

Areeya Endless Diary

AREEYA ANNUAL REPORT 2015



15 Years of Areeya. Unfading Happiness, Unexpired Memories.



Areeya Property PLC.
999 Praditmanutham Rd., Saphansong,
Wangthonglang, Bangkok 10310
Tel. 02 798 9999 | Areeya.co.th



A house is a home
when happiness thrives within.
Aareya - creating quality homes
of happiness for all of 15 years.



Areeya Where Happiness Begins



A home is not simply a shelter,
but a sanctuary filled with warmth, connectedness,
and family. It's a starting point for happiness
and everlasting memories.

Throughout the 15 years of "Areeya",
it has always been our determination that all
we create are varied, and each unique.
We want to fulfil the whole spectrum of sentiments
and desires of everyone in the family...
...For a house to be the ever enduring home
of outpouring happiness.



**Small Words, Big Feelings.
SPARKING HAPPINESS AND MEMORIES
That Never Expires.**



**“ I’m worried
about you.”**



“It always feels nice when someone is concerned about you.
You know that you’re thought about,
and will always be cared for.”

“ Thank you.”



“Simple words that can be felt when I come home.
There’s family, and love, and small cozy corners
that warm me up. It’s gratifying,
it’s a motivation, making my everyday
a move forward - so thank you, really.”





“ Miss you.”

•

“When I must go away for work, I will be homesick.

I miss my space, my bed, and my awaiting
loved ones - I miss everything.

Any beauty of the unfamiliar can never beat
the comfortable pleasure of being home.”



“ Love you. ”



“I want us to start a family together, right here.
The hard work will be worth it, for it's the best choice
I can make for my loved ones.
That is the epitome of love for me.”

15 Years of Areeya, Designed for Living

The touch of Areeya is tangible in
every detail of our creations.
Inspiration | Innovation | Modernity |
Creativity | Completion of Lifestyle



Happiness starts within a home - this is the belief that inspires our designs, and motivates our every project to cater for true joy and the perfection of living. Our modern designs are made especially for contemporary lifestyle, equipped with up-to-date innovations for your convenience and flexible living.

We at "Areeya" aim to create spaces and the communities, in and around our properties, especially to expand the dimensions of your happiness, and enabling the achievement of your truly desired lifestyle.



For Home – Our living

Areeya, the first to offer innovation in design and functionality for a new idea of living

2006

a space
The first pool - villa condominium with the swimming pool on the very first floor.
Starting at 900 k Baht.

a space



2002

Areeya Sawana
The first metropolitan resort - style home, making everyday seems like a vacation.



2006

The Colors
The first modernized townhome, starting at only 1 m Baht.



2011

The Village
The first twin townhouse, for a feeling of a true detached home.



2012

Areeya Como
The first introduction of Areeya's Skybay in a detached home.



2013

a space I.D.
The first ever use of automatic carpark in a condominium.

a space I.D.



Present

The AVA Residence
The first luxury single home by Areeya on Sukhumvit.



Throughout the past 15 years, not only Areeya has been the first to bring forth new technologies, we also created many other projects on carefully chosen strategic locations. They are designed to each be the answer for the need and usage of all shapes and sizes.

SINGLE HOME



TOWN HOME



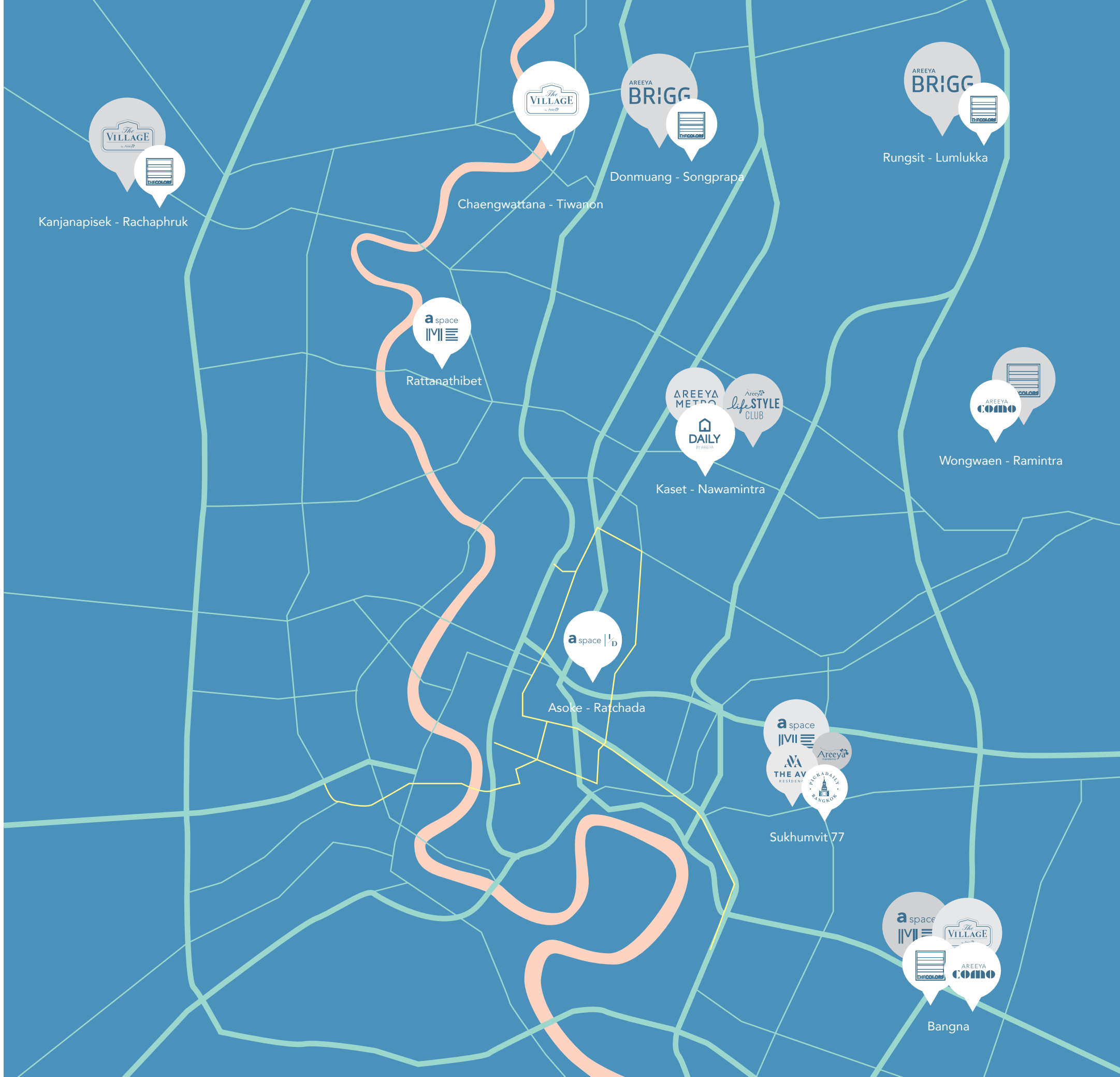
VILLAGE TOWN

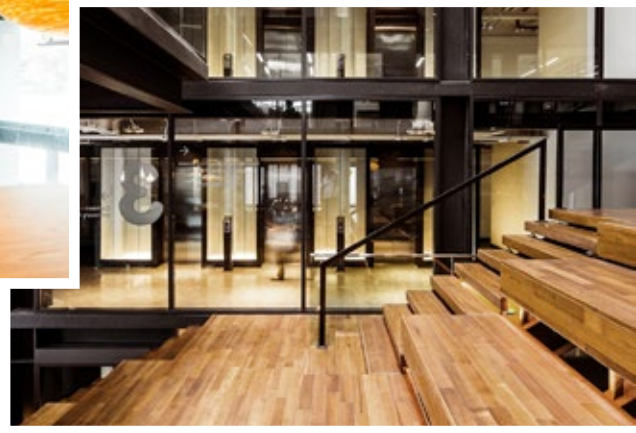


CONDOMINIUM



COMMUNITY MALL





For Office – Our belief

The reflection of our values through the place where it all happens.

Here at "Areeya", we believe that the design of a comfortable home which encourages the most fulfilling lifestyle, will come forth in an environment that embodies those very qualities, and can enable the same experiences for our team.

Areeya's offices are designed for both productivity and the freedom of the body and the mind. Our surrounding greenery is designed in accordance with the modern characteristics of the building's architecture.

The stylish interiors also have not failed to embed the notion of nature and its textures, making Areeya a hub of serious workmanship, and at the same time balanced, and relaxing. This is amongst our everyday inspiration for the creation of homes which best understand the ways of living.



For Community – Our great time together

Events that bring enjoyment in creative ways

Here at "Areeya", we do not limit our ability only to the creation of happiness in the homes, but also to contribute to the lifestyle of our residents as well. This is in the form of many types of special events, organised regularly.

Our events are educational, entertaining, relaxing, intimate, and have become a form of community in their own rights, in which our residents can participate without cost. Examples of these are our variety of workshops with professionals of many fields, and 'Lifestyle Market', where pop - up stalls of goods and food are available for enjoyment in a relaxing atmosphere, along with mini concerts by selected artists.



Father's Day Activity @
Pickadaily Bangkok



Fun activities for everyone to enjoy,
a great opportunity for bonding
between family members



Portobello Market @
Pickadaily Bangkok





Furthermore, we look to extend the joyfulness with 'Areeya & You' card. This special privilege is granted to our residents to encourage their engagement with many lifestyle enterprises, carefully selected by us here at "Areeya". The happiness we've built in the homes can inspire and sustainedly pass onto their everyday.



30+ Still Young @ Master Sukhumvit



Tiny Tree @ Areeya Metro



Paint Love for MOM by Areeya @ Paint Bar

Areeya Kids on ice



Areeya Movie Day

Special event for our residents to share new experiences together, create new friendship and interchange happiness in the community.



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Message From Chairman

In the year 2015, the country's overall economic growth rate increased slightly compared to the prior year, which could be seen from the annual GDP of 2.8 percent (increased from 0.8 percent in 2014). The real estate sector was stable in the first three quarters of the year 2015. However, in the 4th quarter, the political situation was moving in a positive direction that considerably affected the consumer decisions to purchase more dwellings than the first three quarters but there was also a major negative impact of loan policies from commercial banks.

2

In 2015, the company recorded total sales of 4,444 million baht, better than those in 2014, which comprised 87 percent from low-rise projects and 13 percent from high-rise projects. This made the company's total backlog reach 2,161 million baht at the end of 2015. Considering the corporate performance in the year 2015, the company had revenue from sales and other income of 5,428 million baht, a 112 percent increase compared to the prior year, and reported net profit of 217 million baht, an increase of 425 percent over the prior year. In the year 2015, the company has completed two condominium projects, which the Company will recognize revenue in the year 2016 and will also be delivered consistently every year. Meanwhile, market of townhouse, twin house and single detached house is real demand. Moreover, Consumers have been urged by the government to effect growth of townhouses revenue approximately 53 percent compared to the year 2014. Meanwhile, the company will be launched the four new projects which the political situation was stable and also the overall situation was better, affecting to the purchasing demand in the near future before government support measures will expire in April 2016.

It can be seen that even in the period of political and economic contraction, the company could grow and achieve approximately 121 percent increase in revenue from sale of real estate. While the revenue from condominium projects was still unrecognized according to accounting standard that would recognized the revenue only after the transferring process was completed in the ended of year.

In the last three years, the company has spent time and other factors for improvement Internal Restructure and work flow system to reduce occurred risk

in accordance with planned strategies that is improvement construction system, budget system and sale system in the year 2013 and 2014, respectively. Moreover, the company has operated condominium projects to continuously conduct revenue recognition. In the year 2015, the company focused increasing of sales and revenue recognition to be sustained growth and continuity as results mentioned above as well as continued development personnel continued to support expansion in the upcoming in the year 2016 onwards. In 2015, the company has target to growth of revenue and net profit margin by launched 11 townhouse projects, project value of 20,035 million baht and recognize revenue from condominium with three locations although the company will require more effort than normal in the current economic climate.

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Lastly, the company's success can never be possible without generous support from every party involved. On behalf of Areeya Property Public Company Limited, we would like to thank all of our shareholders, customers, financial supporters, business partners, and staff members for their great support throughout the year. This helps encourage the company to succeed even in the uncertain situation and continue to grow stably and sustainably. The company commits to operate our business to ensure the maximum benefit of all stakeholders and continue to comply with the principles of good corporate governance while creating products that meet the diverse needs of our customers. We hope to always receive continued support from all of you in the years to come.



Mr. Wisit Laohapoonrungsee
Chairman and Chief Executive Officer

Organization Chart





- 1** Mr. Wisit Laohapoonrungsee
Chairman of the Board of Director
- 2** Mrs. Niphapat Romerattanaphun
Director
- 3** Mr. Thun Thiansuwan
Director
- 4** Mr. Viwat Lauhapoonrungsi
Director
- 5** Mr. Wanchai Tantikul
Independent Director and
Chairman of the Audit Committee
- 6** Mr. Preecha Boonyakida
Independent Director
- 7** Mr. Sompol Thiensuvan
Independent Director

Board Of Directors



Mr. Wisit Laohapoonrungsee

Chairman and Chief Executive Officer

Education

- Bachelor Degree in Accounting, Thammasart University
- Master of Business Administration (Accounting), Thammasart University
- Directors Accreditation Program (DAP) 2004, Thai institute of Directors Association

Present

- Chairman, Chief Executive Officer of Areeya Property PCL.
- Managing Director, Areeya Service Co., Ltd.
- Managing Director, Areeya Management Co., Ltd.
- Managing Director, Cool Space Co., Ltd.
- Managing Director, One up Co., Ltd.
- Managing Director, White Living Co., Ltd.
- Managing Director, Chill Space Co., Ltd.
- Managing Director, Areeya Convenience Store Co., Ltd.
- Advisor, Thai Real Estate Association

Experience

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

Percentage of shareholding as of December 31, 2015

- 32.74 %

Meeting attendance

- 7 attendances of 7 Board of Directors meetings



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Mrs. Niphapat Romerattanaphun

Director

Education

- Bachelor Degree in Political Science, Ramkhamhaeng University
- Master Degree in Political Science, Ramkhamhaeng University
- Directors Accreditation Program (DAP) 2005, Thai Institute of Directors Association

Present

- Executive Director, Areeya Property PCL.
- Director, Areeya Service Co., Ltd.
- Director, Areeya Management Co., Ltd.
- Director, Cool Space Co., Ltd.
- Director, White Living Co., Ltd.
- Director, Chill Space Co., Ltd.
- Director, One Up Co., Ltd.
- Director, Areeya Convenience Store Co., Ltd.

Experience

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

Percentage of shareholding as of December 31, 2015

- 1.98 %

Meeting attendance

- 7 attendances of 7 Board of Directors meetings



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Mr. Thun Thiansuwan

Director

Education

- LL.B (Bachelor of Laws), Ramkhamhaeng University
- Thai Barrister at Law Bar Association
- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Present

- Executive Director, Areeya Property PCL.
- Director, Areeya Service Co., Ltd.
- Director, Areeya Management Co., Ltd.
- Director, Cool Space Co., Ltd.
- Director, White Living Co., Ltd.
- Director, Chill Space Co., Ltd.
- Advisor, Lake Garden Co., Ltd.

Experience

- 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

Percentage of shareholding as of December 31, 2015

- None

Meeting attendance

- 7 attendances of 7 Board of Directors meetings



Mr. Viwat Lauhapoonrungsi

Director

Education

- BA. Economics major econometrics and treasury, Thammasart University
- National Defence College Certificate, 2005
- Capital Market Academy Certificate no.11
- Executives Certificate “Thammasart for society” no.1, Thammasart University

Present

- Executive Director, Areeya Property PCL.
- Director, Areeya Service Co., Ltd.
- Director, Areeya Management Co., Ltd.
- Director, Cool Space Co., Ltd.
- Director, White Living Co., Ltd.
- Director, Chill Space Co., Ltd.
- Director, One Up Co., Ltd.
- Director, Areeya Convenience Store Co., Ltd.
- Director, W Solar & Power Co., Ltd.

- Director, W Power Co., Ltd.
- Director, Tavalamai Co., Ltd.

Experience

- Chief executive officer, Lake Garden Development Co., Ltd.
- Credit officer, Bank of Asia

Percentage of shareholding as of December 31, 2015

- 12.44 %

Meeting attendance

- 6 attendances of 7 Board of Directors meetings



Mr. Wanchai Tantikul

Independent Director and Chairman of the Audit Committee

Education

- LL.B (Bachelor of Laws), Thammasart University
- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Present

- Independent Director and Audit Committee Areeya Property Public Co, Ltd.
- Director, Daisho (Thailand) Co., Ltd.
- Director, Kanit Anchan Co., Ltd.
- Director, Siam Bicent Commercial Co., Ltd.

Experience

- Director, Thep Co., Ltd.

Percentage of shareholding as of December 31, 2015

- None

Meeting attendance

- 7 attendances of 7 Board of Directors meetings
- 12 attendances out of 12 Audit Committee meetings



Mr. Preecha Boonyakida

Independent Director and Audit Committee

Education

- BA. Accounting, Thammasart University
- BA. Law, Thammasart University
- BA. Economics, Thammasart University
- MS. Accounting, Thammasart University
- Certificate of Public Law, Thammasart University
- Directors Accreditation Program (DAP) 2004, Thai Institute of Directors Association

Present

- Independent Director and Audit Committee Areeya Property PCL.
- Advisor of the Foreign Committee, Thai parliament
- Certified Public Accountant issued by Ministry of Commerce, Thailand
- Director, Yingthaworn Apartment Co., Ltd.
- Director, Yingthaworn Petroleum Co., Ltd.

Experiences

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

Percentage of shareholding as of December 31, 2015

- None

Meeting attendance

- 7 attendances of 7 Board of Directors meetings
- 12 attendances out of 12 Audit Committee meetings



Mr. Sompol Thiensuvan

Independent Director and Audit Committee

Education

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

Present

- Independent Director and Audit Committee, Areeya Property Public Company Limited
- Advisor, The relation Youth Foundation, Police Department
- Legal Advisor, Chase Enterprise Company Limited (Siam)
- Legal Advisor, Supsin na nakorn Company Limited
- Legal Advisor, Amarin Printing & Publishing Public Company Limited
- Vice President, Khunnathum Law Office

Experience

- 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

Percentage of shareholding as of December 31, 2015

- None

Meeting attendance

- 7 attendances of 7 Board of Directors meetings
- 12 attendances out of 12 Audit Committee meetings



Dr. Thanong Pitaya

Consultant

Education

- Bachelor of Economics, YOKOHAMA National University, Japan
- Master of Economics, Northwestern University, United States
- Doctor of Business, Northwestern University, United States

Present

- Chairman of the board TTW Public Limited Company
- Chairman of the board Xayaburi Power Limited Company
- Chairman of the board Srisawad Power 1979 Public Limited Company
- Chairman of the board Thaisri Insurance Public Limited Company
- Chairman of the board CK Power Public Limited Company
- Chairman of the board Scan inter Public Limited Company
- Honorary President Creative Performance Leather
- Vice Chairman of the Advisory Board King Power Group

Experience

- Minister of Finance
- Minister of Commerce
- Chairman of the National Economics and Social Development Board
- President of THAI Airways International Public Limited Company



Dr. Virabongsa Ramangkura

Consultant

Education

- Bachelor Degree in Political Science, Chulalongkorn University
- M.A. (Economics), University of Pennsylvania, U.S.A.
- Ph.D. (Economics), University of Pennsylvania, U.S.A.
- Doctor of Law (Honorary), Webster University St.Louis, U.S.A.

Present

- Boards of Bangkok Expressway Plc.
- Boards of South East Asia Energy Co.
- Boards of Double A Plc.
- Boards of Polyplex (Thailand) Plc.
- Boards of Bangmod hospital
- Advisory board of King Power
- Advisory board of Areeya Property
- Advisory board of Government Saving Bank.

