4				
	Cost of sale of real estate	1,895,001	2,406,915	1,508,803	1,970,049	
	Selling expenses	392,687	408,882	322,037	332,809	
	Special Business Tax and transferred fee	115,505	139,274	93,650	113,612	
	Administrative expenses	403,439	405,865	317,824	325,687	
	Finance costs	168,262	192,142	167,929	195,033	
	Total expenses	2,974,894	3,553,078	2,410,243	2,937,190	
	Profit (loss) before income tax expense	125,450	129,866	194,728	115,397	
	Income tax expense	38,591	39,515	44,358	30,319	
	PROFIT (LOSS) FOR THE PERIOD	86,859	90,351	150,370	85,078	
	Other comprehensive income for the period	-	-	-	-	
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	86,859	90,351	150,370	85,078	

Notes to interim financial statements form an integral part of these statements.

" UNAUDITED "

" REVIEWED "

- 8 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

		In Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
Notes		2018	2017	2018	2017
	Profit (loss) attributable to				
	Shareholders' equity of the parent company	86,859	90,351	150,370	85,078
	Non-controlling interests	-	-	-	-
		<u>86,859</u>	<u>90,351</u>	<u>150,370</u>	<u>85,078</u>
	Total comprehensive income attributable to				
	Shareholders' equity of the parent company	86,859	90,351	150,370	85,078
	Non-controlling interests	-	-	-	-
		<u>86,859</u>	<u>90,351</u>	<u>150,370</u>	<u>85,078</u>
	BASIC EARNINGS PER SHARE OF				
	THE PARENT COMPANY				
	Profit (loss) for the period (Baht per share)	15 0.09	0.09	0.15	0.09

Notes to interim financial statements form an integral part of these statements.

" UNAUDITED "

" REVIEWED "

- 9 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

In Thousand Baht						
Consolidated Financial Statements						
	Note	Issued and	Premium	Retained Earnings		Total
		Paid-up	on Ordinary	Legal Reserve	Unappropriated	Shareholders'
		Share Capital	Shares			Equity
For the nine-month period ended September 30, 2017						
Balance as at January 1, 2017		980,000	669,210	71,904	1,593,352	3,314,466
Dividend		-	-	-	(48,997)	(48,997)
Comprehensive income for the period						
Profit for the period		-	-	-	90,351	90,351
Total comprehensive income for the period		-	-	-	90,351	90,351
Balance as at September 30, 2017		<u>980,000</u>	<u>669,210</u>	<u>71,904</u>	<u>1,634,706</u>	<u>3,355,820</u>
For the nine-month period ended September 30, 2018						
Balance as at January 1, 2018		980,000	669,210	80,874	1,610,388	3,340,472
Dividend	13	-	-	-	(39,198)	(39,198)
Comprehensive income for the period						
Profit for the period		-	-	-	86,859	86,859
Total comprehensive income for the period		-	-	-	86,859	86,859
Balance as at September 30, 2018		<u>980,000</u>	<u>669,210</u>	<u>80,874</u>	<u>1,658,049</u>	<u>3,388,133</u>

Notes to interim financial statements form an integral part of these statements.

" UNAUDITED "

" REVIEWED "

- 10 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

In Thousand Baht					
Separate Financial Statements					
Note	Issued and	Premium	Retained Earnings		Total
	Paid-up	on Ordinary Shares	Legal Reserve	Unappropriated	Shareholders' Equity
	Share Capital				
For the nine-month period ended September 30, 2017					
	980,000	669,210	71,904	1,090,908	2,812,022
	-	-	-	(48,997)	(48,997)
Comprehensive income for the period					
	-	-	-	85,078	85,078
	-	-	-	85,078	85,078
	980,000	669,210	71,904	1,126,989	2,848,103
For the nine-month period ended September 30, 2018					
	980,000	669,210	80,874	1,201,102	2,931,186
13	-	-	-	(39,198)	(39,198)
Comprehensive income for the period					
	-	-	-	150,370	150,370
	-	-	-	150,370	150,370
	980,000	669,210	80,874	1,312,274	3,042,358

Notes to interim financial statements form an integral part of these statements.