Experience

- Chairman of the board of State Railway of Thailand.
- Chairman of the board of Thai Airways International Public Limited Company
- Chairman of the board of Bank of Thailand.
- Chairman of the board of Export-Import Bank of Thailand.
- Chairman of the board of Bank for Agriculture and Agriculture Co-Operatives
- Member of Tourist Authority of Thailand



Mr. Vichien Chavalit

Consultant

Education

- Bachelor of Art in Political Sciences, Thammasat University
- Bachelor of Law, Ramkhamhaeng University
- Master of Art in Political Sciences, Thammasat University

Present

- Member of the National Reform Steering Assembly

Experience

- Member of the National Reform Steering Assembly
- Permanent Secretary Ministry of Social Development and Human Security
- Advisor to Prime Minister for the Civil Service
- Permanent Secretary Ministry of Interior
- Director-General, Community Development Department
- Governor of Surin Province
- Governor of Amnat-Chareon Province
- Vice Governor of Amnat-Chareon Province

- Vice Governor of Burirum Province
- Director of Investigation and Legal Bureau Department of Interior, Ministry of Interior
- Director of Local Government System Division Department of Interior, Ministry of Interior
- District-Chief Officer, Banglamung, Chonburi Province
- District-Chief Officer, Panatnikom, Chonburi Province
- District-Chief Officer, Kamchaei, Mukdaharn Province



Mr. Amorn Vachrakorn

Consultant

Education

- Bachelor of Science Program in Agricultural Economics, Kasetsart University
- Master of Science Program in Agricultural and Resource Economics, Kasetsart University

Experience

- Committee One up Limited Company
- Credit Risk Manager Siam Commercial Bank



Mr. Chumpolpat Puldrapaya

Consultant

Education

- Bachelor of Business Administration in Finance and Banking, Assumption University of Thailand
- Master of Management Program, Mahidol University

Experience

- Assistant Managing Director Finance and Accounting Areeya Property Public Limited Company
- Senior Director of Strategy and Planning Natural Park Public Limited Company
- Finance Manager Toyota Motor Thailand Co., Ltd

Highlight Project

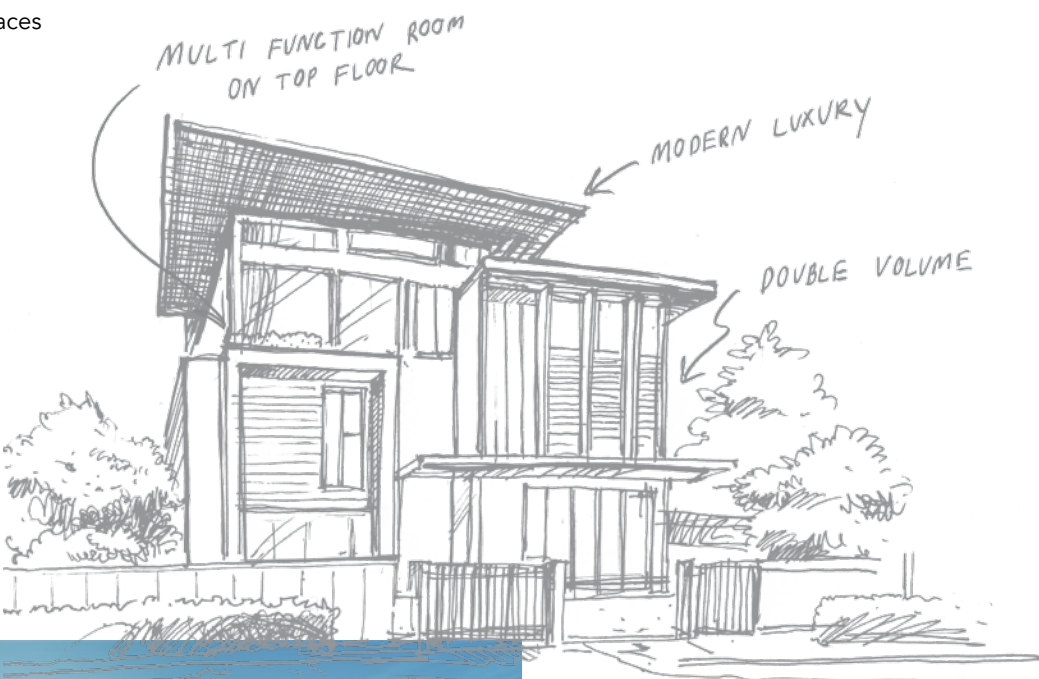


The AVA Residence

The Last Legacy on Sukhumvit

Sukhumvit 77

Single - family home with spaces for an exclusive lifestyle.
Starting at 30 - 60 m Baht.



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Areeya Metro

Live Positively, Live Modern

Kaset - Nawamintra

Single - family home on a piece of 220 sq.m. happiness.
Starting at 9.99 m Baht.

AREEYA METRO



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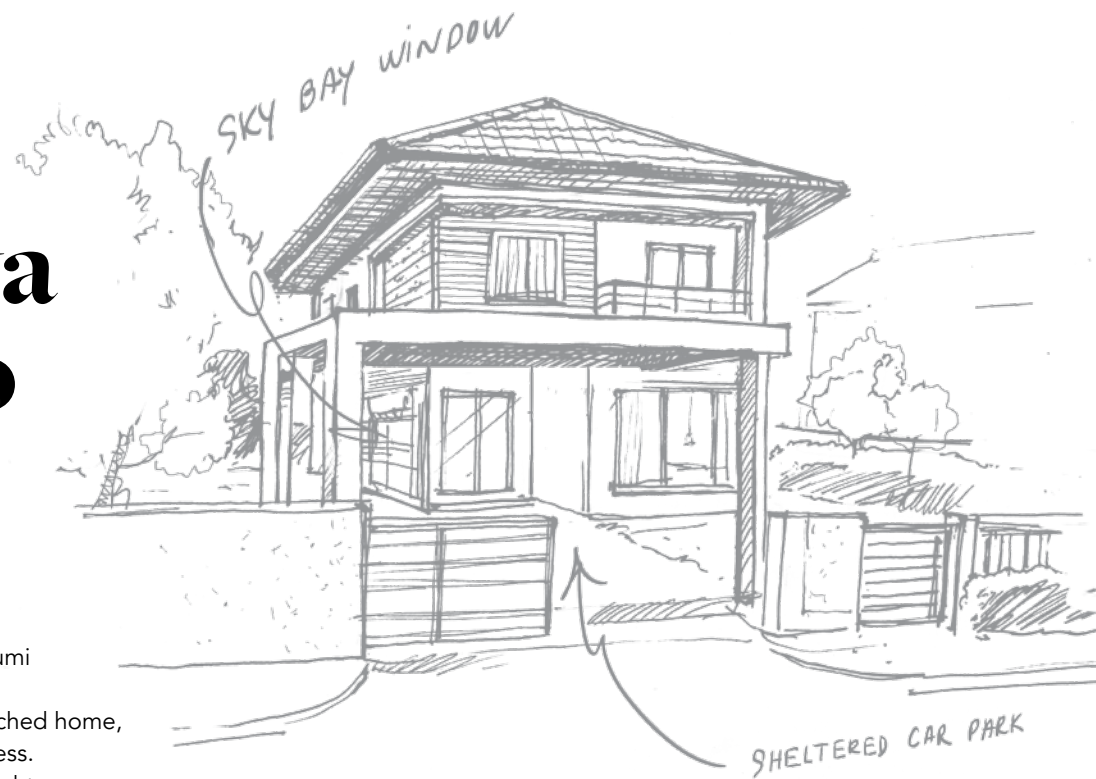
Areeya Como

Blissfully Design

Wongwaen - Ramintra
Bangna - Wongwaen
Ladkrabang - Suwannabhumi

Two - storey modern detached home,
141 - 179 sq.m. of happiness.
Starting at 4.29 - 5.49 m Baht.

AREEYA
COMO



Areeya Brigg

Accent of life

Donmuang - Songprapa
Rangsit - Lamlukka

Modern home - office. 3 storeys
on 172 - 174 sq.m. of happiness.
Starting at 3.99 - 4.49 m Baht.

AREEYA
BRIGG



27

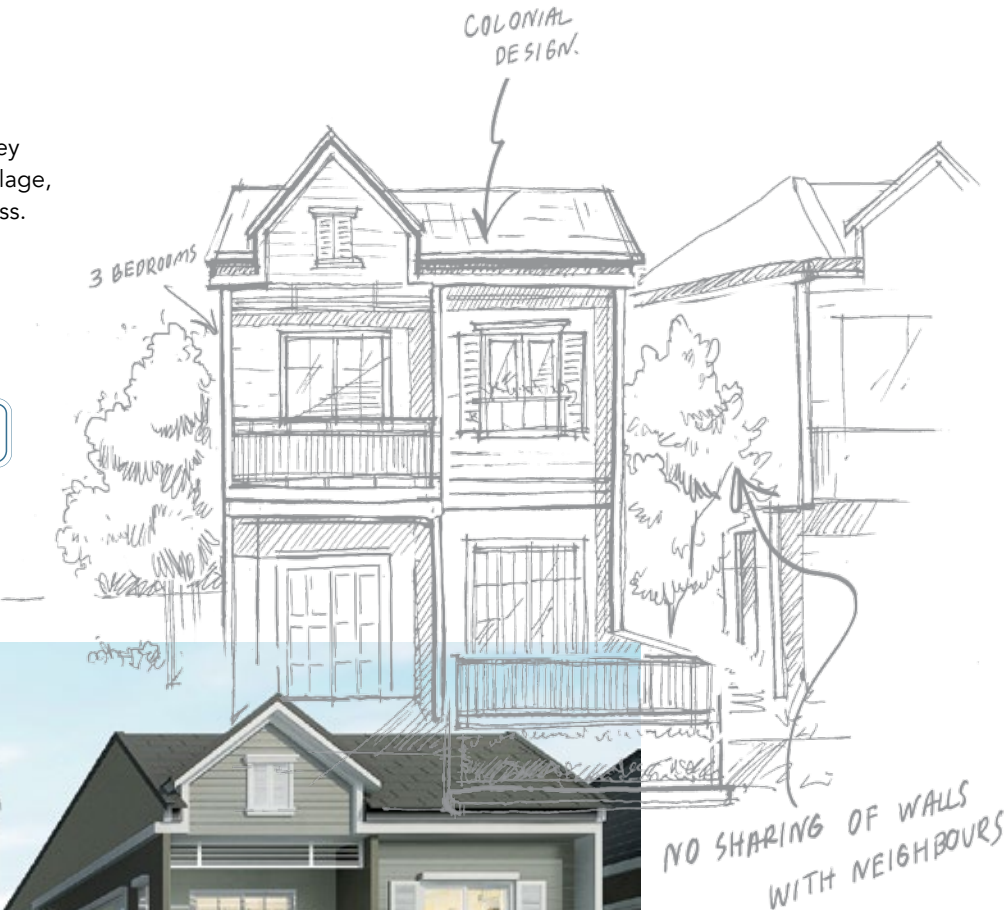


The Village/ The Village Cottage

Happy Colonial Living

Kanjanapisek - Rachaphruk
Chaengwattana - Tiwanon
Bangna - Wongwaen

Modern Colonial style 2 - storey
single - family home in The Village,
on 134 - 165 sq.m. of happiness.
Starting at 2.99 - 3.89 m Baht.



Areeya Daily

365 Days of Happiness and Greenness

Kaset - Nawamintra

Modern 3 - storey townhome on a piece
of 160 sq.m. happiness.
Starting at 4.09 m Baht.





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The Colors

The Colors of life

Bangna - Wongwaen
Wongwaen - Ramintra
Khananapisek - Rachaphruk
Rangsit - Lam Lukka

Modern Tropical style townhome
on a happy property
of 105 sq.m. and 118 sq.m.
Starting at 1.69 - 2.49 m Baht.



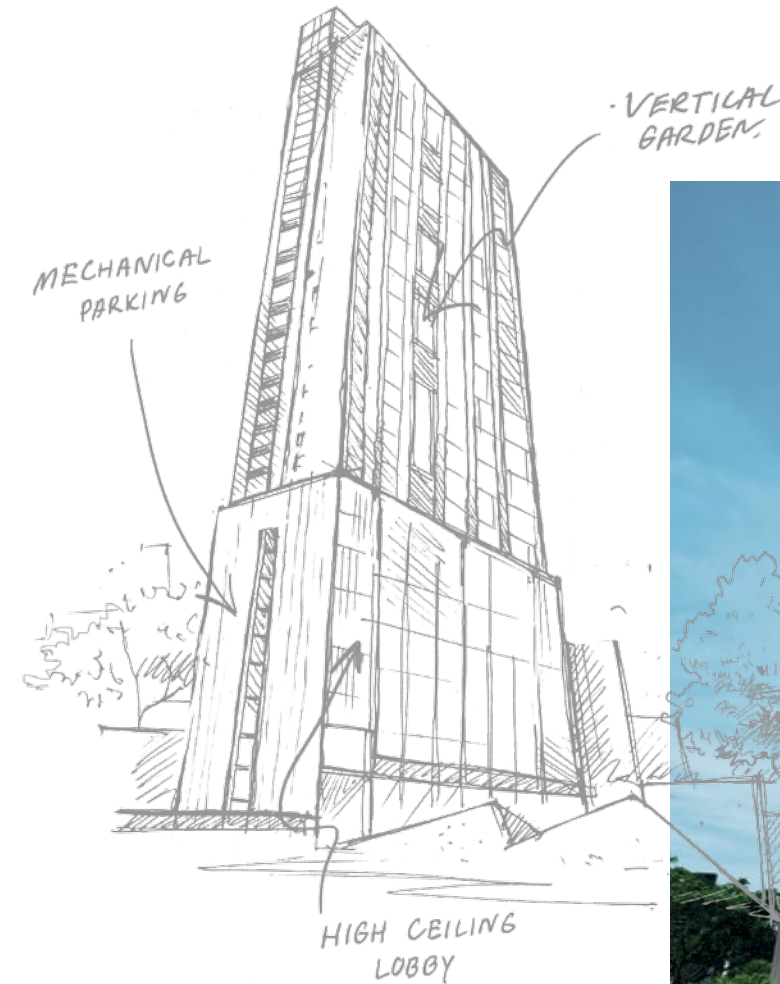
a space I.D.

Condominium in Downtown

Asoke - Ratchada

30 - storey condominium, equipped with
automatic car park innovation.
On a happy property of 32.84 - 72.10 sq.m.
Starting at 3.69 m Baht.

a space | I.D.



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a space ME

The Complete Living Space with
Lifestyle Neighborhood

Sukhumvit 77
Bangna
Rattana Thibet

Condominium in a joyful serenity.
25 - 35.44 sq.m.
Starting at 1.39 m Baht.

a space | IMI 

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Pickadaily Bangkok



Community Mall

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Areeya Lifestyle Club



Areeya
*life*STYLE
CLUB

Business Profile

Overall Business

Areeya Property Public Company Limited (the “Company” or “Areeya”), registration number 0107546000431, with the security symbol “A” on the Stock Exchange of Thailand. The principal business of the Company is the development of real estate projects by all projects operate in the named of “Areeya”. In year 2003, the Company registered as a public company. And then its security was listed in the Stock Exchange of Thailand in year 2004. In the current the Company has developed a full range of residential projects for supporting the growth of its business, to serve the need of customers and increasing competitiveness of the Company. The company has initiated to develop the community mall, wholesale building and retail building. In order to build component of residential as well for responding to the need of customers who want comprehensive project.

Type of Business

Areeya Property Public Company Limited operates its business with three product lines, namely:

1. Single Detached House Project:

The Company sells company-owned vacant plots of land and undertakes to contract for the construction of houses on plots of land in the said Project or sells plots of land on which a complete house is built. At the present, the Company owns eight projects

- Bussaba
- Sawana 3
- Areeya Metro Kaset-Nawamintr
- Areeya Como Bangna KM.8
- Areeya Como Bangna KM.10
- The Village Tiwanon
- The Village Cottage Ratchapruk
- Areeya Como Wongwan Ramintra

2. Town House Project:

At present, the Company has developed the townhouse project with three distinctive designs as follows:

Type	Project	Description
Two-Storey Design	<ul style="list-style-type: none">• The Colors Bangna Km10• The Colors Premium Bangna• The Colors Leisure Bangna Km8.• The Colors Leisure Bangna Km10.• The Village Bangna Km8• The Village Bangna Km10• The Colors Premium Rangsit• The Colors Songprapa Phase 1• The Colors Songprapa Phase 2• The Colors Tiwanon• The Colors Ratchapruk• The Colors Premium Ratchapruk• The Village Ratchapruk• Areeya At Home• The Colors Premium Wongwan Ramintra• The Colors Wongwan Ramintra• The Colors Bangna Wongwan• The Colors Premium Bangna Wongwan• The Village Bangna Wongwan	2-storey townhouse with 5.7 meters wide compartment to accommodate groups of customers who need residence for small-sized family and those would be new families. Currently, the Company has 6 project locations in Kaset-Nawamintr, Tiwanon, Bang-na, Rangsit, Songprapa and Ratchapruk respectively. Moreover, the Company is planning to increase project locations to meet similar demand to cover areas around Bangkok Metropolis and its peripheral areas. In addition, the Company has new two-storey townhouse product name as “The Village” which has key feature is a distinctive atmosphere that is similar to the single detached house because there is garden around house and front of house is wide for parking 2 cars.
Three-storey Design	<ul style="list-style-type: none">• Areeya Mova• Areeya ToBe• Areeya Daily• Areeya Brigg Donmuang-Songprapa	Townhouse project with 5 meters wide compartment and 5.5 meters wide compartment, 3-storey high, to meet the demand of small and medium family customers to provide them with alternative options. Currently, this project is located in one location in Kaset-Nawamintr and Don-muang Songprapa
Four-storey Design	<ul style="list-style-type: none">• Areeya Mandarina Sukhumvit 77• Areeya Mandarina Kaset-Nawamintr	Townhouse project with 5 meters wide compartment and 5.5 meters wide compartment, 4-storey high, to meet the demand of premium-grade townhouse customers who require larger utility areas with distinctive design to response to a variety of needs of this group of customers. At present, this project has two locations in Sukhumvit 77 and Kaset-Nawamintr.

3. Condominium Project.

The Company's salient product line is that it is centrally located in vicinity of urban area, of communication facilities and various public amenities to fully meet the needs of customers. The condominium projects focus on 3 distinctive designs as follows:

Type	Project	Description
The 8 storey condominium	• Space Asoke - Ratchada	The 7-8 storey condominium and each building had area of 10,000 sq.m. and is small and medium condominium projects. At the present, the Company's condominium project is located in 4 locations in Kaset-Nawamintr, Asoke-Ratchada, Sutthisan, Sukhumvit 77. Moreover, the Company is planning to increase its project locations to meet similar needs to cover all areas around Bangkok Metropolis.
	• a space Kaset-Nawamintr	
	• a space Sukhumvit 77	
	• a space Play	
	• a space ME Sukhumvit 77	
	• a space ME Kaset-Nawamintr	
The 8 storey condominium but less than 30,000 sq.m.	• a space ID Asoke - Ratchada	A medium condominium which had the privacy and increased other infrastructure projects. At present, the Company has five condominium project area located in Asoke-Ratchada, Bangna, Kaset-Nawamintr, Sukhumvit 77 and Rattanathibet.
	• a space Me Bangna	
	• a space Me Rattanathibet	
Over the 8 storey condominium and over 30,000 sq.m.	• Soontreeya	The large-sized condominium project emphasizing meeting the needs of premium customers group on central business district. Its sales point is private club to meet the needs of customers who require premium-grade services. At present, the Company has one project area located in Rajdamri road. Moreover, the Company is planning to increase its project locations to meet similar needs to cover all areas around Bangkok Metropolis.

The Revenue Structure

Our major income is sales of real estate such as condominium, townhouse and single detached house which is shown below:

Source of revenue	2015 Consolidated		2014 Consolidated		2013 Consolidated	
	MB	%	MB	%	MB	%
1) Sales of real estate						
1.1 Low-rise project	3,426	63	2,237	87	1,654	92
1.2 High-rise project	762	14	46	2	33	2
1.3 Land	1,210	22	154	6	65	3
Total sales of real estate	5,398	99	2,437	95	1,752	97
2) Service income from house construction and sales of construction material ¹	3	-	-	-	10	1
3) Other income ²	27	1	122	5	46	2
Total revenues	5,428	100	2,559	100	1,808	100

Notice : 1. Sales of construction material are less proportion when compared to the total revenues.
 2. The other income consists of the real estate management service income, interest income and unrealized gain in fair value on investment properties.

Industrial Situations and Real Estate Market Directions of 2016

Summary of Real Estate Market in 2015

As the year 2016 has officially arrived, several business sectors have expected that Thailand’s economic situations will soon recover. However, in 2015, the real estate market, particularly the residential segment, was able to see a flickering light after achieving splendid performances during the final quarter of the year. This was partly resulted from the government’s economic stimulus measures, such as the allocation of low-rated housing loans for low-income earners, with special discounts of transfer and mortgage fees (will be ended on April 30, 2016). Comparing to 2014, the real estate market was estimated to achieve a remarkable growth of 15% to 340 billion baht. In 2016, business investors have anticipated that the market trend will start to shift due to several positive factors.

As the real estate stimulus measure has remained effective from October 29,2015 to April 30, 2016, lasting for six months

approximately, the registration will be allowed for transfer and mortgage only. The transfer fee is decreased from 2% to 0.01% while the mortgage fee has been reduced from 1% to 0.01% as well. The campaign, which is available for owners of single houses, twin houses, semi-detached houses, commercial buildings, and apartments, will last for another four months only. Nevertheless, the condominium market experienced a slightly negative pressure last year. It was obvious that low to middle income earners became more cautious about their spending, particularly on residences. Contrastively, the luxury condominium market could achieve a continuing growth. Despite the skyrocketing prices, upper-class people still maintained their high purchasing power. Those luxury condos were expected to be situated in highly strategic locations, with the evolution of high-quality materials exceptional designs.