"UNAUDITED"

"REVIEWED"

- 11 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the period	86,859	90,351	150,370	85,078
Adjustments to reconcile profit (loss) for the period to net cash provided by (used in) from operating activities				
Doubtful debt (Reverse)	(263)	2,193	(65)	2,076
Allowance for decline in value of real estate projects under development (Reverse)	(9,823)	(11,231)	(3,304)	(11,231)
Depreciation and amortization	48,861	47,919	46,438	43,977
Loss (gain) on disposal of equipment	(266)	(2,602)	(33)	(620)
Loss of written off intangible asset	-	1,170	-	1,170
Amortisation of premium on debentures	6,376	5,982	6,376	5,982
Unrealised gain on current investment	(1)	(1)	(1)	(1)
Loss of written off other current asset	-	1,050	-	1,050
Gain from written off construction retentions	(8,215)	(4,463)	-	(1,244)
Employee benefit obligations	4,667	1,569	2,191	376
Homecare warranty and housing estate juristic person expenses	4,256	-	3,001	-
Provision for litigation (Reverse)	-	(11,500)	-	(11,500)
Finance cost	168,262	192,142	167,929	195,033
Income tax expense	38,591	39,515	44,358	30,319
Interest income	(1,786)	(3,704)	(57,236)	(61,823)
Profit (loss) from operations before changes in operating assets and liabilities	337,518	348,390	360,024	278,642
Changes in operating assets and liabilities (increase) decrease				
Trade and other receivables	30,545	(19,718)	23,555	(12,973)
Real estate projects under development	(248,547)	405,135	209,530	492,788
Deposits for land	(183,042)	(37,210)	(206,042)	(37,210)
Other current assets	(94,539)	(27,182)	(97,412)	(21,899)
Other non-current assets	7,828	(2,867)	10,862	(4,231)
Trade and other payables	(34,354)	44,368	1,041	69,474
Construction retentions	(12,096)	(20,012)	(14,664)	(9,722)

Notes to interim financial statements form an integral part of these statements.

"UNAUDITED"

"REVIEWED"

- 12 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2018	2017	2018	2017
Unrecognised income on installments due	318,450	80,246	318,525	79,180
Other current liabilities	11,020	1,775	9,033	424
Utilities guarantee	(224)	(3,483)	(224)	(3,483)
Other non-current liabilities	(22,074)	(6,790)	(18,323)	(3,904)
Cash from operating activities	110,485	762,652	595,905	827,086
Income tax paid	(55,023)	(69,735)	(46,478)	(29,626)
Net cash provided by (used in) operating activities	55,462	692,917	549,427	797,460
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,786	3,704	1,638	3,503
(Increase) decrease in deposits at banks used as collateral	27,379	746	35,627	746
(Increase) decrease in short-term loans from related parties	-	-	(20,752)	121,886
Investment in subsidiaries increased the capital	-	-	(9,000)	-
Purchase of investment properties	(46)	(765)	(46)	(765)
Purchase of equipments	(30,043)	(20,940)	(6,629)	(18,192)
Received from disposal of equipment	266	2,666	33	683
Purchase of intangible assets	(2,710)	(1,779)	(841)	(1,495)
Net cash provided by (used in) investing activities	(3,368)	(16,368)	30	106,366
CASH FLOWS FROM FINANCING ACTIVITIES				
Finance costs paid	(400,734)	(441,309)	(373,568)	(439,970)
Dividend	(39,198)	(48,997)	(39,198)	(48,997)
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(48,495)	(1,157,903)	(58,011)	(1,148,844)
Increase (decrease) in short-term loans from related parties	-	-	152,060	(112,990)
Proceed from long-term loans from financial institutions	1,797,915	1,937,464	1,024,244	1,727,977
Repayment of long-term loans from financial institutions	(1,514,427)	(1,493,490)	(1,377,291)	(1,378,710)
Proceeds from debentures	-	2,154,500	-	2,154,500
Repayment of debentures	-	(1,606,300)	-	(1,606,300)
Transaction cost from issue of debenture	-	(13,998)	-	(13,998)
Repayment of finance lease liabilities	(13,573)	(24,102)	(12,771)	(21,272)
Net cash provided by (used in) financing activities	(218,512)	(694,135)	(684,535)	(888,604)

Notes to interim financial statements form an integral part of these statements.