Quantity of Residences and Values by Price Classification Development in 2014-2015						
Selling Prices (million baht)	Number of Unit Value (million baht)			Value (million baht)		
	2014 2015 Alteration					
	2014	2015	Alteration	2014	2015	Alteration
Below 5 million baht	100,114	87,668	-12%	231,093	212,247	-8%
5-10 million baht	11,625	14,902	28%	76,687	98,897	29%
Above 10 million baht	2,355	5,420	130%	36,769	123,912	237%
Total	114,094	107,990	-5%	344,549	344,549	26%

Source: The Thai Real Estate Research and Assessment Center, Agency for Real Estate Affairs (AREA)

According to the overall aspect of 2014-2015, the achievement of high-priced residences wasn’t resulted from the booming aspect of the market. In fact, real estate developers and residential investors had determined to focus more on luxury residences than other types of dwelling places. However, in provincial areas, the luxury house market had experienced sluggish demand, which could be seen from the apparent slowdown of residential projects. Economic experts had forecasted that the real estate market in upcountry areas would continue to decline for another 2-3 years. Although this unusual situation wasn’t expected to carry on for too long, high-income people had been anticipated to decelerate their purchasing power, especially for high-priced products and services, in 2016 due to the prolonged recession and unrecovered economy, which might cause greater risks for business investors. In the same way, there was a high possibility for several condominium projects seen along the BTS or MRT routes to face an unexpected slump, believing they might exceed individuals’ actual demand in the near future.

Comparing to 2014, the new supply trend of 2015 unveiled the decreasing number of investment projects and units despite their rising values due to the existence of high-priced products in the market. However, the balanced supply in the entire market was estimated to be increased by 3% resulted from the entry of the new supply, which slightly coincided with the purchasing volume. As a result, the cumulative supply experienced a slight increase.

The demand or purchasing volume in 2015, compared to 2014, was expected to rise by 14%, in which 57% of the entire market was condominium, 26% was townhouse, and 12% was single house while the remaining 5% was other types of residences, such as twin house, semi-detached house, commercial building, and land. The average selling price in 2015 had increased by 34% comparing to 2014 as a number of high-priced products had been introduced to the market. Obviously, in the same year, the residential products valued over 5 million baht achieved a strong growth of 19% or the average price of 10.964 million baht.

Quantity of Residences and Values by Price Classification Development in 2015-2016						
Selling Prices (million baht)	Number of Unit			Value (million baht)		
	2015	2016	Alteration	2015	2016	Alteration
Below 5 million baht	87,668	81,531	-7%	212,247	199,512	-6%
5-10 million baht	14,902	15,647	5%	98,897	106,809	8%
Above 10 million baht	5,420	4,878	-10%	123,912	117,097	-6%
Total	107,990	102,058	-5%	435,056	435,056	-3%

Source: The Thai Real Estate Research and Assessment Center, Agency for Real Estate Affairs (AREA)

The above table unveils a forecast of general market situations in 2016. The housing products valued below 5 million baht are anticipated to face a 7% decline, those with the selling prices around 5-10 million baht will shift 5%, while luxury residences of over 10 million baht are expected to drop by 10% approximately. In 2016, it is expected that the number of residential projects will decrease 5% to 102,056 units while the total value has been forecasted to decline by 3% to 423,418 million baht. Economic experts have also anticipated

that the number of supply may continue to decrease if Thailand's economic situations are not recovered as it occurred in 2015. Nevertheless, the real estate market is believed to bounce back and see a brighter future as it is considered one of the most significant factors to drive economic growth for the country.

Influential Factors of Real Estate Market in 2016

Positive Factors

- The existence of decreasing interest rates.
- The government's real estate stimulus measures (reduction of tax, transfer fee, and mortgage fee) expected to benefit the completed projects except those accepting "free-of-charge transfer fee" throughout the year.
- The government's megaprojects that are not expected to be completed in the near future.
- Cheaper prices of real estate products compared to those available in other countries in the ASEAN region, but Thailand's current political situations may hinder business investors' purchasing power.

- The official establishment of the ASEAN Economic Community (AEC) is expected to stimulate foreign investors to generate greater investments in the real estate market.
- The reduction of deposit protection rate from 25 million baht to 1 million baht (effective from November 1, 2016), which will encourage people to pay greater attention in the real estate market.

Negative Factors

- The current sluggish economy and prolonged slowdown of exports and individual consumption resulted in the delayed decision in buying houses and other types of residences.
- The decreased purchasing power resulted from a person's fixed payments of expenditures and household debts.
- The costs of land development still remain relatively high.
- The confidence index of several business industries is estimated to decline gradually.
- Impacts of drought resulted in the decrease of agricultural products and cash flows, which severely affect the domestic economy as a whole.

Other important factors that make the real estate market more attractive are described below.

Greater expansion of Thailand's city areas.

- The government's long-term investments in megaprojects such as BTS and MRT as well as the establishment of special economic zones.
- Limited amounts of lands will stimulate the increasing selling prices in the long-term trend.
- New cost appraisal standards are expected to increase the lands' selling prices.

For the real estate's market trend of 2016, economic analysts and business entrepreneurs are still optimistic about the market expansion of at least 5% compared to the last year's achievement. The most positive factor is the real estate stimulus measures develop to facilitate people with decreasing transfer fee and mortgage fee. During the first four months of the year, real estate operators are expected to develop strategic sales plans to be prepared for the fierce business competition, as part of the goal to motivate buyers' decision making before the real estate stimulus measures are ended.

The directions of the real estate business will reveal the diversification of housing and residential products available in the market. Real estate investors will shift focus to low-rise construction projects such as single houses and townhouses as the condominium market has suffered the unsuccessful sales volume and price speculation. According to the survey, for instance, L.P.N. Development Public Company Limited

has forecasted that new condo projects of around 60,000-65,000 units will be introduced to the market with higher selling prices while BTS route-based condos, particularly in Sukhumvit areas, are still attractive among local and foreign business people. At present, Land & Houses Public Company Limited, Sansiri Public Company Limited, and Ananda Development Public Company Limited have all prepared to announce the launch of their brand-new condominium projects in the heart of Sukhumvit area, with the skyrocketing prices of 200,000-500,000 baht per square meter.

It is greatly essential to keep an eye on the real estate market, especially after the effective period of the stimulus measures. Without the government's tactical supports, business entrepreneurs are required to develop new strategies to achieve their expected sales targets and market shares. However, under the current economic situations, any positive or negative aspects can possibly be expected.

Risk Factors and Risk Management

The Company understands and realizes how important it is to manage the business risks. Therefore, the risks are identified appropriately and managed efficiently suitable for nature of business. Followings are the potential risks and factors, which possibly occur and affect to the business operations in the future.

1. Property Construction Risks.

1.1 Fluctuations in the prices of construction materials

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 6-7 months to control the risk of fluctuations in material prices as well. Regarding condominium projects which must be at least 1-2 years of construction, the Company has already included fluctuations in prices and inflation rate in cost of construction according to the economic situation.

1.2 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.

1.3 Quality and standard of construction work

The Company monitors extremely on the quality and standard of its construction work as it is another key success of the Company. In order to minimize work redundancy and use of resources as well as increasing the competitive ability and potentiality of business, 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.

1.4 Human resources and people management

The Company Management and Committee encourage the concept of self-esteem and self-worth recognition by giving opportunities to all employees to show their work capabilities and potentials as well as sharing knowledge for growth and sustainability of the organization. The concept also helps to leverage the corporate responsibility for stakeholders and entrepreneur spirit.

The Company has a recruitment plan as approach strategy to find qualitative candidates from reputable universities. The roadshow is part of a campaign to seek and attract high-performing graduates to work at the Company. In this regard, the educational program, on the job training, food and accommodation welfares are also provided to all staff of the Company.

Moreover, the Company currently uses the Microsoft Dynamics AX (ERP) which is the tools to connect and manage

the entire business, with the insight to make smart decisions, to search data quickly, to reduce paper use and reduce the risk of lost or stolen documents.

1.5 Labor shortage in construction industry

As the company has operated its business for a long period of time, we have successfully stockpiled our labors and contractors at the highly appropriate amount. Despite the fact of rising and falling economic aspects, 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.

1.6 Life and property protection

We have always recognized the importance of occupational health and safety as well as life quality development of our workforces as they are considered one of the most significant factors in achieving the quality construction business and renowned reputation. To reduce all possible risks, the company has set its sight to turn its weakness to strength by pursuing the following requirements.

- Allocate appropriate welfares for construction workers while offering greater out-of-school educational opportunity for their children.

2. The risk of purchasing land for development projects in the downtown area.

The majority of the Company. It is located near the city center. To make it easier for customers to access housing in the project can get out easily. The land is a community center for the company. The developer wants to build the project. And lands in the areas are limited. As for how to hedge the Company has long-term planning is already the company has purchased land in the downtown area in the capacity to plan construction projects that will be held in future also. The company also has a team of market research and analysis that are likely to increase as the growth of business and community facilities such as agriculture – Chaengwatana, Kaset-Nawaminr, Bangna-Trad, Songprapa Rangsit and Kanjanapisak-Ratchapruk etc.

- Encourage all workers to take care of their residential shelters, especially in creating greater awareness in tidy and hygienic living, with the offers of suitable benefits.
- Provide knowledge on occupational health and safety for construction workers, requiring the entrepreneur to prepare supportive equipment and tools promptly and appropriately.
- Educate all workers with public health knowledge, with the requirement of health check-up, provided by a team of professional physicians certified with medical or occupational medicine licenses approved by the Labor Ministry, to reduce occupational risks and ensure workers' operational abilities prior to the actual construction operations.
- Introduce a health check-up program to all construction workers at least once a year to minimize risks on occupational health and safety.

3. To a specialized market for condominiums.

Selling condominiums before commencing construction not only reduces market risk, while giving the Company more flexibility in developing products to cope with changing market conditions. It also provides the Company with working capital. Nevertheless, pre-selling of condominiums bears the risk of unexpected construction costs that cannot be passed on to buyers, as sales prices have already been finalized. Therefore, lower gross profit is an inevitable consequence of higher construction costs. The Company has mitigated the risks by negotiating turnkey construction contracts, enabling the Company to control construction cost more effectively and to protect profits from the uncertainties of rising construction material costs.

For the year 2014, the Company has projects currently under construction, 9 projects of 6,969 units. To date the company has proven to be the Company. Can become one of the Company. Leading real estate. The house condominiums and townhouses. And is committed to creating quality work like this to.

4. The risk of a shareholder of the company.

The Company's major shareholders were the Laohapoonrungsee family and Porncharoenchaisilp family will hold shares 43.95 percent and 19.58 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.

5. Financial risk.

As at December 31, 2015, the Company had short-term loans of Baht 1,610.31 Million, including bank overdrafts of Baht 19.77 Million, Promissory notes of Baht 310 Million and bills of exchange of Baht 1,280.54 Million. Also, the Company had long-term loans of Baht 1,624.91 Million from financial institutions to invest in condominium, townhouse and single detached house and debentures of Baht 5,505.94 Million. The company has bank debt to equity ratio equal to 1.60 times in 2014, increasing from 1.05 times in the year 2015. For debt to equity, it equals to 3.16 times in the year 2015 & 2014. The Company had financial risk increased when compared to the previous year. So the Company provides alternative sources of funding and to reduce the dependence on floating interest rate project-financing loans, the Company issued the fixed rate unsecured debentures worth of Baht 2,000 Million with a cost of funds under other unsecured financing loans in 2015. Good response from customers and successful placement of the debentures provided the Company with alternative source of funding for future project development.

6. 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, according to “Debenture of Areeya Property Public Company Limited No. 1/2013 shall be due for redemption in 2016”, “Debenture of Areeya Property Public Company Limited No. 1/2014 shall be due for redemption in 2017”, “Debenture of Areeya Property Public Company Limited No. 2/2014 shall be due for redemption in 2017, where the issuer can announce the redemption prior to the actual due date”, “Debenture of Areeya Property Public Company Limited No. 1/2015 shall be due for redemption in 2016, and “Debenture of Areeya Property Public Company Limited No. 2/2015 shall be due for redemption in 2018 where the issuer can announce the redemption prior to the actual due date”. In addition, it is also required to pay attention to No. 6.2 Obligations of Debenture Issuer and 6.2.11 Financial Conditions, for the debentures were issued on April 12, 2013, April 11, 2014, October 31, 2014, April 2, 2015, and October 22, 2015, respectively.

On December 31, 2015, the company had held the shareholders' net debt to equity of 2.83 times, which can fully comply with the aforementioned requirements. However, the company has prepared financial supportive measures, including 1) Capital Increase Plan 2) Debt Repayment Plan and 3) Short-term Bond Yield Plan, to maintain the ratio. Meanwhile, the company has also developed efficient policies to maintain the shareholders' net debt to equity and capital structure at the appropriate ratio.

On February 27, 2015, the committee meeting No. 2/2015 had agreeably proposed the resolution to the annual general meeting of shareholders to approve an increasing registered capital from 980 million baht to 1,200 million baht, with the issue of new common shares, totaling 220 million shares, in which the said proposal shall be considered general mandate.

General Information

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Company Name	: Areeya Property Public Company Limited
Type of Business	: Development of real estate
Head Office Address	: 999 Praditmanutham Road, Khwang Saphansong, Khet Wangthonglang, Bangkok 10310
Company Registration No.	: 0107546000431
Authorized Share Capital	: 1,200,000,000 common shares, Baht 1 per share, Total authorized share capital Baht 1,200,000,000, Paid-up share capital Baht 980,000,000
Home Page	: www.areeya.co.th For more details about a space condominium project, please visit www.aspace.co.th For more details about the colors town home project, please visit www.thecolors.co.th For more details about Areeya Daily town home project, please visit www.areeya.co.th/townhome For more details about Village Town, please visit www.areeya.co.th/villagetown For more details about Single home, please visit www.areeya.co.th/singlehome For more details about the community mall project, please visit www.pickadailybkk.com
Telephone	: 02-798-9999, 1797
Facsimile	: 02-798-9990
Auditor	: KPMG Phoomchai Audit Ltd. 48th-51st Floors, Empire Tower, 1 South Sathorn Road, Sathorn, Bangkok 10120

Security Registrar	: Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Khwang Klongtoey, Khet Klongtoey, Bangkok 10110 Tel 66(02) 229-2000
Legal Advisor	: Kunnatham Law Office 72/2-3 Sutthisanwinitchai Road, Samsen-Nok, Huay-Kwang, Bangkok 10310 Tel 66(02) 274-7529-30 Fax 66(02) 274-7638
Main Bank	: Saim commercial bank Public Company Limited Bangkok Bank Public Company Limited Bank of Ayudhya Public Company Limited Krung Thai Bank Public Company Limited Kiatnakin Bank Public Company Limited Tanachart Bank Public Company Limited

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Subsidiary

Company Name	Type of Business	Authorized Share Capital	Shareholding Percentage (%)
Areeya Service Co., Ltd. 999 Praditmanutham Rd., Saphansong, Wangthonglang, Bangkok 10310 Telephone 0-2798-9999 Facsimile 0-2798-9990	After sale service for property	1,000,000 common shares, Baht 10 per share Total share capital Baht 10,000,000	99.99
One Up Co., Ltd. 999 Praditmanutham Rd., Saphansong, Wangthonglang, Bangkok 10310 Telephone 0-2798-9999 Facsimile 0-2798-9990	Construction Service	10,000,000 common shares, Baht 10 per share Total share capital Baht 100,000,000	99.99
Areeya Management Co., Ltd. 999 Praditmanutham Rd., Saphansong, Wangthonglang, Bangkok 10310 Telephone 0-2798-9999 Facsimile 0-2798-9990	Development of real estate projects and property management	6,500,000 common shares, Baht 10 per share Total share capital Baht 65,000,000	99.99
Cool Space Co., Ltd. 999 Praditmanutham Rd., Saphansong, Wangthonglang, Bangkok 10310 Telephone 0-2798-9999 Facsimile 0-2798-9990	Development of real estate projects	6,000,000 common shares, Baht 10 per share Total share capital Baht 60,000,000	99.99
White Living Co., Ltd. 999 Praditmanutham Rd., Saphansong, Wangthonglang, Bangkok 10310 Telephone 0-2798-9999 Facsimile 0-2798-9990	Development of real estate projects	6,500,000 common shares, Baht 10 per share Total share capital Baht 65,000,000	99.99
Chill Space Co., Ltd. 999 Praditmanutham Rd., Saphansong, Wangthonglang, Bangkok 10310 Telephone 0-2798-9999 Facsimile 0-2798-9990	Development of real estate projects	100,000 common shares, Baht 10 per share Total share capital Baht 1,000,000	99.99
Areeya Convenience Store Co., Ltd. 999 Praditmanutham Rd., Saphansong, Wangthonglang, Bangkok 10310 Telephone 0-2798-9999 Facsimile 0-2798-9990	Retail Business	10,000 common shares, Baht 100 per share Total share capital Baht 1,000,000	99.99

Shareholders
Structure and
Management

Shareholders Structure

• Ordinary Shares

The Company’s registered capital, as of December 31, 2015, is Baht 1,200 million, with issued and paid-up capital of Baht 980 million, consisting of 980,000,000 ordinary shares at the par value of Baht 1 per share.

• Shareholders

The ten largest shareholders as of December 31, 2015 are as follows:

No.	Name	No. of shares	%
1	Laohapoonrungsee Family*	442,748,096	45.18%
2	Mrs. Patcharee Porncharoenchaisilp	191,859,101	19.58%
3	PROGRESSIVE OPULENT HOLDING (SINGAPORE) PTE. LTD.	60,000,000	6.12%
4	Mrs. Patcharanun Pinyochaianun	45,876,000	4.68%
5	Ms. Kanlaya Srisamer	45,793,900	4.67%
6	Mr. Thakorn Nitipanyawut	29,890,600	3.05%
7	Mr. Thawat Tantivorasit	25,073,501	2.56%
8	Mr. Amnard Chantanupong	21,179,000	2.16%
9	Mr. Veerasak Kunpin	20,000,009	2.04%
10	Mrs. Niphapat Romerattanaphun	19,400,000	1.98%
Total		901,820,207	92.03%

* Laohapoonrungsee Family consists of (1) Mr. Wisit Laohapoonrungsee hold 320,897,000 shares, 32.74% of the paid-up capital and (2) Mr. Viwat Lauhapoonrungsri hold 121,901,096 shares, 12.44% of the paid-up capita

Management

Management Structure

The Company’s management structure consists of the Board of Directors, the Audit Committee and the Executive Committee, which are described below:

1. Board of Directors

As of December 31, 2015, there are seven directors as the names were shown below:

No.		Name	Position	Number of attended meetings/ all meetings of year 2015
1.	Mr. Wisit	Laohapoonrungsee	Chairman of the Board of Director	7/7
2.	Mrs. Niphapat	Romerattanaphun	Director	7/7
3.	Mr. Thun	Thiansuwan	Director	7/7
4.	Mr. Viwat	Lauhapoonrungsi	Director	6/7
5.	Mr. Wanchai	Tantikul	Independent Director	7/7
6.	Mr. Preecha	Boonyakida	Independent Director	7/7
7.	Mr. Sompol	Thiensuvan	Independent Director	7/7
Total number of meetings				7

Authorized signatories are Mr. Wisit Laohapoonrungsee or Mrs. Niphapat Romerattanaphun or Mr. Thun Thiansuwan or Mr. Viwat Lauhapoonrungsi, two directors in four directors signing together with affixing the Company’s seal.

Scope of duty and responsibility of the Board

1. To perform their job legally and follow the company objectives and rules 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 appoint 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, 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 committee

As of December 31, 2015, there are three Audit Committee directors which are appointed from the Board meeting were shown below:

No.		Name	Position	Number of attended meetings/ all meetings of year 2015
1.	Mr. Wanchai	Tantikul	Chairman of Audit Committee	12/12
2.	Mr. Preecha	Boonyakida	Audit Committee	12/12
3.	Mr. Sompol	Thiensuvan	Audit Committee	12/12
Total number of meetings				12

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 and recommend 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, without the management team being present.

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 of December 31, 2015, Executive Committees of the Company consist of four executive committees as follow:

No.	Name	Position	Number of attended meetings/ all meetings of year 2015	
1.	Mr. Wisit	Laohapoonrungsee	Chief of Executive Committee	20/27
2.	Mrs. Niphapat	Romerattanaphun	Executive Director	27/27
3.	Mr. Thun	Thiansuwan	Executive Director	27/27
4.	Mr. Viwat	Lauhapoonrungsi	Executive Director	27/27
Total number of meetings				27

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 tine work.
8. To run other business activities as the Board assigned.

4. Management Team

As of December 31, 2015, the management team of the Company consists of eleven top executives:

No	Name		Position
1.	Mr. Wisit	Laohapoonrungsee	Chairman and Chief Executive Officer
2.	Mr. Anat	Pinrat	FEVP – Finance & Accounting Department
3.	Mr. Archawan	Eiampaiboonphan	EVP - Construction Department
4.	Ms. Usarapon	Jaroensawamipak	VP – Marketing Department
5.	Mr. Kunlapan	Saenpipat	VP – Construction Department
6.	Mr. Jiraroj	Wonglerttanakij	VP – Legal Department
7.	Mr. Akerut	Sakhakorn	VP – Finance Department
8.	Mr. Veerayooth	Bodharamik	VP – Government Coordination
9.	Dr. Thaweerak	Kinsukont	VP – CmRM
10.	Mr. Sumet	Chansomsalit	VP – Business Development Department
11.	Mr. Sayapong	Voranatipro	VP – Living Design Department

5. 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

One-up Co., Ltd.

No.	Name		Position
1.	Mr. Wisit	Laohapoonrungsee	Chairman
2.	Mr. Viwat	Lauhapoonrungsi	Director
3.	Mr. Archawan	Eiampaiboonphan	Director
4.	Mrs. Niphapat	Romerattanaphun	Director

Areeya Management 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

Cool Space 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

White Living 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

Chill Space 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

Areeya Convenience Store Co., Ltd.

No.		Name	Position
1.	Mr. Wisit	Laohapoonrungsee	Managing Director
2.	Mr. Viwat	Lauhapoonrungsi	Director
3.	Mrs. Niphapat	Romerattanaphun	Director

6. 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.

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.

Payment Approval Authority

The Board of Directors has determined the payment approval authority for the company's normal course of business, financing, credit facility requesting, including mortgaging with the details as follows:

	Payment Approval Authority	
	Normal course of business	Financial transactions
	transactions	
Chief Executive Officer	Not over Baht 100 Million	Not over Baht 100 Million
Executive Committee	Not over Baht 600 Million	Not over Baht 600 Million
Board of Directors	No Limit	No Limit

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

As of September 30, 2015, The Board of Directors has determined the payment approval authority for the company's normal course of business, financing, credit facility requesting, including mortgaging with the details as follows:

	Payment Approval Authority	
	Normal course of business	Financial transactions
	transactions	
Chief Executive Officer	Not over Baht 500 Million	Not over Baht 500 Million
Executive Committee	Not over Baht 1,500 Million	Not over Baht 1,500 Million
Board of Directors	No Limit	No Limit

7. Secretary of the Company

The Secretary of the Company is Mr. Anat Pinrat. By scope of duty and responsibility are as follows:

Scope of duty and responsibility of the Secretary of the Company

1. Monitor the activities of the Board to perform their job legally and follow the rule and regulation.
2. Establish the Board of Directors’ Meeting and the Shareholders’ Meeting, including Invitation of Shareholders’ Meeting.
3. Maintain information and document of the Company.
4. Prepare Annual Report.
5. Follow the Regulation of The Security and Exchange Commission, Thailand.

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.

Remuneration of Directors

1. Monetary Remuneration.

1.1 Director Remuneration

In 2015, the Company paid remuneration in the following:

(Unit : Baht)				
No.	Name		Position	Amount
1.	Mr. Wisit	Laohapoonrungsee	Chairman and Chief Executive Officer (CEO)	-
2.	Mrs. Niphapat	Romerattanaphun	Director and Executive Director	-
3.	Mr. Thun	Thiansuwan	Director and Executive Director	-
4.	Mr. Viwat	Lauhapoonrungsi	Director and Executive Director	-
5.	Mr. Wanchai	Tantikul	Independent Director and Chairman of Audit Committee	615,000
6.	Mr. Preecha	Boonyakida	Independent Director and Audit Committee	615,000
7.	Mr. Sompol	Thiensuvan	Independent Director and Audit Committee	615,000

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

In 2015, the Company spent Baht 48.2 Million including salary, bonus and provident fund on fourteen members for the Executive Committee and Management Team.

2. Other Remuneration

-None -

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.

Internal Control

In the Audit Committee Meeting No. 2/2016 held on February 26, 2016, 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 2015 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. 2/2016 held on February 26, 2016.

The Company provides 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.

Corporate Governance Policies

In addition, the company's auditor is KPMG Phoomchai Audit Limited, the auditors for fiscal year 2015 to review the efficiency of company's internal control, and found no significantly deficiencies in the company's internal control system.

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.

Board of Directors Meeting No. 3/2016 passed a resolution to pay a dividend of Baht 0.04 per share from the result of its 2015 operation to the Company's shareholders, totaling Baht 39,200,000 million.

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.

Non-Violation Intellectual Property Policy

The company has efficiently developed a set of internal policies and regulations to prevent the violation of intellectual properties, where all executives and employees are compulsorily required to understand and comply with the policies and regulations since their very first working day. There will be a computer utilization inspection conducted on a yearly basis to avoid unexpected errors related to intellectual property infringement while determining legal punishment for all offenders in this regard.

Additionally, the company has pursued rules and regulations based on good corporate governance guidelines issued by the Stock Exchange of Thailand (SET). In 2015, the good corporate governance guidelines could be categorized in 5 major scopes detailed below.

Scope 1: Rights of Shareholders

The company had determined to treat all shareholders equally and fairly, with regard to their rights. Considered the most significant factor, the shareholder meeting is basically held to foster unbiased treatments of shareholders and facilitate them with the most appropriate date, time, and venue of the meeting. Meanwhile, it was required to keep all shareholders informed about meeting agendas in a sufficient and timely manner prior to the actual meeting date, regardless of the notification letter of the shareholder meeting describing main objectives and reasons of each particular agenda. The Committee of the shareholder meeting had announced opinions and comments of the agendas to all shareholders within 14 days prior to the actual meeting date in accordance with the company’s regulations No. 29, citing the announcement of shareholder meeting. The company also introduces official documents related to the shareholder meeting on the website www.areeya.co.th within the minimum period of 30 days prior to the actual meeting date.

The Chairman of the meeting had prompted the meeting time sufficiently and appropriately while proceeding with important items of the agendas. During the meeting, the Chairman will encourage all shareholders to openly express their opinions and ask questions on the company’s business operations and other related matters in the meeting.

The Chairman and other committee members (if necessary) had all participated in the meeting to answer all questions raised by shareholders.

The company also remains firm in operating its business based on efficiency, transparency, and accountability to ensure the highest benefits for shareholders and the appropriate disclosure of information to other related parties.

Scope 2: Unbiased Treatments of Shareholders

The company is set to provide a great opportunity for shareholders to propose advanced inquiries via the company’s website and to the investor relations department and nominate general and audit committee members prior to the shareholder meeting, which is required to be announced within 30 days prior to the actual meeting date or as required by law.

In addition, the company also allows minor shareholders to nominate a person to be qualified for the position of the committee member or add meeting agendas prior to the actual shareholder meeting date. All general and audit committee members and other related executives are required to attend every shareholder meeting. The Chairman will consider each meeting agenda and casted a vote for mutually approved resolutions. The company announces the expected results required for each meeting agenda prior to the vote to ensure voting transparency and accuracy. Also, the company has invited a team of independent counsel officials to carry out the ballot counting while welcoming voluntary representatives of the shareholders to facilitate the counting by using a bar-code reading technology.

The company’s Committee had promptly prepared meeting minutes with important details, including explanatory statements, inquiries, comments, and targeted voting results, to be featured in each meeting agenda. Meanwhile, the company also completed a shareholder meeting report within a specified period of time required by law, with the application of effective report storage system developed to reaffirm transparency and accountability. To provide greater accuracy for all reports, the company had determined to formulate its new vote casting and ballot counting systems.

In case that any shareholder is unable to attend the meeting, the company will provide an additional alternative for the shareholder to selectively appoint one independent member of the Committee from the entire group of members of the Committee to legally act on behalf of the shareholder, which is previously preferred by many shareholders. If the shareholder is still not available, the company will apply the use of voting ballots for a special important agenda.

Scope 3: Roles and Responsibilities of Stakeholders

The company had always recognized the importance of respecting the rights of all stakeholders, varying in employees, creditors, customers, vendors, shareholders, auditors, independent appraisers, government officials, and other people living in the surrounding communities. The company strategically maintained its long-standing reputation under has the concept “Areeya Admires You” to ensure that all stakeholders could obtain the highest satisfaction and impression of services on a regular basis. Apart from the aforementioned ideas, the company also emphasized on further development of environmental and energy conservation policies.

Shareholders:
Obviously, the company had offered to offer the most attractive and appropriate returns to all shareholders by generating outstanding performances and business development efficiently and consistently. Backed by the effective internal audit system, the company can also ensure the protection of organizational benefits, especially for its shareholders as a whole.

Customers:
In 2015, the company had remained firm to focus on its corporate customers and treat them like “members of the Areeya family”, thanks to all productive performances of the after-sale service team consisting of Call Center, After-Sale Service (AS), Customer Management (CM), and Customer

Relations Management (CmRM). With mutual corporate goals, the company had set its sight to keep promoting its fast and reliable after-sale services guaranteed by high-quality standards, as part of the intention to offer the best home-living experience and the highest satisfaction to all Areeya members.

Creditors and Partners:
With a clear focus on fairness and transparency, the company had developed its strategic policies in selecting business contractors or partners who can strictly comply with commercial terms and conditions while seeking the most effective solutions for all problems, varying in providing knowledge-sharing programs, seeking reliable sources of finance by cooperating with local banks as the contractors could use their task delivery and completion reports as collaterals for making loan requests, and allocating sufficient equipment and tools for the contractors in case of supply or liquidity shortage.

Competitors:
The company had given its concrete support to the free trade agreement policy emphasizing mainly on fair and acceptable rules to avoid dishonest practices that may lead to unfair trade advantages.

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.

Community, Society, and Environment:
The company had basically recognized the significance of developing corporate strategies for social and communal responsibilities, as part of the goal to express serious concerns over environmental impacts which might be

resulted from the company's business practices. The company has reiterated its intention to operate the business with full responsibilities towards the community, society, and environment while strictly complying with all related rules and regulations.

Scope 4: Transparency and Disclosure of Information

The company emphasized 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 had 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 included 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 had 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 had appointed members of the Internal Audit Committee, who were not considered the company's executives, to be responsible for the quality of financial reporting and internal controls. The Internal Audit Committee's approval could be seen in the internal audit reports already listed in the annual report and annual registration statement (56-1 form).

Scope 5: Responsibilities of the Board of Directors

The Board of Directors is responsible for determining policies and guidelines for the consideration and approval of business strategies, goals, plans, and budgets while supervising the management team to get all tasks carried out in accordance with the requirements efficiently and productively. In the meantime, the Board of Directors is authorized to grant its financial approval for the company's normal business and financial transactions, such as requesting for loans from commercial and investment banks as well as being qualified to be a guarantor.

Additionally, the Board of Directors had delegated its authority to the Executive Committee and Managing Director to be responsible for various required tasks in accordance with their scopes of authority, duty, and responsibility. The mandate of authority is not considered the power delegated to the Executive Committee, Managing Director, or attorney-in-fact to grant an approval for any business transaction related to any stakeholder or person with conflicts of interest (approved by the SEC) unless it was considered an approval for a certain business transaction in compliance with the company's business policies, directions, and guidelines previously approved by the Board of Directors. The mandate of certain business transaction is required to be in accordance with normal trade or business practice policies

to prevent conflicts of interest and unfair business practices that might cause difficulties to the company. As a result, the company had issued new guidelines for the standards of business ethics, particularly for executives and employees, emphasizing mainly on honesty and integrity in dealing with customers, suppliers, partners, and other third parties. It is compulsory to protect the company's assets and intellectual properties appropriately. Nobody will be allowed to disclose any confidential information to any third party without authorized permission or trade the company's securities with the use of internal information not already disclosed to the public.

In addition, if there will be a case of interconnected transactions, the company will primarily consider the appropriateness prior to the actual implementation of each transaction in a cautious manner on a regular basis and will strictly abide by the SET's rules and regulations while preparing to disclose such transactions in the annual report and annual registration statement (56-1 form).

The company had appointed a similar person to be the Chairman of the Board of Directors, Executive Committee, and Managing Director. However, for any transaction not considered the company's normal business implementation, the final consideration will be made and reviewed by the Board of Directors consisting of 3 independent authorities. The decision in various investment projects, including the purchase of land for development, will be reviewed and approved by the Board of Directors to ensure no direct or indirect unfair benefits and illegal stakes related to the company's financial and management practices.

Similarly, the Board of Directors is required to hold a meeting on a regular basis, in which each meeting should be equipped with adequate meeting information and details prepared by the management team to support further discussions and insights of the Board of Directors. In the meeting, the Chairman will generally allow the Board of Directors to spend an appropriate period of time in considering each agenda carefully and provide productive

comments openly. It is also necessary to record all meeting minutes in a written form and keep each report in a safe place ready for inspection or review at any time. In 2015, there are totally 7 Board of Directors' meetings, with significant attendance details specified in the topic on compensations for the Board of Directors and Executives.

The Internal Audit Committee also holds a the meetings regularly too. The Committee had considered the selection and nomination of auditors and remuneration for auditors commenting in the interim financial reports and annual financial statements, where the auditors are required to proceed with the review and audit in accordance with acceptable accounting standards. It is truly necessary to disclose the information of financial statements before proposing them to the Board of Directors for consideration. According to the company's apparent requirements, it is required to make a complete revision on the interconnected transactions and consider the appropriateness of regulatory plans, internal audits, and internal monitoring systems developed by the internal audit department while providing productive advices for the improvement of internal controls to be presented to the management. Additionally, the Internal Audit Committee has presented the adequacy assessment of the internal control system to the Board of Directors for consideration. In 2015, there were totally 12 Internal Audit Committee's meetings, with significant attendance details stated in the topic on compensations for the Board of Directors and Executives.

Actually, the Board of Directors hasn't prepared to announce the Nominating Committee and Remuneration Consideration Committee during this period of time as there is only a small number of the Board of Directors and a meeting can simply be called in an ordinary manner. Meanwhile, the company's Board of Directors is required to strictly pursue the Code of Best Practices of Listed Companies, including the compliance with relevant laws and regulations, organizational regulatory requirements, honesty and responsibility towards the company and its shareholders, knowledge and skills in generating desirable business operations, accountability towards financial reporting, and so on.

Social Responsibilities

For the entire operating period, the company has consistently focused on the development of business operations based on the principles of social responsibilities to ensure greater business integrity and sustainability. In 2015, the company is committed to developing all operational processes to unveil its social responsibilities through the “CSR in Process” strategy reflecting the genuine development of newly evolved products and services with greater value added to meet all customers’ needs.

Moreover, the company has recognized the importance of expressing social participation and responsibility on a regular basis. The company is seriously committed to operating the business with responsibility and consciousness towards the society and its environment while remaining firm to comply with all relevant rules and regulations.

In 2015, the company has determined to focus on its corporate customers and treating them like “members of the Areeya family”, thanks to the productive performances of the after-sale service team consisting of Call Center, After-Sale Service (AS), Customer Management (CM), and Customer Relations Management (CmRM). With mutual corporate goals, the company has set its sight to keep promoting its fast and reliable after-sale services guaranteed by high-quality standards, as part of the intention to offer the highest satisfaction to all customers.

Sustainable Development Strategies

Areeya has studied the principles of sustainable development in various aspects since 2013, aiming to stimulate learning, adaptation, and development starting from the root of foundation, leading to the newly evolved business strategy known as “Areeya Way” launched to achieve the targeted goals to grow consistently, prosperously, and sustainably. The new strategy consists of the following principles.

1. **Encouraging Commitment and Faith** – This strategy unveils the development of fundamental processes in building confidence and trust for stakeholders directly related to the accomplishment of business partners and consumers at large.
2. **Thinking and Building Together** – The strategy offers a great opportunity in achieving mutual goals to generate further development consistent to the context of effective management of the development project areas.
3. **Generating Consistent Development** – Developed to focus on the changing contexts of both internal and external situations, this strategy will lead to greater product development secured by the use of modern technology and quality management to reduce redundant costs while increasing efficiency consistently and appropriately.
4. **Possessing Areeya DNA** – This strategy focuses on the development of personnel recruitment to promote Areeya's long-standing reputation, where all selected personnel are required to possess sound knowledge, genuine expertise, and true faith towards the Areeya world.
5. **Fostering Sustainable Happiness** – The strategy concerns with the communal development and management aiming to transform urban areas into cities of beauty, cleanliness, and safety, as part of the goal to foster sustainable happiness for people dwelling in all communities.

Sustainable Development and Management

The framework for sustainable development has been designed to connect to the company’s corporate strategies conforming to the following aspects in an important and balanced manner.

Social Aspect

Ensures the awareness on social impacts occurred to the project development areas while stimulating people’s better quality of life considered as Areeya’s strong intention to provide the society with greater happiness and wellbeing.

Environmental Aspect

Strictly adheres to the provisions of laws, develops effective solutions for environmental problems, and seek guidelines for eco-friendly business practices in both short and long runs.

Economic Aspect

Is developed to serve the expansion of the real estate industry by increasing career opportunities and maximizing the quantum-leap achievement to support the economic growth of the country.

In addition, the sustainable development and management will be achievable in accordance with the abovementioned aspects by determining the correct impacts and stakeholders clearly before contributing to the framing guidelines, organizational goals, and achievement indicators to keep pace with further development accurately and precisely.

Evaluation of Stakeholders’ Important Issues

Stakeholders' significant issues concern with the company's business operations towards the achievable organizational goals consisting of several related aspects fostered to facilitate the business implementation in the previous year, which can be categorized into various segments as follows:

Stakeholders		Procedures	Expectations	Responses	Results
Customers	Home and building buyers (members)	<div><div>- Make a courteous visit to members.</div><div>- Conduct a research to seek further information.</div><div>- Evaluate the members' satisfaction.</div><div>- Maximize communication channels.</div></div>	<div><div>- Home and building are maintained in good quality.</div><div>- Cleanliness of the development project is always expected.</div><div>- Security procedures should regularly be available according to the required standards.</div><div>- After-sale services should be provided in a fast, reliable, and efficient manner.</div></div>	<div><div>- The A construction control system can comply with the required standards.</div><div>- Effective auction management of security zones.</div><div>- Evaluation system is developed for the management of suppliers, security officers, gardening, and housekeeping tasks.</div><div>- Achievement of 100% control and customer satisfaction to guide the after-sale service goals.</div><div>- Database management and call center systems.</div><div>- CRM activities and special privileges for members of “Areeya and You” card provided throughout the year.</div><div>- Member and community database developed by the use of the Master Plan system.</div></div>	<div><div>- Home and building certified with the 0-defect acceptance system.</div><div>- Security team certified with required standards.</div><div>- Evaluation results creating influence on the management of security, gardening, and housekeeping officers efficiently and consistently.</div><div>- Evaluation result is maintained at the highly acceptable rate of > 85%.</div><div>- Requesting for repair or maintenance and filing complaints complying with the required standards.</div><div>- Possess up-to-date information of current residential members to facilitate the after-sale services leading to greater achievement of development projects.</div><div>- One of the three housing development projects is nominated to the city development project contest (result will be announced in 2016).</div></div>

Stakeholders		Procedures	Expectations	Responses	Results
Customers	General consumers	<div><div>- Marketing research</div></div>	<div><div>- Products complied with requirements.</div><div>- Attractive promotion for home and building buyers.</div><div>- Fast and easy-to-access information.</div></div>	<div><div>- Develop products to satisfy various needs with different contexts.</div><div>- Determine attractive selling prices and promotional campaigns consistent to customers' needs.</div><div>- Foster good collaboration with local banks to promote attractive loan campaigns.</div><div>- Maximize communication channels with the use of modern technology.</div></div>	<div><div>- Provide alternative products with the attractiveness of project types, prices, and locations.</div><div>- Maximize the walk-in and online registration volumes to support the quantum-leap achievement.</div><div>- Reduce excessive costs and marketing expenses by relying on modern technology.</div></div>
Partners	<div><div>- Contractor companies</div><div>- Suppliers</div></div>	<div><div>- Hold official meetings on a regular basis.</div><div>- Acknowledge the evaluation results of working procedures.</div><div>- Conduct a survey on necessity in developing working procedures and database systems.</div></div>	<div><div>- Specify detailed scopes of work in the contract clearly.</div><div>- Determine payment terms and conditions clearly in accordance with the mutually agreed requirements.</div><div>- Reduce complexity in billing and reception of payment.</div></div>	<div><div>- Develop a new operating system to rely on effective database system in managing the construction project and other relevant plans.</div><div>- Advance the A-Supplier operating system to support buying, purchasing, billing, and online payment processes.</div><div>- Generate effective management on legal foreign workers and take care of people, especially children living together with them.</div></div>	<div><div>- Make on-time payment in accordance with the agreements.</div><div>- Increase satisfaction of contractor companies and suppliers to be encouraged to accept new tasks regularly.</div><div>- Reduce the delay and loss of paper works which will cause no trouble for contractor companies and suppliers.</div><div>- Legalize foreign workers to prevent construction halt and labor shortage.</div><div>- Provide life safety and basic education for children of construction workers.</div></div>
Partners	<div><div>- Local banks</div><div>- Financial institutions</div></div>	<div><div>- Meet executives of the policy level.</div><div>- Visit the project development site during construction and after the completion.</div></div> <div><div>- Unveil the company's financial stability and excellent business performances.</div><div>- Possess short-term and long-term competitiveness.</div></div>	<div><div>- Possess the ability to get the development project carried out in accordance with the targeted goal and within the specified period of time.</div></div>	<div><div>- Maintain good collaboration on a regular basis.</div><div>- Generate outstanding profits consistently.</div></div>	<div><div>- Generate the most outstanding performance for the first time in 11 years since the company has been listed on the Stock Exchange of Thailand.</div><div>- Possess the continuing growth in every quarter throughout the year.</div></div>

Stakeholders	Procedures	Expectations	Responses	Results
Shareholders	- Annual general meeting of shareholders	- Generate excellent performance and continuing growth.	- Hold general meetings to unveil transparent information to comply with targeted business directions and quarterly performances.	- Unveil greater confidence and satisfaction.
	- Online news publication channels	- Pay greater dividends in a regular manner.	- Pay dividends at the most suitable rates relevant to the performances.	- Generate greater interests for investors.
Community and Society		- Possess greater potential and competitiveness consistently.	- Report information on the development projects in several channels.	
	- Original land owners	- Allow to completely receive benefits specified in the contract.	- Strictly comply with rules and regulations under the contract.	- No objection of construction project in the targeted development areas.
	- Surrounding communities	- Develop construction projects without causing any impact to lives and properties of the surrounding communities.	- Develop construction projects from the first to final phases in a cautious manner under the required standards.	- Create indirect income, resulted from the allocation of residences, rented lands, retail shops, and communal tasks, for the surrounding communities.
		- Pursue the requirements of laws and regulations strictly.	- Focus on risk prevention management to prevent all possible impacts.	- Reduce excessive transportation costs and lengthy order periods comparing to the order made between two different areas.
			- Promote the efficiency of complaint handling via the call center channel.	
			- Develop monitoring and follow-up actions to respond to all complaints in a speedy manner.	
			- Maximize business partners in the projects' surrounding locations.	