"UNAUDITED"

"REVIEWED"

- 13 -

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONT.)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2018

	In Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2018	2017	2018	2017
Net increase (decrease) in cash and cash equivalents	(166,418)	(17,586)	(135,078)	15,222
Cash and cash equivalents as at January 1,	291,717	321,473	214,665	195,508
Cash and cash equivalents as at September 30,	125,299	303,887	79,587	210,730
Non-cash transactions				
Acquisition of equipments under finance leases	15,833	2,864	12,281	2,864
Acquisition of intangible under finance leases	-	649	-	649
Depreciation expense which include real estate project under development	14,529	22,500	12,543	19,193
Acquisition cost which is included as a part of real estate under development cost during the period	227,818	220,181	207,635	226,967

Notes to interim financial statements form an integral part of these statements.

AREEYA PROPERTY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
SEPTEMBER 30, 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 Laohapoonrungee (53.99%) and Porncharoenchaisilp (10.77%) family shareholdings.

The principal business of the Company is the development of real estate projects. Details of the Company’s subsidiaries as at September 30, 2018 and December 31, 2017 are given in notes 4 and 8.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Name	Business type	Country of registration	Percentage of shareholdings (%)	
			As at September 30, 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 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	99.99
Areeya Hospitality Co., Ltd.	Restaurant	Thailand	99.99	99.97

2.2 These consolidated interim financial statements included the financial statements of Areeya Property Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2017 without the change in structure related to its subsidiaries during the period.

- 2.3 Outstanding balances between the Company and the subsidiaries, significant intercompany transactions, investment balance in the Company’s books and share capital of the subsidiaries are eliminated from the consolidated interim financial statements.
- 2.4 Subsidiaries are fully consolidated in the consolidated interim 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.
- 2.5 The accounting policies of the subsidiaries for similar accounting transactions are the same as the Company.
- 2.6 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 the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2017) Interim Financial Reporting, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2017.

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

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

3.2 Financial reporting standards that become effective in the current year

The Company and its subsidiaries have adopted the revised 2017 Thai Financial Reporting Standards issued by the Federation of Accounting Professions which become effective for the fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. These financial reporting standards do not have any significant impact on the Company and its subsidiaries’ financial statements.

3.3 Newly issued financial reporting standards and effective in the future

During 2018, the Federation of Accounting Professions issued new financial reporting standards that are already announced in the Royal Gazette which are the newly issued financial reporting standards.

New accounting standards are effective for the fiscal year beginning on or after January 1, 2019, as follows.

TFRS 15 Revenue from Contracts with Customers require entities to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

Key principles of this standard are revenue recognition that will replace the following standards and interpretations as follows:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Program
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

New accounting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

Financial Reporting Standard - group of financial instruments specifies how the entity will use the classification and measurement of financial assets, financial liabilities and contracts to purchase or to sell non-financial items. An entity is required to recognize financial assets or financial liabilities in the statement of financial position when the entity is a party to the terms of the contract of such financial instrument at the date of recognition. The entity has to measure the value of financial asset or financial liability that is not measured at fair value through profit or loss with fair value by adding or subtracting the transaction costs directly attributable to the acquisition or the issue of a financial asset or financial liabilities 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

At present, the management of the Company and its subsidiaries are evaluating the impact on the financial statements for the year in which they are initially applied.

3.4 Reporting currency in interim financial information

The interim 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 estimates and judgments by the management

The preparation of interim 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.

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended December 31, 2017.

3.6 Significant accounting policies

The interim financial information has been prepared based on the basis, accounting policies and method of computation that are consistent with those used in the financial statements for the year ended December 31, 2017.

4. RELATED PARTY TRANSACTIONS

For the purposes of these interim 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 Companies are 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
Laohapoonrungee and Porncharoenchaisilp groups	Thailand	The group of major shareholders
Mr. Wisit Laohapoonrungee	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:

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

Significant transactions for the three-month and nine-month periods ended September 30, 2018 and 2017 with related parties were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month period ended		For the three-month period ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Subsidiaries:				
Interest income	-	-	18,421	18,171
Management income	-	-	18,397	2,821
Management fee	-	-	9,550	11,320
Finance costs	-	-	1,556	534
Other related parties :				
Land rental	273	275	273	275
Key management personnel compensation:				
Short-term benefits	18,503	13,187	8,430	6,354
Post-employment benefits	203	330	181	47
Total	18,706	13,517	8,611	6,401

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the nine-month period ended		For the nine-month period ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Subsidiaries:				
Interest income	-	-	55,599	58,320
Management income	-	-	54,501	5,349
Management fee	-	-	33,890	31,490
Finance costs	-	-	2,826	3,713
Other related parties :				
Revenue from sale of real estate	-	3,033	-	3,033
Land rental	823	825	823	825
Key management personnel compensation:				
Short-term benefits	61,768	47,360	30,970	22,295
Post-employment benefits	1,358	990	543	141
Total	63,126	48,350	31,513	22,436

“UNAUDITED”

“REVIEWED”

- 20 -

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 other Group employees or customers.