Stakeholders	Procedures	Expectations	Responses	Results
Executives and employees	- The Board of Directors	- Achieve excellent performances in accordance with the targeted goal.	- Generate marketing and sales restructuring plans to enhance monitoring efficiency.	- Sales and transfer volumes increase in a consistent manner.
	- Senior executives	- Maintain excellent performances at the most desirable level in every quarter.	- Approve the decentralization of authority for general and budget management while increasing monitoring mechanisms and strengthening internal audit system.	- Number of problems and time spent for problem solving are estimated to decrease, reflecting greater working performance.
	- General executives	- Key Performance Indicator	- Organize workshops to welcome desirable opinions, problem-solving guidelines, and new operational innovations.	- A wide range of required information exists to support the decision making of organizational policies, resulted from the surveys, researches, assessment results, and management reports.
	- Employees	- Nomination, training, and progress	- New practices and procedures are developed to facilitate all required tasks. It also helps reduce the delay of working procedures, excessive amount of paper works, loss of documents, and possibility of conflicts that may hinder working progress.	
		- Encourage executive and employees at all levels to generate greater working potential and self-improvement in a consistent manner.	- Conduct researches and explorations to create opportunities to support consistent business development.	- Honorable rewards and remunerations are offered to executives and employees with excellent performances.
		- Generate greater opportunities in career development for executives and employees at all level to support the targeted goals and continuing growth.	- Identify expected targets and indicators to follow the assessment of employees' performances resulting in the presentation of annual reward, bonus, and remuneration.	- Bonuses and incentives will certainly be given to executives and employees with outstanding performances at the most appropriate rates consistent to the overall performance.
			- Advance recruitment measures of executives and employees to ensure their desirable abilities and competences for each working position.	
			- Prepare various training programs to strengthen skills required for each particular position.	
		- Encourage everyone to possess "Areeya DNA".		

All developmental implementations unveil significant factors and guidelines of study, which can be categorized into 5 major development processes detailed below.

- 1) Development process on project designs and construction techniques.
- 2) Development process on administration and management of needs required by general customers and communal people.
- 3) Development process on customer care service and management efficiency.
- 4) Development process on the management of internal and external human resources.
- 5) Development Process on the advancement of income earning competency.

In the first part, the development process is related to design and construction techniques, considered as key operational strategies of the business. This is required to focus on good governance principles aimed at the development of projects expected to be achieved within the framework of laws and regulations. It is also required to respect the rights of individuals and organizations in the area of development projects by reducing the environmental impacts that may occur to the construction to ensure the compliance of required standards.

The project development is designed to focus more on the proportion of green areas, particularly for the housing and apartment projects, than legal requirements to ensure greater supports on quality environment for all residents. All projects are completed by the use of eco-friendly construction materials aiming to facilitate the reduction of residential costs and energy-saving purpose.

For the construction session, new technologies, including Aluminum Formwork and Pre-cast, have been applied to generate greater technical methods and performance testing since 2013 and continued to 2015. The new technologies are efficiently developed to reflect better construction standards and reduce post-construction problems.

Apart from the new construction techniques, the company has also determined to focus on the safety and cleanliness of the construction sites. According to the mentioned ideas, there were 2 major projects successfully implemented last year, including Better Life: Waste and Quality of Life n Construction Area, initiated by Kid Kid Company Limited. The projects aimed to study the amount of wastes and unwanted items obtained from the construction projects and seek effective solutions for the problems caused by an excessive amount of wastes while generating greater development on quality of life among the company's employees and construction workers as well as people living in the surrounding communities.

The Areeya Child Friendly Space project has been launched to promote the allocation of safe spaces for children, whose parents worked as construction workers, dwelling in the project sites. The targeted group of children varies from newborn babies to young kids of up to 15 years of age obtained from a total of 13 construction projects. Initiated with the Hathairath-area project, several knowledgeable and fun-filled activities have been introduced to foster children's disciplines and responsibilities, where they will not be allowed to enter into the construction areas, thanks to the sponsorship of the Foundation for Child Development.



The second part unveils the administration and management customers' needs of customers and communities, which have been launched on a yearly basis. This development process focuses mainly on people and their dwelling communities, with the implementing procedures specified below.

The new marketing activity is introduced to focus on effective sales strategies in collaboration with major business partners, including local commercial and investment banks and automobile manufacturers, aimed to offer greater benefits to consumers while satisfying various needs of the real estate market. This is considered a new promotional strategy to alternatively promote the business via the financial and automobile industries.

The member-caring activity is organized to emphasize on the development of sustainable communities for people to live happily together in accordance with the city development plans initiated by Thammasat University. Members of the residential projects will be pleased with happy and secured living, healthy environment, and sufficient infrastructure systems.

The key implementation is the development of the Call Center service advanced to handle complaints about repair and maintenance services in an efficient manner, with the expectation of 100% completion for all tasks. It is required to report on non-standardized services on a daily basis to stimulate immediate actions on repair or maintenance. Meanwhile, according to the the satisfaction assessment achieved in 2015, it unveiled that 67% and 13% of the members were satisfied and highly satisfied with the entire services, respectively. The level of satisfaction was maintained at 80%.

Another important aspect is the security control, which requires skillful and experienced security personnel who can fully comply with the required standards. Also, the company has remained consistent in applying efficient security control systems to ensure the highest quality of security services,

in which 70.40% of the members were greatly satisfied with the existing standards last year.

The company has also shifted its clear focus to cooperating with the developed estate juristic entity, in which all residential members can live happily and sustainably together under the self-governing policies. In 2015, there are 3 role model projects, in which one of them is nominated to the city assessment program. Several other activities are mentioned below:

- **Give a 30-day advanced alert on the expiration of the 1-year warranty** to prompt the members of residential units for repair and maintenance services prior to the actual expiration date.
- **Make a courteous home visit** to the members aiming to 1) Develop a good relationship with residential members to foster their impression and confidence towards the company 2) Evaluate the communal situations 3) Improve service competency. In 2015, the company had respectfully made a courteous visit to 708 families in total and prepared a social mapping to collect in-depth information to identify the community leaders, committee members, volunteers, assembly points, critical locations, and emergency ambulance numbers.
- **The survey of residents' information** has been carried out since 2012 and continued until 2015. The survey is conducted in line with the presentation of a survey box for the condominium project. The survey for the horizontal development project has also been conducted by the door-knocking and online evaluation methods. Last year, the company had achieved the survey of 513 families in total.
- **Special activities** are launched to provide opportunities for residential members to meet and get acquainted with one another on a regular basis. Activities, such as DIY, health promotion, film watching, flower arrangement, or dining, vary in purposes of entertainment. Reportedly, 28 activities were introduced in 2015, with over 1,500 people participated in the events.

- **Areeya & You Card** introduces a great variety of special privileges exclusively for Areeya members. To match up with different lifestyles, this campaign has also been promoted to offer several benefits provided by top-ranking shops, restaurants, hotels, tourist destinations, and cinemas. Areeya members will also be allowed to collect points for the exchange of several other privileges.

In addition to the aforementioned activities, the company also emphasizes on partner-care and management optimization strategies fostered by the newly evolved system known as A-Supplier, developed to facilitate the acceptance of purchase order, delivery, packing slip, billing, and payment. This system has also been used by business partners to ensure accuracy of the system as they are allowed to raise inquiries when experiencing all types of difficulty.

For the management of internal and external human resources, the company had managed to advance its information technology system to facilitate all business partners and contractors, especially in billing services. More than 50% of the partners and contractors were greatly satisfied with the application of the system, with a free-of-charge training program provided.

The company has also established its call center team to respond to problems and complaints about electricity, water supply, and other malfunctioned infrastructure, in an urgent manner.

The final significant development process concerns with the advancement of income earning competency. The company remains firm in allocating unbiased stakes for internal and external benefits while maximizing confidence and trust for customers to ensure their loyalty.

In increasing awareness on revenue and market expansion, the company has set its sight to boost new projects in several strategic areas where high sales volume is always expected. Purchased lands in certain locations are partly transferred and developed.

The construction projects boosted in the new locations are considered part of the standard raising and revenue increasing strategies.

Over the past years, the company has efficiently developed new strategies on a regular basis. During 2013-2014, the company injected its massive budget in the development of efficient employees, construction techniques, and high-rise condominium projects. In 2015 and 2016, the real estate market has been expected to see strong growth and experience rising profit. The company also put a great emphasis on other important factors excluded from the financial statements, such as the expansion rate in original construction areas and newly developed locations, average selling value of each residential project, competitiveness of selling prices, and dominant aspects of the projects.

It is also required to consider the growth rate of income earning, varying in low, medium, high, and very high segments, which can be noticed from the rising quantity of personal bank accounts opened with several local banks. Meanwhile, the Bank of Thailand had issued serious policies to control over commercial banks' loans and NPL rates. These uncertain factors will have direct impacts on the company's business operations and policy planning.

Related Transactions

Related transactions in the year 2015 classified by categories are as follows:

1. An ordinary and usual course of business transaction

The Company has transactions with related parties are those linked to the Group and the Company as shareholders or by common shareholders or directors as disclosed in Note to Financial Statement No. 3 and 4.

Comments of independent directors on these related transactions are the ordinary and usual course of business transaction with normal commercial terms. The related transactions created the benefits to the Company.

2. An asset or service transaction

The Company has transactions with related parties are those linked to the Group and the Company as shareholders or by common shareholders or directors as disclosed in Note to Financial Statement No. 3 and 4.

Comments of independent directors on these related transactions are the ordinary and usual course of business transaction with normal commercial terms. The related transactions created the benefits to the Company.

3. A financial support transaction

The Company has transactions with related parties are those linked to the Group and the Company as shareholders or by common shareholders or directors as disclosed in Note to Financial Statement No. 3 and 4.

Comments of independent directors on these related transactions are the ordinary and usual course of business transaction with normal commercial terms. The related transactions created the benefits to the Company.

Reason(s) for making related transaction(s)

Transactions with the subsidiaries were created for the company's benefit so that the company can successfully achieve its business strategies and objectives. In case of lending/borrowing between parent company and subsidiary, the interest rate is an agreed rate based on market rate at the time of lending/borrowing.

The transactions with the other related parties were the ordinary and usual course of business transaction with normal commercial terms.

Policy and Trend of Related Transaction (s)

The related transaction with our subsidiary, at least own 51% by the company, are made as part of normal business operations. Therefore, it is likely that such transactions will occur in the future on the continual basis. However, the company will obey the security law, rules & regulations of the Stock Exchange of Thailand and the Federation of Accounting Professions ("FAP") and with generally accepted accounting principles in Thailand. Moreover, the company will consider the reasonable reason of the transactions.

If the company makes related transaction with any person with possibility of creating any conflict of interest, the company will consult with the Audit Committee who will review and comment the necessity and suitability of that related transaction (s). In case that the Audit Committee does not have expertise in any specific area, the company will arrange to hire an expert or company's auditor to provide comments to the Audit Committee or shareholders for approving the transaction (s). The company also discloses the related transaction(s) in the Notes to Financial Statement as part of the Audited Financial Statements.

Management Discussion and Analysis

Financial Highlight

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	As of December 31	Consolidated	Consolidated	Consolidated
		2015	2014	2013
Statement of Income (Million Baht)				
Revenue from Sales of Real Estate		5,398	2,438	1,752
Service Income from House Construction and Sales of Construction Materials		3	0	0
Cost of Sales of Real Estate		4,017	1,632	1,090
Cost of Service from House Construction and Cost of Construction Materials		1	12	9
Profit before Finance Costs, Income Tax expenses and Marketing Expenses		974	521	421
Net Profit		217	41	14
Balance Sheet (Million Baht)				
Total Assets		12,861	11,957	8,988
Total Liabilities		9,771	9,083	6,129
Total Shareholders' Equity		3,090	2,874	2,859
Financial Ratio				
Bank-Debt-to-Equity Ratio (Time)		1.08	1.64	1.42
Debt-to-Equity Ratio (Time)		3.16	3.16	2.15
Gross Profit Margin on Revenue from sales of real estate		25.61%	32.58%	37.82%
Net Profit Margin		4.00%	1.61%	0.76%
Return on Asset		3.53%	0.39%	1.47%
Return on Equity		16.64%	1.44%	0.51%
Book Value per Share (Baht)		3.14	2.91	2.92
Basic Earnings per Share (Baht)		0.22	0.04	0.02
Issued and Paid-Up Share Capital (Million shares)		980.00	980.00	980.00

1. 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 subsidiary (Areeya Service Co., Ltd.) has been formed to provide after-sale services for property with 99.99% ownership interest. In 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. Subsequently 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 addition, 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 and Cool Space Co., Ltd. for development of real estate projects. And 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. Moreover, 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. Currently, in the year 2014, the Company has established Areeya Convenience Store Co., Ltd with 99.99% ownership for retail business.

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 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.

2. Overview Summary and Significant Change

On 26 March 2013, shareholders approve 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 debentureholders 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 Baht 1.5 Billion by issuing either single or multiple offerings.

On 26 April 2013, the 2013 Annual General Meeting has approved the decrease in the Company’s authorised share capital by Baht 191.6 million; from 949.6 Million Baht to 758 Million Baht by cancelling shares which are reserved for the exercising of warrants. The Company registered with the Ministry of Commerce on 10 May 2013.

On 14 June 2013, the Extraordinary General Meeting of the Company no.2/2013 has approved the increase in the Company’s authorized share capital from 758 Million Baht to 980 Million Baht by issuing 222,000,000 new ordinary shares with a par value of Baht 1 each. The Company registered with the Ministry of Commerce on 27 June 2013 and registered the additional issued and paid-up share capital of 222 Million Baht (222 million ordinary shares at Baht 1 par value) with the Ministry of Commerce on 26 September 2013. Share premium amounted to 144.3 Million Baht.

On 20 August 2013, issuance and allotment of new ordinary shares to offer for sale to current shareholders in proportion to the number of shares already held by each shareholder

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,

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with and/or without debentureholders 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 debentureholders 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 2013, the 2015 Annual General Meeting has approved the increase in the Company's authorised share capital by Baht 220 million; from 980 Million Baht to 1,200 Million, par value Baht 1 per share.

On 26 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 debentureholders 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.

As at 31 December 2015, the Company has 41 current projects and 2 community mall ,totally 43 projects as follows:

No.	Project	Location	Type of Product
1.	Areeya Bussaba	Laoprao 130	Single Detached House
2.	Areeya Sawana 3	Kaset-nawamintr	Single Detached House
3.	Areeya Metro	Kaset-nawamintr	Single Detached House
4.	Areeya Como Bangna	Bangna	Single Detached House
5.	The Village Chaengwattana-Tiwanon	Chaengwattana-Tiwanon	Single Detached House/Twinhome
6.	Areeya Como Bangna Wongwan	Bangna	Single Detached House
7.	Areeya Como Wongwan Ramintra	Hathairath	Single Detached House
8.	The Village Cottage Kanjanapisek-Ratchapruek	Sai Noi	Single Detached House
9.	At Home	Kaset-nawamintr	Townhouse
10.	The Colors Chaengwattana-Tiwanon	Chaengwattana-Tiwanon	Townhouse
11.	Areeya Mova	Kaset-nawamintr	Townhouse
12.	Areeya ToBe	Kaset-nawamintr	Townhouse
13.	Areeya Daily	Kaset-nawamintr	Townhouse
14.	The Colors Premium Bangna	Bangna	Townhouse
15.	The Colors Bangna K.M.10	Bangna	Townhouse
16.	The Village Bangna K.M.10	Bangna	Townhouse
17.	The Colors Leisure Bangna K.M.10	Bangna	Townhouse
18.	The Colors Leisure Bangna K.M.8	Bangna	Townhouse

No.	Project	Location	Type of Product
19.	The Village Bangna K.M.8	Bangna	Townhouse
20.	The Colors Bangna Wongwan	Bangna	Townhouse
21.	The Colors Premium Bangna Wongwan	Bangna	Townhouse
22.	The Village Bangna Wongwan	Bangna	Townhouse
23.	The Colors Premium Rangsit-Lumlukka	Rangsit-Lumlukka	Townhouse
24.	Areeya Mandarina Sukhumvit 77	Sukhumvit 77	Townhouse
25.	The Colors Donmuang-Songprapa Phase 1	Donmuang-Songprapa	Townhouse
26.	The Colors Donmuang-Songprapa Phase 2	Donmuang-Songprapa	Townhouse
27.	Areeya Brigg Donmuang-Songprapa	Donmuang-Songprapa	Townhouse
28.	Areeya Mandarina Kaset-Nawamintr	Kaset-nawamintr	Townhouse
29.	The Village Kanjanapisek-Ratchapruek	Sai Noi	Townhouse
30.	The Colors Premium Kanjanapisek-Ratchapruek	Sai Noi	Townhouse
31.	The Colors Kanjanapisek-Ratchapruek	Sai Noi	Townhouse
32.	The Colors Premium Wongwan Ramintra	Hathairath	Townhouse
33.	The Colors Wongwan Ramintra	Hathairath	Townhouse
34.	a space Asoke-Ratchada	Asoke-Ratchada	Condominium
35.	a space Kaset	Kaset-nawamintr	Condominium
36.	a space Play Ratchada-Suttisan	Ratchada-Suttisan	Condominium
37.	a space Sukhumvit 77	Sukhumvit 77	Condominium
38.	a space ME Sukhumvit 77	Sukhumvit 77	Condominium
39.	a space MEBangna	Bangna	Condominium
40.	a space I.D. Asoke-Ratchada	Asoke-Ratchada	Condominium
41.	a space Me Rattanathibet	Rattanathibet	Condominium
42.	Pickadaily Bangkok	Sukhumvit 77	Community Mall
43.	Life Style Club	Kaset-Nawamintr	Community Mall

3. Previous Performance Results

- Revenue and Cost

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.

Project	Sales						Transferred					
	2015		2014		2013		2015		2014		2013	
	Unit	MB	Unit	MB	Unit	MB	Unit	MB	Unit	MB	Unit	MB
Condo	354	566	152	264	711	1,303	631	762	37	46	13	33
Single Detached house	134	616	11	112	-	-	48	334	9	171	-	-
Townhouse / twin house	1,267	3,262	827	2,351	608	2,175	1,195	3,092	748	2,066	569	1,654
Land	-	-	-	-	-	-	2	1,210	1	154	1	65
Total	1,755	4,444	990	2,727	1,319	3,478	1,876	5,398	795	2,437	583	1,752
% Increase from prior year	77%	63%	-25%	-22%	6%	48%	136%	122%	36%	39%	-21%	0%

Condominium In the year 2015, sales and revenue recognition of condominiums increased from year 2014 due to Condominiums are completed and ready to deliver two projects, total project value of 2,908 million Baht, revenue recognition of 762 million baht.

In the year 2014, sales of condominiums decreased from year 2013 due to political still uncertain in the first to third quarter, The Company did not make as much as they should because they do not have confidence in the response of the condominium market. After that the political situation began to unravel in the fourth quarter, and the company began more confidence so we start preparing marketing plans to increase sales of condominium in the first quarter of 2015. Decrease in revenue recognition of year 2014 and 2013 according to the main projects under construction. However, the Company speed up the construction in order to recognize the revenue in the year 2015. During the year 2014, there were 2 condominium projects under construction which is expected to transfer in the second quarter of the year 2015. The total projects value of such 2 condominium were 2,763 Million Baht and the amount of backlog was Baht 830 Million as at 31 December 2014 or 70% of the total project value.