The significant outstanding balances with related parties as at September 30, 2018 and December 31, 2017 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Trade and other receivables - related parties				
Subsidiaries	-	-	346,692	339,604
Interest receivable - related parties (included in trade and other receivables)				
Subsidiaries	-	-	207,675	152,077
Finance costs - related parties (included in real estate projects under development)				
Subsidiaries	-	-	460	460
Rental deposit Key management	60,000	60,000	60,000	60,000
Trade and other payables - related parties				
Subsidiaries	-	-	430,459	422,802
Accrued interest expense - related parties (included in trade and other payables)				
Subsidiaries	-	-	25,091	19,750
Unrecognised income on installments due Key management	4,186	2,599	4,186	2,599
Construction retentions - related party Subsidiaries	-	-	5,012	5,012
Short-term loans to related parties Subsidiaries				
Chill Space Co., Ltd.	-	-	278,543	180,043
One Up Co., Ltd.	-	-	193,000	202,500
White Living Co., Ltd.	-	-	152,664	112,055
Areeya Management Co., Ltd.	-	-	541,337	809,206
Cool Space Co., Ltd.	-	-	166,012	-
Areeya Hospitality Co., Ltd.	-	-	16,000	-
Total	-	-	1,347,556	1,303,804

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

“UNAUDITED”

“REVIEWED”

- 21 -

Movements during for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 of short-term loans to related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Short-term loans to related parties				
Subsidiaries				
Beginning balance	-	-	1,303,804	1,424,456
Increase	-	-	344,618	247,188
Decrease	-	-	(300,866)	(367,840)
Ending balance	-	-	1,347,556	1,303,804

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
Short-term loans from related parties				
Subsidiaries				
Areeya Management Co., Ltd.	-	-	204,936	29,290
Cool Space Co., Ltd.	-	-	-	50,988
White Living Co., Ltd.	-	-	29,362	1,960
Total	-	-	234,298	82,238

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

Movements during the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 of short-term loans from related parties were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Short-term loans from related parties				
Subsidiaries				
Beginning balance	-	-	82,238	173,680
Increase	-	-	206,008	94,704
Decrease	-	-	(53,948)	(186,146)
Ending balance	-	-	234,298	82,238

“UNAUDITED”

“REVIEWED”

- 22 -

	In Thousand Baht					
	Interest rate		Consolidated		Separate	
	(% per annum)		Financial Statements		Financial Statements	
	As at	As at	As at	As at	As at	As at
September	December	September	December	September	December	
30, 2018	31, 2017	30, 2018	31, 2017	30, 2018	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 September 30, 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 September 30, 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 September 30, 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 September 30, 2018, the Company had commitment up to the end of lease agreement amounting to Baht 6.34 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 agreements.

5. TRADE AND OTHER RECEIVABLES

		In Thousand Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		As at September	As at December	As at September	As at December
Note		30, 2018	31, 2017	30, 2018	31, 2017
	Trade accounts receivable				
	Related parties	-	-	-	-
	Other parties	10,963	11,621	10,094	10,837
	Total	10,963	11,621	10,094	10,837
	<u>Less</u> allowance for doubtful accounts	(5,547)	(5,524)	(5,428)	(5,405)
	Net	5,416	6,097	4,666	5,432
	Other receivables				
	Related parties	-	-	554,367	491,681
	Other parties	65,230	95,116	54,523	84,423
	Total	65,230	95,116	608,890	576,104
	<u>Less</u> allowance for doubtful accounts	(6,664)	(6,949)	(5,880)	(5,968)
	Net	58,566	88,167	603,010	570,136
	Total trade and other receivables - net	63,982	94,264	607,676	575,568

“UNAUDITED”

“REVIEWED”

- 24 -

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month period ended		For the three-month period ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Doubtful debts	-	113	-	63
Doubtful debts (reversal)	-	(154)	-	(154)