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 at 31 December 2015, there

were 25 townhouse projects with total project value of 13,149 Million Baht or 4,706 units, which included 9 new projects opened in the year 2015, altogether contributed the total project value of 2,976 Million Baht and total revenue recognition amounting to 3,092 Million Baht in the year 2015.

Single Detached House the Company has launched new single detached house and recognized revenue in 2014 amounting to Baht 87 Million or 25% of total project value. The main target of single detached house project is middle to high income families. Moreover, The Company has launched 2 project with total project value of 1,248 Million Baht and the amount of backlog was Baht 68 Million and total revenue recognition amounting to 334 Million Baht in the year 2015.

• Cost of sale of real estate

For the year 2015, Cost of sale of real estate increased from that of the year 2014 and 2013 as a leap because of revenue recognition for the company's rapid growth. In the second quarter, rise of construction cost around 1 percent of total project value. In this regards, the quality of construction materials is higher in accordance with the material prices in order to deliver high quality products to customers and to be competitive. The company spend much money for construction cost but still maintain the same selling price.

• Gross Profit Margin

The Company had gross profit margin of 1,381.29 Million Baht in 2015, 805.48 Million Baht in 2014 and 662.75 Million Baht in 2013, which were 25.61, 32.58 and 37.82 percent of property sales respectively. Decrease in gross profit margin as a result of increased costs but in the meantime adjustment higher selling price, resulting to decreased gross profit margin rate was less than increased construction cost rate. The Company expected to maintain gross profit margin in the next year not less than gross profit margin in the year 2015.

• Unrealized Gain (loss) in Fair Value on Investment Properties

In 2015, the Company had unrealized loss in fair value on investment properties of 25.85 Million Baht.

• Selling Expenses

Type	Transfer								
	2015			2014			2013		
	MB	Transfer	% Trans fer	MB	Transfer	% Trans fer	MB	Transfer	% Trans fer
Selling Expenses	535.84	5,398.02	9.93%	320.38	2,437.56	13.14%	304.37	1,752.48	17.37%
% Increase (Decrease)	215.48		67.25%	16.01		5.26%			

The main Selling Expenses's Company and its subsidiaries is consist of advertising, public relation, marketing costs, transfer fees, specific business tax and other expenses. As table above, selling expenses was in line with the revenue recognition from the sale of real estate especially transfer fees and specific business tax.

Advertising, public relations and other marketing expenses decreased 3.00 percent due to the company focus marketing expenses only Low-rise projects which Moreover, the Company could control and manage selling and marketing expense as specialist in property market and products. In the year 2015, there is Selling Expenses increased from prior year to increase from the transfer of 2 condominium projects which will be relating to sales and revenue recognition.

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 30 December 2015

In 2014, the Company had unrealized gain in fair value on investment properties of 62.6 Million Baht. Such investment properties are shopping mall having space for rent in Sukhumvit area. The Company presented investment properties in fair value which were appraised by the independent property valuers in the basis of income approach. The Assumption for appraisal consists of space rental rate, rate of rent increase, discount rate, and the rate of return. The rest is revenue from rental and service in relation to investment properties and other income of the company.

• Administrative expenses

Type	Transfer								
	2015			2014			2013		
	MB	Transfer	% Trans fer	MB	Transfer	% Trans fer	MB	Transfer	% Trans fer
Administrative expenses	436.04	5,398.02	8.08%	393.58	2,437.56	16.15%	287.76	1,752.48	16.42%
% Increase (Decrease)	42.46		10.79%	105.82		36.77%			

This presents the rate of administrative expenses decreased from year 2014 and 2013 as the Company had a plan for the increasing sales since the year 2013.

• Finance costs

Financial cost was in amount of 166.34 Million Baht in the year 2015, 145.05 Million Baht in the year 2014 and 91.39 Million Baht in the year 2013 which were 3.08, 5.95 and 5.21 percent of total revenue respectively. Due to the fact that the Company had provided increase external financial sources from debentures and bill of exchange and so the Company had financial cost increased. Regarding to such sources of fund, the Company could realize the part of financial cost for the cost of real estate projects approximately the percentage of 60 to debentures while the amount of debentures were 2,000 Million Baht in the year 2015, 3,000 Million Baht in the year 2014 and 1,500 Million Baht in the year 2013 (and redeemed before maturity date of 989 million baht in the year 2014).

• Net Profit

For the year 2015, the Company reported net profit of 216.69 million Baht, increased 425.05 percent from 41.27 million Baht in the year 2014. The main factor was the increase in revenue of real estate at 121.45 percent.

For the year 2014, the Company and its subsidiaries reported net profit of 41.27 Million Baht which increased 199.49 percent from 13.78 Million Baht in the year 2013 with the net profit margin of 1.61 percent of total revenue. The main factor was the revenue from real estate projects, other income and unrealized gain in fair value on investment properties together with increase of selling and administrative expenses and

financial cost at 25.66 percent whereas in the year 2014, gross profit margin was at 33.04 percent, net profit margin at 2.22 percent of total revenue. An effective corporate income tax expense was at 27.30 percent of earning before corporate income tax.

According to the Company's operation as mentioned above, considering profitability ratio in 2015, 2014 and 2013, the Company had gross profit margin at 25.61, 33.58 and 37.82 percent respective, net profit at 4.00, 1.61 and 0.76 percent respectively and return on equity at 16.64, 1.44 and 0.51 percent, respectively.

• Important factors which may result to the operation in the future

The real estate market has started aggressive since year 2012 onwards. In the year 2013, because there are many positive factors such as flat interest rate, the Government accelerated push big projects (such as rapid transit system, flood protection, high-speed railway project.).

But the fourth quarter of 2013 the country has political instability. So the consumers delay their decision making on buying property which from that factor makes the slowdown in property market of year 2014 seems unavoidable. But when the political unravel, the economy situations are improving with a return of consumer confidence, the real estate market finally will be back to normal.

Low-rise real estate direction tend to grow well due to the change of new families’ behavior, the expansion of public transportation and more stability of public situation. However, foreign financial crisis may result to the price of construction materials as well. Demand of single detached house and townhome still perform better in line with an increase of the low-rise projects transferred.

Regarding condominium projects, there was the slightly growth mostly around sky train and subway areas, presenting the higher price in BTS and metro lines than that of

condominium around Bangkok metropolitan region. Nevertheless, demand of condominium around shopping malls and community is quite due to the expansion of department store to Bangkok metropolitan area and so the selling price of condominium projects in such area is not quite high, which also attract customers.

The Company focus on the location near community and shopping mall with reasonable price which customer can afford.

4. Financial position
4.1 Assets

	2015	2014	2013
Total assets (Million Baht)	12,861.19	11,956.52	8,988.15
Increase from the previous year (Million Baht)	904.67	2,968.37	2,202.9
Percentage	7.57	33.02	32.5
Real estate projects under development (Million Baht)	10,930.65	9,841.68	6,931.78
Increase from the previous year (Million Baht)	1,088.97	2,909.90	1,158.1
Percentage	11.06	41.98	20.1

An increased assets in 2015 to 2013 was mainly from an increase of Real estate projects under development.

In the year 2015, Increase in Real estate projects under development because of launched the new projects in the area Kanjanapisek-Ratchapruek (Soi noi), Wongwan Ramintra, Wongwan Ratchapruek (Bangbuathong), and expansion in Bangna. Furthermore, The Company also is accelerating condo two projects in the area Sukhumvit and Bangna zone to increase revenue recognition in Quarter 3 and 4 of 2015. Now, the two projects were completed and have been gradually transferred to customers during the period.

In the year 2014, Increase in Real estate projects under development is acquired land amounting to 1,600 Million Baht for development and transfer in 2015 at Sukhumvit 77,

Bangbuatong, Sai Noi, expansion in Bangna and Rattathibet area while in 2013, Land acquisition was for development at Sukhumvit 77, Donmuang-Songprapa and Bangna area. The rest was the construction cost for low-rise projects ready to presale in 2015 amount to 3 projects which mostly completed in the year 2014 and will be transferred in the year 2015 as well as the construction cost of 3 condominium which 2 projects consumed the construction cost approximately 637.0 Million Baht and ready to transfer and recognize revenue in the year 201 while the other project was under construction around 77.5 percent, costly 2,141.1 Million Baht.

• Cash and Cash Equivalent

Cash flow as during 2015 to 2013 as follows.

	2015	2014	2013
Cash flow from operating activity before changing of operating assets and liabilities	508.59	1,818.62	1,225.55
Changing of operating assets and liabilities	-450.39	-3,545.95	-2,754.49
Corporate income tax	-60.34	-23.95	-15.64
Net cash provided by (used in) operating activities	-2.14	-1,750.28	-1,544.58
Net cash provided by (used in) investing activities	-3.57	-286.29	-230.82
Net cash provided by (used in) financing activities	90.63	2,149.25	1,659.01
Cash and cash equivalent increase/-decrease	84.92	112.68	-116.39
Cash and cash equivalent at the beginning of the year	220.89	108.21	224.60
Cash and cash equivalent at the end of the year	305.81	220.89	108.21

As at 31 December 2015, cash and cash equivalent increased from that of the year 2014 by 84.92 Million Baht mainly from increase of cash flow from financing activities by 90.63 Million Baht. As a result of the Company received from the issuance of debentures of Baht 2,000 million in the year 2015, which objective for issue debentures is for repayment all or partially short-term bills of exchange.

As at 31 December 2014, cash and cash equivalent increased from that of the year 2013 by 112.68 Million Baht mainly from an increase of Cash flow from operating activity before changing of operating assets and liabilities by 593.07 Million Baht while the Company invested in real estate projects under development amounting to 800 Million Baht, partly from an increase of cash flow from financing activities.

• Deposits for Land

	2015	2014	2013
Deposits for Land (Million Baht)	80.0	347.0	742.0
Increase/-decrease from the previous year	-267.0	-395. 0	700.1

Decrease in Deposits for land as at 31 December 2015 was 267.00 Million Baht from year 2014 due to The Company has transferred the land in the area expansion in Bangna, Wongwan-Ratchapruek (Bangbuathong), and expansion in Kanjanapisek-Ratchapruek.

Decrease in Deposits for land as at 31 December 2014 was 395 Million Baht from year 2013 due to there was land acquisition in the year 2014 from the deposit in the year 2013 and new deposits for new projects in the future to support expansion of sales. Increase in Deposits for land as at 31 December 2013 because of deposit for new land 4 location in the year 2013, which mostly transferred in the year 2014 and the rest will be transferred in the year 2015.

• Investment properties

	2558	2557	2556
Investment properties(Million Baht)	535.23	510.20	422.26
Increase/-decrease from the previous year	25.03	87.94	140.8

As at 31 December 2015, The Company had an investment properties of 535.23 million baht which increased from that of the year 2014 by 25.0 million baht or 4.91 percent due to the increase in construction in the community at Kaset-nawamintr named “Life Style Club”

As at 31 December 2014, The Company had an investment properties of 510.20 million baht which increased from that of the year 2013 by 87.94 million baht or 20.83 percent because of increase in unrealized gain on investment properties of 62.62 million baht and construction cost in the period for 2 community mall of 25.32 million baht.

In the current period, investment properties named “Pickadaily Bangkok” has 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 30 December 2015. 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

	2015	2014	2013
Property, plant and equipment	411.24	400.01	377.24
Increase/-decrease from the previous year	11.23	22.83	163.1

Increase in Property, plant and equipment in the year 2015 because of investment in Aluminum form work for construction process both townhouse, twin house and condominium upon expansion projects increased. However, Aluminum forms can be used throughout the year 2016 and partially replacement such machine and additional cost for uncompleted head office building. Increase in Property, plant and equipment in the year 2013 because of construction cost of head office building.

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. The figure in the Statements of comprehensive income, Statements of financial position, and Statements of changes in equity for the fiscal year 2013 to 2015 is stable. Change in net building from 153.41 million baht and 161.96 million baht to present Building on lease land. Such reclassify transaction has consulted with the certified public accountant (CPA). As at 31 December 2015 and 2014, total assets was 12,861.19 million baht and 11,956.52 million baht.

However, Building on lease land will be presented as prepaid rental expenses - Building on lease land as same balance. The depreciation expense - Building on lease land in note financial statement is revised name “rental expenses”, which such transaction is presented administrative expenses. The figure in Statements of comprehensive income for the year ended 31 December, 2015 is recorded amortized expenses - Building on lease land amounting 8.55 million baht and 7.20 million baht for the year ended December 31, 2015 and 2014 respectively. Disclosure in the notes to the financial statements no.14, Depreciation, If the amendment is rental expense, The total amount of depreciation and amortization will be reduced by the amount of Baht 50.13 million to Baht 41.58 million as at 31 December 2015 and the total number is down from 40.22 million to Baht 33.02 million baht as at December 31, 2014 decreased by improving (Reclassify) the amortization of rights to use the property as a rental fee of 8.55 million baht and 7.2 million baht respectively.

For the Statements of financial position for the year ended December 31, 2015 and 2014 have been reclassified to Building on lease land as table below;

	2015	2014
Building on lease land	153.41	161.96
Increase/-decrease from the previous year	-8.5	

• 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 for the year 2015, 2014 and 2013 was 3.53, 0.39 and 1.47 percent, respectively due to the Company had net profit in the year 2015 more than 2014 by 425.05 percent. As a result, the return on assets improved to the order.

The Company had sales of year ended 2013 to recognize revenue in the first half of 2014, although the economy of the real estate market during the first half of the year 2014 will be in the slowdown including political opposition and economic uncertainty. As a result, the consumers postpone purchasing power.

4.2 Liabilities and sources of financing.

	2015	2014	2013
Total liabilities	9,770.87	9,082.89	6,129.36
Increase/-decrease from the previous year	687.98	2,953.53	1,763.18
Bank overdrafts and short-term loans from financial institutions	1,610.31	2,159.07	1,222.68
Current portion of long-term loans from financial institutions	692.29	1,648.67	753.94
Long-term loans from financial institutions, net current portion	1,509.35	-	-
Debentures	932.62	792.34	2,024.49
Total liabilities	3,996.60	3,511.0	1,500.0

As at 31 December 2015, Total liabilities increased from the year 2014 by 687.98 million baht mainly from issuing bond of amount 2,000 million baht. However, the Company repaid bank loans for the project rather than drawdown from bank loan of 816.1 million baht from the revenues from the sale of real estate more than year 2014. Meanwhile, the company has used proceeds from the issuance of bonds to pay short-term bills of exchange. As a result, short-term bills of decreased of 548.76 million baht.

Total liabilities as at 31 December 2014 increased mainly from an increase of the debentures of 2,011 Million Baht, bill of exchange and trades payable amounting to 1,034.70 Million Baht and decrease of loans from financial institution of 337.40 Million Baht.

• Bank overdrafts and short-term loans from financial institutions

As at 31 December 2015, Bank overdrafts and short-term loans from financial institutions decreased from that of the year 2014 by 548.76 million Baht or 25.42 percent because of increase in revenue from sale of real estate. Moreover, in April and October 2015, the Company issued debentures of Baht 2,000 million which objective for issue debentures is for repayment all or partially short-term bills of exchange.

As at 31 December 2014, Bank overdrafts and short-term loans from financial institutions increased from that of the

year 2014 by 936.39 million Baht or 76.58 percent as same year 2013 which increased by 259.80 million baht due to The company has access a new sources of funding such as short-term bills of exchange and issuing bond to effect decreasing long-term loans from financial institutions. Because short-term bills of exchange and bond had interest rates lower than loans from financial institutions and no guarantees.

• Long-term loans from financial institutions

As at 31 December 2015, Long-term loans from financial institutions decreased from that of the year 2014 by 816.1 million Baht or 33.43 percent because of increase in revenue from sale of real estate.

Moreover, in April and October 2015, the Company issued debentures of Baht 2,000 million which objective for issue debentures is for repayment all or partially short-term bills of exchange and using source of fund to reduce draw down long-term loans from financial institutions.

As at 31 December 2014, Long-term loans from financial institutions decreased from that of the year 2014 by 337.42 million Baht or 12.14 percent due to the Company issued debentures of Baht 3,000 million in the year 2014 to reduce draw down long-term loans from financial institutions because bond had interest rates lower than loans from financial institutions and no guarantees same as year 2013.

• **Debentures**

As at 31 December 2015, the Company had debenture 5,505.95 million baht which increased from the year 2014 by 1,994.95 million baht or 56.82 percent. On 26 February 2015, the Extraordinary Shareholders' Meeting approved the issuance and offering 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 Baht 2.0 Billion by issuing either single or multiple offerings. The Company issued debentures two times during the year 2015.

• **Short-term Bill of exchange**

	2015	2014	2013
short-term Bill of exchange	1,280.54	1,596.81	954.16
Increase/-decrease from the previous year	-316.27	642.65	3.44

As at 31 December 2015, Decrease in short-term bill of exchange by 316.27 Million Baht or 19.81 percent from year 2014 due to the Company has issued debentures of Baht 2,000.00 million for repayment all or partially of bank overdrafts, short-term loans and loans from the financial institutions.

As at 31 December 2014, Increase in short-term bill of exchange by 642.65 Million Baht or 67.35 percent from year 2014 due to the company loan to invest development cost both low-rise and high-rise product for supporting revenue recognition upcoming in year 2015 and future. Furthermore, short-term bills of exchange had interest rates lower than loans from financial institutions and no guarantees.

As at 31 December 2014, the Company issued debentures of 3,511.00 Million Baht which increased from the issuance of 2,011.00 Million Baht debentures in the year 2013 which increased 134.07 percent. According to the Shareholders' Extraordinary General Meeting No.1/2014. The resolution is to approve the issuance and offering of all types of debentures, with and/or without a name registered, secured and/or unsecured debentures, with and/or without debenture holder's 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 Baht 3.0 Billion by issuing either single or multiple offerings. The Company issued debentures two times during the year 2014.

• **Equity**

As at 31 December 2015, the shareholders Equity of the Company was amount 3,090.32 million baht which the shareholders Equity increased from year 2014 of amount 216.69 million baht and no dividend payment for the year 2014.

As at 31 December 2014, the shareholders Equity of the Company was amount 2,873.63 million baht which the shareholders Equity increased from year 2013 of amount 44.25 million baht which Shareholders' equity decreased by the dividend payment of 29.39 million baht.

• **Liquidity**

	2015	2014	2013
Cash flow from operating activities before changing of operating assets and liabilities	508.59	1,818.6	1,225.6
Changing of operating assets and liabilities	-450.39	-3,545.95	-2,754.49
Corporate income tax	-60.34	-23.95	-15.64
Net cash provided by (used in) operating activities	-2.14	-1,750.28	-1,544.58

Cash flow from operation activities was mainly used for real estate project under development especially during political situation is becoming stable, resulting to backlog for low-rise and high-rise projects of 536 million baht and 1,625 million baht ,respectively.

	2015	2014	2013
Net cash provided by (used in) investing activities	-3.57	-286.29	-230.82

Cash flow from investing activities in 2014 was mainly used for property, building and equipment i.e. head office building and paid for aluminum forms for both low-rise and high-rise projects which can be used more than 3 years by partially replacement due to the company is prepared to invest in property, plant and equipment and aluminum form in the year 2013 and 2014 to effect cash flow to investing activities only 3.57 million baht.

	2015	2014	2013
Net cash provided by (used in) financing activities	90.63	2,149.25	1,659.01

Cash flow from financing activities in 2015 was mainly provided from issuance of debentures and mainly used for payment of debentures amounting to 2,000 million baht. Regarding long-term loan from financial institution, loan repayment was approximately 816.1 million baht and repayment short-term Bill of exchange and finance cost of 548.76 million baht and 486.05 million baht, respectively.

Cash flow from financing activities in 2014 was mainly provided from issuance of debentures and mainly used for payment of debentures amounting to 2,011 Million Baht. Regarding long-term loan from financial institution, loan repayment was approximately 337.4 Million Baht while cash outflow for loan repayment is from bill of exchange to save interest.

• Liquidity ratio

As at 31 December 2015, Liquidity ration of the Company was amount of 2.44 times by increase 0.13 times from the year 2014. In the year 2014, Liquidity ration of the Company was amount of 2.31 times by decrease 0.99 times from the year 2013.

Quick ratio in the period, was amount of 0.09, 0.13 and 0.37 times, respectively.

Account payable Turnover ratio in the period, was amount of 15.91, 10.45 and 11.92 times, respectively.

• Financial Policy Ratio

Maintenance debt to equity ratio

The Company's Debt-to-Equity ratio as of 31 December 2015 was amount 3.16 times same as year 2014. An increase of debt-to-equity ratio was in line with the value of real estate projects under development. As at 31 December 2015, the

company had real estate projects under development no delivery of 2,161 million baht which revenue will be recognized in the year 2016 onwards and inventories to be sold of 9,770 million baht. Once the transfer is made, then the ratio of debt to equity declined.