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	For the nine-month period ended		For the nine-month period ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Doubtful debts	146	2,329	23	2,213
Doubtful debts (reversal)	(409)	(281)	(88)	(281)
Bad debts	-	104	-	104

Aging analyses for trade accounts receivable were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Trade accounts receivable				
Related parties				
Overdue:				
Over 12 months	-	-	-	-
	-	-	-	-
Other parties				
Within credit term	877	466	673	390
Overdue:				
Less than 3 months	406	613	356	458
3 - 6 months	575	598	520	557
6 - 12 months	104	196	47	144
Over 12 months	9,001	9,748	8,498	9,288
	10,963	11,621	10,094	10,837
<u>Less</u> allowance for doubtful accounts	(5,547)	(5,524)	(5,428)	(5,405)
Trade accounts receivable - net	5,416	6,097	4,666	5,432
Other receivables - net	58,566	88,167	603,010	570,136
Total trade and other receivables - net	63,982	94,264	607,676	575,568

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.

“UNAUDITED”

“REVIEWED”

- 25 -

6. REAL ESTATE PROJECTS UNDER DEVELOPMENT

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Cost of projects under development	29,866,476	28,531,700	24,164,693	22,901,967
Land held for development	5,975,589	4,429,397	4,293,807	3,490,318
Sample houses	111,834	119,591	94,375	101,575
House and condominium for sale	3,137,538	3,460,418	2,536,887	2,910,841
Construction materials	5,256	3,035	3,016	3,023
Total	39,096,693	36,544,141	31,092,778	29,407,724
<u>Less</u> Portion transferred to cost of sales	(26,930,265)	(25,055,376)	(21,574,321)	(20,085,043)
	12,166,428	11,488,765	9,518,457	9,322,681
<u>Less</u> allowance for decline in value of real estate projects under development	(4,671)	(14,494)	(4,449)	(7,754)
Net	12,161,757	11,474,271	9,514,008	9,314,927

As at September 30, 2018, the Group and the Company have the allowance for decline in value of real estate projects had decreased by Baht 9.82 million and Baht 3.31 million, respectively, due to the sale in the period.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2018 (For the nine- month)	As at December 31, 2017 (For the year)	As at September 30, 2018 (For the nine- month)	As at December 31, 2017 (For the year)
Finance costs capitalised during the period	227,818	290,948	207,635	295,738
Rates of interest capitalized (% per annum)	1 - 6.25	1.00 - 6.90	1 - 6.25	1.00 - 6.90

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

7. DEPOSITS AT BANKS USED AS COLLATERAL

The Company pledged the saving and fixed deposits with the financial institutions to secure letters of guarantee.

“UNAUDITED”

“REVIEWED”

- 26 -

8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at September 30, 2018 and December 31, 2017 and dividend income from those investments for the nine-month periods ended September 30, 2018 and 2017, were as follows:

		In Thousand Baht											
		Separate Financial Statements											
	Ownership interest	Paid-up capital		Cost method		Impairment		At cost-net		Dividend income			
		As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	For the nine-month period ended September 30,	
Direct subsidiaries	Type of business	30, 2018	31, 2017	30, 2018	31, 2017	30, 2018	31, 2017	30, 2018	31, 2017	30, 2018	31, 2017	2018	2017
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	-	-
One Up Co., Ltd	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	-	-

“**UNAUDITED**”

“**REVIEWED**”

- 27 -

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.

9. INVESTMENT PROPERTIES

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Beginning balance	454,183	494,236	416,583	456,094
Additions	46	193	46	193
Transfer	-	(7,697)	-	(7,697)
<u>Less</u> Unrealised loss from a fair value adjustment	-	(32,549)	-	(32,007)
Ending balance	454,229	454,183	416,629	416,583

Investment properties were revalued as at December 31, 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 September 30, 2018 and December 31, 2017, the Company mortgaged certain investment properties as collateral to secure the loan and credit facilities granted by the financial institutions.

10. INTEREST-BEARING LIABILITIES

10.1 Bank overdrafts and short-term loans from financial institutions

	Interest rate (% per annum)	In Thousand Baht				
		Consolidated Financial Statements		Separate Financial Statements		
		As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	
Bank overdrafts	MOR, saving bank account+ fixed number	MOR, saving bank account+ fixed number	9,516	2,130	-	2,130
Promissory notes	MLR-fixed number	MLR-fixed number	260,000	275,000	260,000	275,000
Bills of exchange	Government bond yield+ credit spread	Government bond yield+ credit spread	30,000	72,000	30,000	72,000
<u>Less</u> prepaid interest			(994)	(2,113)	(994)	(2,113)
Bills of exchange - net			29,006	69,887	29,006	69,887
Total			298,522	347,017	289,006	347,017

“UNAUDITED”

“REVIEWED”

- 28 -

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

As at September 30, 2018, 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.