In issuance bonds no.1/2013 that maturity date is in the year 2016. In issuance bonds no.1/2014 that maturity date is in the year 2017. In issuance bonds no.2/2014 that maturity date is in the year 2017 or early redemption. In issuance bonds no.1/2015 that maturity date is in the year 2016 and issuance bonds no.2/2015 that maturity date is in the year 2018 or early redemption. The Company is required to maintain Net Debt to Equity Ratio at a ratio of not more than 3:1 on consolidated financial statement at the end of the fiscal quarter or fiscal year upon the terms of each series of such debentures.

As at 31 December 2015, the company continued to maintain Net Debt to Equity Ratio of 2.83 times, which is still subject to the terms of the debentures.

Board of Directors’ Responsibility for Financial Reporting

The Board of Directors of Areeya Property Public Co., Ltd. is responsible for financial statements and consolidated financial statements presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimations. Important information is adequately and transparently disclosed in the notes to financial statements for the company's shareholders and investors.

The Board of Directors has provided and maintained efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets that may be presented in order to prevent fraud or materially irregular operations.

The financial statements of the company and the consolidated financial statements of the company have been examined by external auditor named Miss Vannaporn Jongperadechanon, registration no.4098, KPMG Phoomchai Audit Ltd. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the company's records and related data as requested. The auditors' opinion is presented in the auditors' report as part of this annual report.

The Board of Directors is satisfied that an efficient internal audit control is rendered credibility and reliability to financial statements of Areeya Property Public Co., Ltd. And its consolidated financial statements for the year ended December 31, 2015. The Board of Directors also believed that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Mr Wisit Laohapoonrungrsee
Chairman and Chief Executive Officer

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 as the Chairman and Mr.Preecha Bunyakida as a member of the Audit Committee and Mr.Sompol Thiensuvan as a member 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 2015, the Audit Committee held 12 meetings which were also attended by the management, chief of internal audit office and representatives from accounting department according to the agenda. Including one meeting was held among the Audit Committee, the External Auditor and the Internal Auditor without management present. The Audit Committee's audits and recommendations given on different occasions can be summarized as follows:

Audit quarterly and annual financial statements of the year 2015 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.

• **Audit and assess adequacy of internal control system** The Audit Committee has 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.

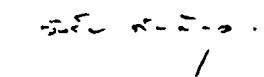
• **Supervision of internal control operation** The Audit Committee reviewed auditing report for the year 2015 according to the approved work plan in order to enhance efficiency and effectiveness of the operation with well-established internal control system, compliance with laws relating to securities 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 2016 which was prepared on the basis of the assessment of internal controls according to The Committee of Sponsoring Organizations of the Treadway Commision (COSO-2013.)

• **Appropriateness of the CPA** The Audit Committee is of the view that EY, the company's auditor in 2015, 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 2015, 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
26 February 2016

Independent Auditor’s Report

Areeya Property Public Company Limited and its Subsidiaries

To the shareholders of Areeya Property Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Areeya Property Public Company Limited and its subsidiaries (the “Group”), and of Areeya Property Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

¶My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other Matter

The financial statements of the Group and the Company for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 27 February 2015.



(Vannaporn Jongperadechanon)

Certified Public Accountant

Registration No. 4098

KPMG Phoomchai Audit Ltd.

Bangkok

26 February 2016

Statements of financial position

Areeya Property Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Note		2015	2014	2015	2014
(in Baht)					
Assets					
Current assets					
Cash and cash equivalents	5	305,806,285	220,894,659	200,537,326	119,402,047
Short-term investment	6	81,841	80,662	81,841	80,662
Trade and other receivables	4, 7	35,092,209	28,352,433	176,436,375	88,827,995
Real estate projects under development	8	10,930,649,249	9,841,676,168	9,114,263,675	8,570,951,368
Deposits for land	35	80,000,000	347,000,000	80,000,000	347,000,000
Short-term loans to related parties	4	-	-	1,428,087,824	803,321,871
Other current assets	9	63,403,922	27,967,450	56,656,757	25,231,740
Total current assets		11,415,033,506	10,465,971,372	11,056,063,798	9,954,815,683
Non-current assets					
Deposits at bank used as collateral	10, 35	193,929,945	292,097,980	193,929,945	287,260,445
Investments in subsidiaries	11	-	-	301,999,239	301,999,239
Investment properties	12	535,231,422	510,202,461	495,634,422	491,688,605
Property, plant and equipment	13	411,241,517	400,013,508	376,373,038	361,934,761
Building on lease land	4,14	153,410,407	161,956,111	153,410,407	161,956,111
Intangible assets	15	26,204,354	19,821,438	26,135,596	19,740,331
Deferred tax assets	16	13,641,225	7,977,888	5,779,198	4,561,687
Rental deposit	4	60,000,000	60,000,000	60,000,000	60,000,000
Other non-current assets		52,498,082	38,480,668	46,636,141	32,931,440
Total non-current assets		1,446,156,952	1,490,550,054	1,659,897,986	1,722,072,619
Total assets		12,861,190,458	11,956,521,426	12,715,961,784	11,676,888,302

The accompanying notes are an integral part of the financial statements.

Statements of financial position (continued)

Areeya Property Public Company Limited and its Subsidiaries

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		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Note	2015	2014	2015	2014
(in Baht)					
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	1,610,306,879	2,159,067,013	1,610,306,879	2,141,318,284
Trade and other payables	4, 18	278,702,225	226,470,127	578,840,489	559,403,691
Current portion of long-term loans					
from financial institutions	17	692,287,171	1,648,673,188	601,956,277	1,443,673,188
Short-term loans from related parties	4	-	-	218,061,522	72,295,747
Current portion of long-term loans					
from other parties	17	111,493,133	-	111,493,133	-
Current portion of debentures	17	1,509,346,663	-	1,509,346,663	-
Current portion of finance lease liabilities	17	48,608,917	45,751,415	40,855,632	38,487,386
Current portion of construction retentions	4	208,359,495	127,593,911	160,860,985	94,650,537
Unrecognised income on installments due		166,023,562	198,733,163	164,947,562	197,917,563
Income tax payable		1,330,057	1,261,381	372,711	-
Other current liabilities	4, 19	49,263,148	120,598,811	13,723,739	85,977,634
Total current liabilities		4,675,721,250	4,528,149,009	5,010,765,592	4,633,724,030

The accompanying notes are an integral part of the financial statements.

Statements of financial position (continued)

Areeya Property Public Company Limited and its Subsidiaries

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		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Note	2015	2014	2015	2014
(in Baht)					
Non-current liabilities					
Long-term loans from financial institutions	17	932,622,119	792,337,347	829,082,814	741,847,965
Long-term loans from other parties	17	-	111,493,133	-	111,493,133
Long-term loans from related party	4	-	-	9,700,000	9,700,000
Debentures	17	3,996,595,924	3,511,000,000	3,996,595,924	3,511,000,000
Finance lease liabilities	17	43,693,901	63,157,152	39,072,722	54,102,743
Utilities guarantees		11,981,646	6,877,074	11,981,646	6,877,074
Employee benefit obligations	20	18,103,529	15,909,256	6,204,676	5,447,307
Provision for litigation	21	16,600,000	16,600,000	16,600,000	16,600,000
Other non-current liabilities		75,547,602	37,362,959	49,296,692	26,854,309
Total non-current liabilities		5,095,144,721	4,554,736,921	4,958,534,474	4,483,922,531
Total liabilities		9,770,865,971	9,082,885,930	9,969,300,066	9,117,646,561
Liabilities and equity					
Equity					
Share capital	22				
Authorised share capital		1,200,000,000	980,000,000	1,200,000,000	980,000,000
Issued and paid-up share capital		980,000,000	980,000,000	980,000,000	980,000,000
Premium on ordinary shares	23	669,209,894	669,209,894	669,209,894	669,209,894
Retained earnings					
Appropriated					
Legal reserve	23	66,653,600	57,253,600	66,653,600	57,253,600
Unappropriated		1,374,460,993	1,167,172,002	1,030,798,224	852,778,247
Total equity		3,090,324,487	2,873,635,496	2,746,661,718	2,559,241,741
Total liabilities and equity		12,861,190,458	11,956,521,426	12,715,961,784	11,676,888,302

The accompanying notes are an integral part of the financial statements.

Statements of comprehensive income

Areeya Property Public Company Limited and its Subsidiaries

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		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Note	2015	2014	2015	2014
(in Baht)					
<i>Income</i>					
Revenue from sale of real estate		5,398,024,485	2,437,564,050	4,093,546,245	1,810,376,350
Service income from house construction and sale of construction materials		3,271,910	458,058	2,913,521	303,083
Unrealised gain (loss) on investment properties	12	(25,853,335)	62,616,135	(31,492,563)	62,616,135
Other income	25	52,401,458	58,714,222	55,630,307	45,966,679
Total income		5,427,844,518	2,559,352,465	4,120,597,510	1,919,262,247
<i>Expenses</i>					
Cost of sale of real estate		4,016,727,027	1,632,075,854	3,057,371,953	1,245,759,082
Cost of service from house construction and cost of sale of construction materials		1,454,238	11,606,318	1,120,323	291,015
Selling expenses	26	535,838,691	320,277,814	402,598,346	220,024,957
Administrative expenses	4, 27	436,043,304	393,578,686	261,104,327	259,119,785
Finance costs	4, 30	166,346,064	145,049,155	165,177,262	140,672,065
Total expenses		5,156,409,324	2,502,587,827	3,887,372,211	1,865,866,904
Profit before income tax expense		271,435,194	56,764,638	233,225,299	53,395,343
Income tax expense	31	(54,746,203)	(15,498,262)	(45,805,322)	(11,639,828)
Profit for the year		216,688,991	41,266,376	187,419,977	41,755,515

The accompanying notes are an integral part of the financial statements.

Statements of comprehensive income (continued)

Areeya Property Public Company Limited and its Subsidiaries

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		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Note		2015	2014	2015	2014
		(in Baht)			
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Actuarial gain recognised for employee benefit	20	-	2,983,570	-	3,656,592
Other comprehensive income for the year, net of income tax		-	2,983,570	-	3,656,592
Total comprehensive income for the year		216,688,991	44,249,946	187,419,977	45,412,107
Earnings per share (in Baht)					
Basic earnings per share	32	0.22	0.04	0.19	0.04

The accompanying notes are an integral part of the financial statements.

Statements of changes in equity

Areeya Property Public Company Limited and its Subsidiaries

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Consolidated financial statements						
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity
	Note			Legal reserve	Unappropriated	
(in Baht)						
For the year ended 31 December 2014						
Balance at 1 January 2014		980,000,000	669,209,894	54,953,600	1,154,620,256	2,858,783,750
Transactions with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends	33	-	-	-	(29,398,200)	(29,398,200)
<i>Total distributions to owners of the Company</i>						
		-	-	-	(29,398,200)	(29,398,200)
Comprehensive income for the year						
Profit		-	-	-	41,266,376	41,266,376
Other comprehensive income		-	-	-	2,983,570	2,983,570
Total comprehensive income for the year		-	-	-	44,249,946	44,249,946
Transfer to legal reserve	23	-	-	2,300,000	(2,300,000)	-
Balance at 31 December 2014		980,000,000	669,209,894	57,253,600	1,167,172,002	2,873,635,496
For the year ended 31 December 2015						
Balance at 1 January 2015		980,000,000	669,209,894	57,253,600	1,167,172,002	2,873,635,496
Comprehensive income for the year						
Profit		-	-	-	216,688,991	216,688,991
Total comprehensive income for the year		-	-	-	216,688,991	216,688,991
Transfer to legal reserve	23	-	-	9,400,000	(9,400,000)	-
Balance at 31 December 2015		980,000,000	669,209,894	66,653,600	1,374,460,993	3,090,324,487

The accompanying notes are an integral part of the financial statements.

Statements of changes in equity (continued)

Areeya Property Public Company Limited and its Subsidiaries

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Separate financial statements					
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity
			Legal reserve	Unappropriated	
(in Baht)					
For the year ended 31 December 2014					
Balance at 1 January 2014	980,000,000	669,209,894	54,953,600	839,064,340	2,543,227,834
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Dividends	33	-	-	-	(29,398,200)
Total distributions to owners of the Company		-	-	-	(29,398,200)
Comprehensive income for the year					
Profit		-	-	-	41,755,515
Other comprehensive income		-	-	-	3,656,592
Total comprehensive income for the year		-	-	-	45,412,107
Transfer to legal reserve	23	-	-	2,300,000	(2,300,000)
Balance at 31 December 2014		980,000,000	669,209,894	57,253,600	852,778,247
For the year ended 31 December 2015					
Balance at 1 January 2015		980,000,000	669,209,894	57,253,600	852,778,247
Comprehensive income for the year					
Profit		-	-	-	187,419,977
Total comprehensive income for the year		-	-	-	187,419,977
Transfer to legal reserve	23	-	-	9,400,000	(9,400,000)
Balance at 31 December 2015		980,000,000	669,209,894	66,653,600	1,030,798,224

The accompanying notes are an integral part of the financial statements.

Statements of cash flows

Areeya Property Public Company Limited and its Subsidiaries

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	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2015	2014	2015	2015
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	216,688,991	41,266,376	187,419,977	41,755,515
<i>Adjustments for</i>				
Depreciation and amortisation	50,132,568	40,217,050	44,100,034	31,392,189
Unrealised (gain) loss on investment properties	25,853,335	(62,616,135)	31,492,563	(62,616,135)
Finance costs	166,346,064	145,049,155	165,177,262	140,672,065
Loss on sales of equipment	-	7,920,913	-	4,219,149
Unrealised (gain) loss on short-term investment	(1,179)	(662)	(1,179)	(662)
Unrealised (gain) loss on exchange rate	(166,423)	166,423	(166,423)	166,423
Employee benefit obligations	2,194,273	8,818,545	757,369	1,645,162
Other income from investment units received	-	(80,000)	-	(80,000)
Income tax expense	54,746,203	15,498,262	45,805,322	11,639,828
Interest income	(7,216,785)	(9,988,077)	(6,881,432)	(9,210,036)
	508,577,047	186,251,850	467,703,493	159,583,498

Statements of cash flows (continued)

Areeya Property Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2015	2014	2015	2015
	(in Baht)			
<i>Changes in operating assets and liabilities</i>				
Trade and other receivables	(14,631,270)	16,308	(92,519,489)	(38,350,360)
Real estate projects under development	(710,335,071)	(1,853,295,827)	(191,748,788)	(1,592,089,157)
Deposits for land	267,000,000	(347,000,000)	267,000,000	(347,000,000)
Other current assets	(27,608,387)	35,491,833	(26,577,316)	29,184,864
Other non-current assets	(14,017,414)	(4,161,683)	(13,704,701)	(3,667,628)
Trade and other payables	29,528,088	61,456,724	(2,385,047)	116,270,607
Construction retentions	80,765,584	42,574,273	66,210,448	47,302,998
Unrecognised income on installments due	(32,709,600)	71,031,806	(32,970,000)	71,437,803
Other current liabilities	(71,335,663)	77,364,942	(72,253,895)	77,260,517
Utilities guarantee	5,104,571	(683,986)	5,104,571	(683,986)
Litigation settlement	-	(678,200)	-	(678,200)
Other non-current liabilities	37,864,644	5,299,393	22,122,383	884,083
Cash from (used in) operating activities	58,202,529	(1,726,332,567)	395,981,659	(1,480,544,961)
Income tax paid	(60,340,864)	(23,947,983)	(46,650,122)	(15,761,401)
Net cash from (used in) operating activities	(2,138,335)	(1,750,280,550)	349,331,537	(1,496,306,362)
<i>Cash flows from investing activities</i>				
Interest received	7,280,192	10,074,187	6,944,840	9,146,628
Increase in deposits at banks used as collateral	98,168,035	(80,430,753)	93,330,500	(83,761,084)
Decrease in short-term loans to related parties	-	-	(624,765,953)	(450,121,871)
Purchase investment properties	(50,882,297)	(25,322,263)	(35,438,380)	(17,647,940)
Purchase equipment	(55,383,393)	(192,667,847)	(53,459,078)	(165,695,398)
Proceeds from sales of equipment	-	7,638,679	-	3,936,915
Purchase intangible assets	(2,755,331)	(5,579,309)	(2,723,231)	(5,579,309)
Net cash flows used in investing activities	(3,572,794)	(286,287,306)	(616,111,302)	(709,722,059)

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The accompanying notes are an integral part of the financial statements.

Statements of cash flows (continued)

Areeya Property Public Company Limited and its Subsidiaries

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		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2015	2014	2015	2015
		(in Baht)			
<i>Cash flows from financing activities</i>					
Finance costs paid		(486,054,590)	(407,500,680)	(465,710,883)	(382,027,415)
Dividends paid		-	(29,398,200)	-	(29,398,200)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		(548,760,134)	936,388,415	(531,011,405)	1,059,437,137
Increase in long-term loans from financial institutions		2,193,662,998	1,355,137,018	1,836,711,198	1,333,265,009
Increase (decrease) in short-term loans from related parties		-	-	145,765,775	(162,636,370)
Repayments of long-term loans from financial institutions		(3,009,764,243)	(1,692,561,652)	(2,591,193,260)	(1,559,537,255)
Repayment of finance lease liabilities		(53,403,863)	(23,811,869)	(41,588,968)	(19,782,074)
Proceeds from debentures		1,994,942,587	3,000,000,000	1,994,942,587	3,000,000,000
Repayments of debentures		-	(989,000,000)	-	(989,000,000)
Net cash flows from financing activities		90,622,755	2,149,253,032	347,915,044	2,250,320,832
Net increase in cash and cash equivalents		84,911,626	112,685,176	81,135,279	44,292,411
Cash and cash equivalents at 1 January		220,894,659	108,209,483	119,402,047	75,109,636
Cash and cash equivalents at 31 December	5	305,806,285	220,894,659	200,537,326	119,402,047
<i>Non-cash transactions</i>					
Transfer deposits for purchase of land to real estate development costs		1,065,602,770	742,000,000	1,065,602,770	742,000,000
Purchase of equipment under finance lease agreements		29,023,078	60,360,302	21,152,158	57,080,302
Purchase of intangible assets under finance lease agreements		7,775,035	8,066,768	7,775,035	8,066,768
Payable from purchase of equipments		2,460,000	9,289,946	250,000	9,289,946
Payable for investment in a subsidiary		-	-	-	999,700
Capitalisation of finance costs as cost of project		208,203,478	289,893,920	208,203,478	268,528,696
Actuarial gains, net of income tax		-	2,983,570	-	3,656,592

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements

Areeya Property Public Company Limited and its Subsidiaries

Note	Contents	Note	Contents
1	General information	20	Employee benefit obligations
2	Basis of preparation of the financial statements	21	Provision for litigation
3	Significant accounting policies	22	Share capital
4	Related parties	23	Premium on ordinary shares and reserves
5	Cash and cash equivalents	24	Segment information
6	Short-term investment	25	Other income
7	Trade and other receivables	26	Selling expenses
8	Real estate projects under development	27	Administrative expenses
9	Other current assets	28	Employee benefit expenses
10	Deposits at banks used as collateral	29	Expenses by nature
11	Investments in subsidiaries	30	Finance costs
12	Investment properties	31	Income tax expense
13	Property, plant and equipment	32	Earnings per share
14	Building on lease land	33	Dividends
15	Intangible assets	34	Financial instruments
16	Deferred tax	35	Commitments with non-related parties
17	Interest-bearing liabilities	36	Events after the reporting period
18	Trade and other payables	37	Thai Financial Reporting Standards (“TFRS”) not yet adopted
19	Other current liabilities	38	Reclassification of accounts

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issued by the Board of Directors on 26 February 2016.

1 General information

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 Laohapoonrungsee (45.18%) and Porncharoenchaisilp (12.43%) family shareholdings.

The principal business of the Company is the development of real estate projects. Details of the Company’s subsidiaries as at 31 December 2015 and 2014 are given in notes 4 and 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 37.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Investment properties	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in note 3 (o)

Notes to the financial statements

(c) 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.

(d) 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 policies and 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.

Information about significant areas of 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:

Notes 16 and 31	Current and deferred taxation
Note 12	Valuation of investment properties
Note 20	Measurement of defined benefit obligations
Note 21	Provisions for litigation
Note 34	Valuation of financial instruments

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 and liabilities.

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 CFO.

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.

Notes to the financial statements

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

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 12 - investment property; and
- Note 34 - financial instruments.

3 Significant accounting policies

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

(a) Basis of consolidation

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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. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

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.

Notes to the financial statements

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.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements 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.

(d) 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.

(e) Inventories

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.

(f) 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 plus, where appropriate, a portion of attributable profit and estimated net realisable value, net of progress billings. 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.

(g) Investments

Investments in subsidiaries

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

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Notes to the financial statements

(h) 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.

(i) 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 within other income 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.

Notes to the financial statements

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	20	years
Electricity, sanitation, fire and plumbing system	15	years
Elevator and air conditioning system	10	years
Leasehold improvements	3 and 5	years
Club house	20	years
Temporary building	5	years
Furniture, fixtures and office equipment	3 and 5	years
Machinery and construction equipment	3 and 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.