As at December 31, 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.

10.2 Loans from other parties

Movements of loans during the nine-month period ended September 30, 2018 and for the years ended December 31, 2017 were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Beginning balance	111,493	111,493	111,493	111,493
Increase	-	-	-	-
Decrease	-	-	-	-
Ending balance	111,493	111,493	111,493	111,493

As at September 30, 2018, the Company had obtained loans from other persons totaling Baht 111.49 million. (December 31, 2017 : Baht 111.49 million) These loans carried interest at a rate close to fixed interest rate and due at call.

10.3 Long-term loans from financial institutions

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Current				
Current portion	1,125,013	611,433	505,671	501,152
Non-current				
Long-term loans from financial institutions	801,675	1,031,767	605,930	963,496
Total	1,926,688	1,643,200	1,111,601	1,464,648

“UNAUDITED”

“REVIEWED”

- 29 -

Movements of long-term loans during the nine-month period ended September 30, 2018 and for the years ended December 31, 2017 were as follows :

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September	As at December	As at September	As at December
	30, 2018	31, 2017	30, 2018	31, 2017
	(For the nine-month)	(For the year)	(For the nine-month)	(For the year)
Beginning balance	1,643,200	705,652	1,464,648	640,652
Increase	1,797,915	2,723,060	1,024,244	2,426,139
Decrease	(1,514,427)	(1,785,512)	(1,377,291)	(1,602,143)
Ending balance	1,926,688	1,643,200	1,111,601	1,464,648

Long-term loans from financial institutions of the Company and its subsidiaries carry interest at the rate of MLR minus fixed number 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.

As at September 30, 2018, in order to comply with the term and conditions stipulated in some loan agreements, certain amounts of loans have been presented as current liabilities in the statement of financial position.

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.

10.4 Unutilised credit facilities

As at September 30, 2018, the credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 3,953.98 million and Baht 2,921.02 million, respectively (December 31, 2017 : Baht 4,094.66 million and Baht 3,131.69 million, respectively).

“UNAUDITED”

“REVIEWED”

- 30 -

11. Debentures

As at September 30, 2018 and December 31, 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 :

Debenture	Units (Thousand units)	Issuance date	Term	Maturity date	Interest rate (% per annum)	In Thousand Baht					
						Consolidated/Separate Financial Statements					
						Current portion		Non-current		Total	
As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017						
No. 2/2015	1,000	22 October 2015	2 years 11 months 28 days or early redemption	19 October 2018	1st year: 5.50 2nd-3rd year: 5.80	1,000,000	1,000,000	-	-	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 or early redemption	1 October 2020	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 or early redemption	5 April 2020	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 30 April 2021	5.95	31,215	31,215	-	-	31,215	31,215
						-	-	31,215	31,215	31,215	31,215
						-	-	31,215	31,215	31,215	31,215
						-	-	748,655	748,655	748,655	748,655
Total debentures, at face value						3,031,215	1,031,215	3,965,585	5,965,585	6,996,800	6,996,800
Less deferred transaction costs from issuing of debentures						-	-	(14,359)	(20,735)	(14,359)	(20,735)
Debentures - net						3,031,215	1,031,215	3,951,226	5,944,850	6,982,441	6,976,065

* Secured debenture.

“UNAUDITED”

“REVIEWED”

- 31 -

12. PROVISION FOR LITIGATION

Movements of the provision for litigation during for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 were as follows :

	In Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September 30, 2018 (For the nine-month)	As at December 31, 2017 (For the year)
Beginning balance	-	11,500
Reversed during the period	-	(11,500)
Ending balance	-	-

During the period 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.

13. DIVIDEND

According to the Annual General Meeting of Shareholders' of the Company dated April 27, 2018, it has a resolution to approve the dividend payment from the net profit for the year 2017 ended December 31, 2017 in cash at Baht 0.04 per share for 980,000,000 shares at the total amount of Baht 39,200,000. The dividend payment is scheduled on May 25, 2018.

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

15. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the three-month and nine-month periods ended September 30, 2018 and 2017 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows :

	Consolidated Financial Statements		Separate Financial Statements	
	For the three-month period ended		For the three-month period ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Profit attributable to ordinary shareholders of the Company (basic) (Thousand Baht)	16,987	45,424	41,591	47,879
Number of ordinary shares outstanding (Thousand shares)	980,000	980,000	980,000	980,000
Earnings per share (basic) (Baht per share)	0.02	0.05	0.04	0.05

	Consolidated Financial Statements		Separate Financial Statements	
	For the nine-month period ended		For the nine-month period ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Profit attributable to ordinary shareholders of the Company (basic) (Thousand Baht)	86,859	90,351	150,370	85,078
Number of ordinary shares outstanding (Thousand shares)	980,000	980,000	980,000	980,000
Earnings per share (basic) (Baht per share)	0.09	0.09	0.15	0.09

16. FINANCIAL INSTRUMENTS

Financial instruments carried at fair value

Fair value hierarchy

The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

For disclosure purpose, the Group determines Level 2 fair values for traded debentures have been determined based on quoted selling prices from the Thai Bond Market Association that were not difference with fair value at the year end.

For disclosure purposes, the Group determines Level 3 fair values for fair values of investment property is carried based on valuations by independent values. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted.

The fair value of accounts receivable and accounts payable-trade and others is taken to approximate the carrying value.

The fair value of loans to related parties is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

17. COMMITMENTS WITH NON-RELATED PARTIES

As at September 30, 2018, the Group has commitments as follows:

- 17.1 As at September 30, 2018, the Group has commitments relating to project development contracts amounting to Baht 1,049.38 million (As at December 31, 2017 : Baht 595.73 million).
- 17.2 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.
- 17.3 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 September 30, 2018, the Company had paid Baht 114.00 million for deposit. (As at December 31, 2017 : Baht 114.00 million).
- 17.4 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 September 30, 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.
- 17.5 In November 2017, the Company entered into a sale and purchase agreement of land amounting to Baht 101.43 million for a property development project. As at September 30, 2018, the Company had paid Baht 5.76 million for deposit. (As at December 31, 2017 : Baht 10.00 million) and the parties transferred the ownership over the certain part of land in March and May, 2018 Baht 58.00 million.

“UNAUDITED”

“REVIEWED”

- 34 -

- 17.6 In March 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 209.52 million for a property development project. As at September 30, 2018, the Company had paid Baht 55.00 million for deposit.
- 17.7 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 September 30, 2018, the Company had paid Baht 53.00 million for deposit.
- 17.8 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 September 30, 2018, the Company had paid Baht 58.70 million for deposit.
- 17.9 Non-cancellable operating lease commitments

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at September 30, 2018	As at December 31, 2017	As at September 30, 2018	As at December 31, 2017
Future minimum lease payment under non-cancellable operating leases				
Within one year	42,241	28,668	39,853	28,668
After one year but within five years	132,141	115,001	129,156	115,001
After five years	723,989	745,664	723,989	745,664
Total	<u>898,371</u>	<u>889,333</u>	<u>892,998</u>	<u>889,333</u>

The Company has lease agreements of land rental for periods of 1 and 30 years ended 2049.

- 17.10 As at September 30, 2018, the Group and the Company have outstanding bank guarantees of Baht 898.49 million and Baht 659.52 million, respectively.

18. CONTINGENT LIABILITIES

As at September 30, 2018, the Company had contingent liabilities from the charges filed by other company and persons in total of 3 lawsuits on the breach of agreement. The capital amount sued for damage claim and others amounted to Baht 75 million. Presently, the cases are under consideration of the court. The Court of First Instance had ruled in two case for the Company to pay Baht 14.75 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.

“UNAUDITED”

“REVIEWED”

- 35 -

19. EVENTS AFTER THE REPORTING PERIOD

On December 20, 2016, the Extraordinary Shareholders’ Meeting approved debentures. The issuance and offering not over Baht 5,000 million. On October 19, 2018, the Company issued and offered the debentures’ No. 1/2018 for Baht 250 million with maturity in 2021 under the limit Baht 5,000 million that was approved from the extraordinary shareholders’ meeting.

20. RECLASSIFICATION

Certain amounts in the consolidated financial statements and separate financial statement for the year ended December 31, 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						
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

21. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Company’s Directors on November 14, 2018.