(j) Building on lease land

Building on lease land is depreciated over the estimate useful live of 20 years.

(k) Intangible assets

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.

Notes to the financial statements

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:

Computer software	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.

(l) *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. For goodwill, the recoverable amount is estimated each year at the same time.

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 available-for-sale financial assets is calculated by reference to the fair value.

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. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. 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.

(m) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Notes to the financial statements

(n) *Trade and other payables*

Trade and other accounts payable are stated at cost.

(o) *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.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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.

(p) *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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Notes to the financial statements

(q) *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.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

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Real estate development projects

Revenue for real estate development projects are recognized when the construction works are completed and the ownerships have been transferred to buyers after all payments are received from the buyers.

Investments

Revenue from investments comprises rental income from investment properties and 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.

Interest income

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

(r) *Finance costs*

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables).

Borrowing costs that are not directly attributable to the acquisition, construction of a qualifying asset are recognised in profit or loss using the effective interest method.

Notes to the financial statements

(s) *Lease payments*

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.

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(t) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or 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: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent 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.

Notes to the financial statements

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.

(u) *Earnings per share*

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

(v) *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.

4 Related parties

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

Relationships with key management and other 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

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Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
Areeya Service Co., Ltd.	Thailand	Subsidiary
Areeya Convenience Store Co., Ltd.	Thailand	Subsidiary
Daily By Areeya Co., Ltd.	Thailand	Related company by related director
A Attitude Co., Ltd.	Thailand	Related company by related director
At Home Development Co., Ltd.	Thailand	Related company by related director
The Colors Co., Ltd.	Thailand	Related company by related director
W Solar & Power Co., Ltd.	Thailand	Related director
W Power Co., Ltd.	Thailand	Related director
Tavalamai Co., Ltd.	Thailand	Related director
Laohapoonrungsee and Porncharoenchaisilp groups	Thailand	The group of major shareholders
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.

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The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Finance costs	Contractually agreed rates
Land rental	Contractually agreed rates

Significant transactions for the year ended 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Subsidiary				
Finance costs	-	-	461	461
Other related parties				
Land rental	1,000	1,000	1,000	1,000

Notes to the financial statements

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
<i>Other receivables - related parties</i>				
Subsidiaries	-	-	157,089	71,154
<i>Rental deposit</i>				
Deposit to management	60,000	60,000	60,000	60,000
<i>Trade and other payables - related parties</i>				
Subsidiaries	-	-	366,951	374,266
<i>Investment payable - related party</i>				
Subsidiary	-	-	-	1,000
<i>Construction retentions - related party</i>				
Subsidiary	-	-	5,012	4,926
<i>Accrued interest expense - related parties</i>				
Subsidiaries	-	-	1,843	1,382
<i>Short-term loans to related parties</i>				
Subsidiaries				
Chill Space Co., Ltd.	-	-	286,153	242,200
One Up Company Limited	-	-	202,500	202,500
White Living Co., Ltd.	-	-	185,123	181,507
Cool Space Co., Ltd.	-	-	28,813	-
Areeya Management Co., Ltd.	-	-	725,499	177,115
Total	-	-	1,428,088	803,322

Notes to the financial statements

Short-term loans to related parties are due at call, and do not carry interest.Movements during the years ended 31 December of short-term loans to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Short-term loans to related parties				
Subsidiaries				
At 1 January	-	-	803,322	353,200
Increase	-	-	917,266	465,622
Decrease	-	-	(292,500)	(15,500)
At 31 December	-	-	1,428,088	803,322

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Short-term loans from related parties				
Subsidiaries				
Chill Space Co., Ltd.	-	-	73,240	95
Cool Space Co., Ltd.	-	-	-	10,177
Areeya Management Co., Ltd.	-	-	89,701	62,024
White Living Co., Ltd.	-	-	55,121	-
Total	-	-	218,062	72,296

Short-term loans from related parties are due at call, and do not carry interest.

Movements during the years ended 31 December of short-term loans from related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Short-term loans from related parties				
Subsidiaries				
At 1 January	-	-	72,296	234,932
Increase	-	-	415,741	256,504
Decrease	-	-	(269,975)	(419,140)
At 31 December	-	-	218,062	72,296

Notes to the financial statements

	Interest rate		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Long-term loans from related party						
Subsidiary						
Areeya Service Co., Ltd.	4.75	4.75	-	-	9,700	9,700
Key management personnel compensation						
Key management personnel compensation comprised:						
For the year ended 31 December			Consolidated financial statements		Separate financial statements	
			2015	2014	2015	2014
			<i>(in thousand Baht)</i>			
Short-term employee benefits			46,949	45,043	24,149	24,343
Long-term employee benefits			1,286	2,940	383	1,582
Total			48,235	47,983	24,532	25,925

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.

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 31 December 2015 of Baht 57.4 million (31 December 2014: 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 31 December 2015 of Baht 0.4 million (31 December 2014: 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 subsidiaries and other related party

The Company entered into a land lease agreement with two directors to build a head office building, for a period of 10 years from the date of land lease registration. As at 31 December 2015, the Company had commitment up to the end of lease agreement amounting to Baht 9.3 million (31 December 2014: Baht 10.3 million). The Company paid rental

Notes to the financial statements

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 deposit will be repaid to the lessee at the end of the lease on 31 December 2023. 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 lessor, the lessor must buy and the Company must sell buildings situated on the leased land and equipment at book value at the trade date. The Company agrees to transfer ownership of the building to the lessee or assignee of the lessor.

In October 2015, the Company and lessor entered into a memorandum of amendment to the land lease agreement. 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. 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.

Others

The Company has guaranteed liabilities of subsidiaries with local banks and the subsidiaries have guaranteed liabilities of the Company and subsidiaries with local banks.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Cash on hand	461	494	461	493
Cash at banks - current accounts	1,883	2,878	7,674	1,161
Cash at banks - saving accounts	236,978	133,803	148,334	69,754
Highly liquid short-term investments	549	6,422	-	504
Cashier cheques to bank for loan repayment and deposit in transit	44,419	70,623	35,734	44,135
Cheque in transit	21,516	6,675	8,334	3,355
Total	305,806	220,895	200,537	119,402

Cash and cash equivalents of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Notes to the financial statements

6 Short-term investment

	Consolidated financial statements / Separate financial statements			
	2015		2014	
	Cost	Fair value	Cost	Fair value
	(in thousand Baht)			
Unit trusts	82	82	80	81

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

Short-term investment of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

7 Trade and other receivables

As at 31 December 2015 and 2014, trade and other receivables consisted of:

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)			
Trade accounts receivables					
Other parties		11,840	8,065	9,361	5,909
Total		11,840	8,065	9,361	5,909
Less allowance for doubtful accounts		(4,520)	(3,423)	(2,791)	(1,694)
Net		7,320	4,642	6,570	4,215
Other receivables					
Related parties	4	-	-	157,089	71,154
Other parties		31,726	27,664	16,731	17,413
Total		31,726	27,664	173,820	88,567
Less allowance for doubtful accounts		(3,954)	(3,954)	(3,954)	(3,954)
Net		27,772	23,710	169,866	84,613
Total trade and other receivables - net		35,092	28,352	176,436	88,828
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)			
Doubtful debts expense for					
the year ended 31 December		1,097	-	1,097	-

Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Trade accounts receivable				
Other parties				
Overdue::				
Less than 3 months	1,600	714	1,227	697
3 - 6 months	1,253	606	1,178	606
6 - 12 months	2,273	1,512	2,263	1,476
Over 12 months	6,714	5,233	4,693	3,130
	11,840	8,065	9,361	5,909
Less allowance for doubtful accounts	(4,520)	(3,423)	(2,791)	(1,694)
Net	7,320	4,642	6,570	4,215
Other receivables - net	27,772	13,710	169,866	84,613
Total trade and other receivables - net	35,092	28,352	176,436	88,828

The normal credit term granted by the Group ranges from 30 days to 60 days.

Trade and other receivables of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

8 Real estate projects under development

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Land and development costs of projects for sale	17,621,730	15,691,916	14,376,436	13,330,761
Show houses	202,100	142,388	180,832	130,121
Construction in progress	11,648,631	9,178,917	9,543,194	7,659,603
Construction materials	594	3,363	581	3,363
Total	29,473,055	25,016,584	24,101,043	21,123,848
Less Portion transferred to cost of sales	(18,542,406)	(15,174,908)	(14,986,779)	(12,552,897)
Net	10,930,649	9,841,676	9,114,264	8,570,951
Finance costs capitalised to real estate development costs during the year	319,332	289,894	307,527	268,529
Rates of interest capitalised (% per annum)	4.60 - 8.50	5.75 - 8.50	4.60 - 8.50	5.75 - 8.50

Notes to the financial statements

Land and construction thereon have been mortgaged to secure loans facilities of the Company and its subsidiaries.

9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Prepaid expenses	34,237	5,741	33,511	4,821
Deposits	14,700	15,507	14,263	15,287
Advances	7,860	4,619	6,773	4,061
Others	6,606	2,100	2,110	1,063
Total	63,403	27,967	56,657	25,232

10 Deposits at banks used as collateral

The balances represented saving and fixed deposits of the Company and a subsidiary which were pledged with the financial institutions to secure to the banks.

11 Investments in subsidiaries

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

		Separate financial statements												
		Ownership interest		Paid-up capital		Cost method		Impairment		At cost-net		Dividend income		
		Type of business	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
			(%)		(in thousand Baht)									
Direct subsidiaries														
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	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-	
Cool Space Co., Ltd.	Development of real estate	99.99	99.99	60,000	60,000	60,000	60,000	-	-	60,000	60,000	-	-	
White Living Co., Ltd.	Development of real estate	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-	
Chill Space Co., Ltd.	Development of real estate	99.99	99.99	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-	
Areeya Convenient Store Co., Ltd.	Retail	99.97	99.97	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-	
Total				302,000	302,000	302,000	302,000	-	-	302,000	302,000	-	-	

Notes to the financial statements

On 10 September 2014, the Company's board of directors' meeting No.9/2014 approved to incorporate Areeya Convenience Store Co., Ltd. which is a subsidiary in Thailand. The subsidiary has a registered share capital of Baht 1 million and registered with the Ministry of Commerce on 24 September 2014.

All subsidiaries are incorporated in Thailand. There was no dividend declared by subsidiaries during the years 2015 and 2014.

12 Investment properties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
At 1 January	510,202	422,264	491,689	411,425
Additions	50,882	25,322	35,438	17,648
Unrealised gain (loss) from a fair value adjustment	(25,853)	62,616	(31,493)	62,616
At 31 December	535,231	510,202	495,634	491,689

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

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 30 December 2015.

The Company and its subsidiaries mortgaged the investment properties as collateral to secure credit facilities granted by 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 property of the Group and the Company of Baht 535 million and Baht 496 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Notes to the financial statements

Fair value method Level 3

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
At 1 January	489,650	-	489,650	-
Changes in fair value (unrealised)	8,013	489,650	(31,584)	486,650
At 31 December	497,663	489,650	458,066	486,650

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 rent-free periods and 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 (prime vs secondary), tenant credit quality and lease terms.	<ul style="list-style-type: none">Expected market rental growth (5%).Occupancy rate (60 - 65%).Risk-adjusted discount rates (10%).	<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).

13 Property, plant and equipment

	Consolidated financial statements								
	Land	Building and system	Leasehold improvements	Club house and temporary building	Furniture, fixtures and office equipment	Machinery and construction equipment	Vehicles	Assets under construction	Total
(in thousand Baht)									
Cost									
At 1 January 2014	32,112	37,636	-	43,961	64,944	95,896	78,355	28,560	381,464
Additions	14,007	37	-	10,159	20,008	120,562	17,479	55,467	237,719
Disposals	-	-	-	-	-	(3,143)	-	-	(3,143)
Transfers in (out)	-	7,359	-	-	32,768	-	-	(40,127)	-

Notes to the financial statements

	Consolidated financial statements								
	Land	Building and system	Leasehold improvements	Club house and temporary building	Furniture, fixtures and office equipment	Machinery and construction equipment	Vehicles	Assets under construction	Total
(in thousand Baht)									

At 31 December 2014 and 1 January 2015	46,119	45,032	-	54,120	117,720	213,315	95,834	43,900	616,040
Additions	21,139	-	-	436	6,516	31,973	14,103	19,344	93,511
Disposals	-	-	-	-	-	(8,155)	(4,837)	-	(12,992)
Transfers in (out)	-	1,792	2,727	-	16,260	13,002	-	(33,781)	-
At 31 December 2015	67,258	46,824	2,727	54,556	140,496	250,135	105,100	29,463	696,559

Depreciation

At 1 January 2014	-	627	-	27,061	37,298	43,527	55,540	-	164,053
Depreciation charged for the year	-	2,633	-	1,610	10,434	28,921	11,237	-	54,835
Disposals	-	-	-	-	-	(2,861)	-	-	(2,861)
At 31 December 2014 and 1 January 2015	-	3,260	-	28,671	47,732	69,587	66,777	-	216,027
Depreciation charged for the year	-	3,730	320	1,942	17,163	40,720	11,764	-	75,639
Disposals	-	-	-	-	-	(1,770)	(4,579)	-	(6,349)
At 31 December 2015	-	6,990	320	30,613	64,895	108,537	73,962	-	285,317

Net book value:

At 1 January 2014									
Owned assets	32,112	37,009	-	16,900	2,601	46,650	1,478	28,560	165,310
Assets under finance lease	-	-	-	-	25,047	5,719	21,335	-	52,101
	32,112	37,009	-	16,900	27,646	52,369	22,815	28,560	217,411

At 31 December 2014 and 1 January 2015									
Owned assets	46,119	41,772	-	25,449	61,678	76,493	1,321	43,900	296,732
Assets under finance lease	-	-	-	-	8,310	67,235	27,736	-	103,281
	46,119	41,772	-	25,449	69,988	143,728	29,057	43,900	400,013

At 31 December 2015									
Owned assets	67,258	39,834	2,407	23,945	71,835	84,397	3,061	29,463	322,200
Assets under finance lease	-	-	-	-	3,765	57,198	28,079	-	89,042
	67,258	39,834	2,407	23,943	75,601	141,598	31,138	29,463	411,242

Notes to the financial statements

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 133.95 million *(31 December 2014: Baht 99.3 million)*.

	Separate financial statements								
				Club	Furniture,	Machinery		Assets	
		Building	Leasehold	house and	fixtures	and		under	
	Land	and system	improvements	temporary building	and office equipment	construction equipment	Vehicles	construction	Total
	(in thousand Baht)								
Cost									
At 1 January 2014	32,112	37,636	-	43,961	56,954	38,230	54,398	28,560	291,851
Additions	14,007	37	-	10,159	19,303	105,630	14,199	55,467	218,802
Disposals	-	-	-	-	-	(4,690)	-	-	(4,690)
Transfers in (out)	-	7,359	-	-	32,768	-	-	(40,127)	-
At 31 December 2014 and 1 January 2015	46,119	45,032	-	54,120	109,025	139,170	68,597	43,900	505,963
Additions	21,139	-	-	436	6,257	19,976	14,103	19,344	81,255
Disposals	-	-	-	-	-	(8,155)	(4,837)	-	(12,992)
Transfers in (out)	-	1,792	2,727	-	16,260	13,002	-	(33,781)	-
At 31 December 2015	67,258	46,824	2,727	54,556	131,542	163,993	77,863	29,463	574,226
Depreciation									
At 1 January 2014	-	627	-	27,061	32,289	5,249	38,913	-	104,139
Depreciation charged for the year	-	2,633	-	1,610	9,242	20,155	6,720	-	40,360
Disposals	-	-	-	-	-	(471)	-	-	(471)
At 31 December 2014 and 1 January 2015	-	3,260	-	28,671	41,531	24,933	45,633	-	144,028
Depreciation charged for the year	-	3,730	320	1,942	16,080	29,716	8,386	-	60,174
Disposals	-	-	-	-	-	(1,770)	(4,579)	-	(6,349)
At 31 December 2015	-	6,990	320	30,613	57,611	52,879	49,440	-	197,853
Net book value:									
At 1 January 2014									
Owned assets	32,112	37,009	-	16,900	-	32,981	1,478	28,560	149,040
Assets under finance lease	-	-	-	-	24,665	-	14,007	-	38,672
	32,112	37,009	-	16,900	24,665	32,981	15,485	28,560	187,712

Notes to the financial statements

	Separate financial statements								
	Land	Building and system	Leasehold improvements	Club house and temporary building	Furniture, fixtures and office equipment	Machinery and construction equipment	Vehicles	Assets under construction	Total
<i>(in thousand Baht)</i>									
At 31 December 2014 and 1 January 2015									
Owned assets	46,119	41,772	-	25,449	59,349	52,965	1,320	43,900	270,874
Assets under finance lease	-	-	-	-	8,145	61,272	21,644	-	91,061
	46,119	41,772	-	25,449	67,494	114,237	22,964	43,900	361,935
At 31 December 2015									
Owned assets	67,258	39,384	2,407	23,944	70,178	59,540	511	29,462	292,684
Assets under finance lease	-	-	-	-	3,753	51,574	27,912	-	83,239
	67,258	39,834	2,407	23,943	73,931	111,114	28,423	29,463	376,373

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 93.9 million (31 December 2014: Baht 74.2 million).

During the year, the Company capitalized borrowing costs as part of building amounting to Baht 1.7 million. The rate used to determine the amount of borrowing costs eligible for capitalisation was 5.87% per annum.

The Company and subsidiaries entered into finance lease contracts for acquiring vehicles, equipment and machineries. These contracts will expire in various years until 2020. Under the terms of the lease contracts, the Company and its subsidiaries must comply with certain conditions stipulated in the agreements. Finance lease contracts covering machinery of a subsidiary are guaranteed by the Company.

Notes to the financial statements

Depreciation charged for the year

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Recognised in				
Real estate projects under development	38,200	20,394	28,723	14,626
Administrative expenses	37,439	34,441	31,451	25,734
Total	75,639	54,835	60,174	40,360

14 Building on lease land

	Consolidated financial statements / Separate financial statements
(in thousand Baht)	
Cost	
At 1 January 2014	161,588
Additions	9,326
At 31 December 2014 and 1 January 2015	170,914
At 31 December 2015	170,914
Depreciation	
At 1 January 2014	1,758
Depreciation for the year	7,200
At 31 December 2014 and 1 January 2015	8,958
Depreciation for the year	8,546
At 31 December 2015	17,504
Net book value	
At 1 January 2014	159,830
At 31 December 2014 and 1 January 2015	161,956
At 31 December 2015	153,410

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

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Notes to the financial statements

15 Intangible assets

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
(in thousand Baht)		
Cost		
At 1 January 2014	18,570	17,683
Additions	13,647	13,646
At 31 December 2014 and 1 January 2015	32,217	31,329
Additions	10,530	10,498
At 31 December 2015	42,747	41,827
Amortisation		
At 1 January 2014	9,513	8,760
Amortisation for the year	2,883	2,829
At 31 December 2014 and 1 January 2015	12,396	11,589
Amortisation for the year	4,147	4,103
At 31 December 2015	16,543	15,692
Net book value		
At 1 January 2014	9,057	8,923
At 31 December 2014 and 1 January 2015	19,821	19,740
At 31 December 2015	26,204	26,135

16 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
(in thousand Baht)				
Net deferred tax assets	13,641	7,978	-	-
	Separate financial statements			
	Assets		Liabilities	
	2015	2014	2015	2014
(in thousand Baht)				
Net deferred tax assets	5,779	4,562	-	-

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Notes to the financial statements

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements		
	At	(Charged) /	At
	1 January	Credited to: profit or loss	31 December
	2015	(note 31)	2015
(in thousand Baht)			
Deferred tax assets			
Provision for doubtful account	3,475	219	3,694
Advance receive	11,896	(3,864)	8,032
Provision for employee benefits	3,182	439	3,621
Legal reserve	3,320	-	3,320
Loss carry forward not utilised	1,252	3,672	4,924
Unrealisable (gain) loss from estimation of fair value	(12,523)	5,170	(7,353)
Accumulated depreciation of investment property	(2,487)	(2,553)	(5,040)
Provision for bonus	-	2,546	2,546
Others	(137)	34	(103)
Total	7,978	5,663	13,641

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	Separate financial statements			
	(Charged) / Credited to: (note 31)			
	At 1 January 2014	profit or loss	Other comprehensive income	At 31 December 2014
	(in thousand Baht)			
<i>Deferred tax assets</i>				
Provision for doubtful account	3,880	(405)	-	3,475
Advance receive	8,212	3,684	-	11,896
Provision for employee benefits	2,182	1,746	(746)	3,182
Legal reserve	3,456	(136)	-	3,320
Loss carry forward not utilised	-	1,252	-	1,252
Unrealisable (gain) loss from estimation of fair value	-	(12,523)	-	(12,523)
Accumulated depreciation of investment property	-	(2,487)	-	(2,487)
Others	-	(137)	-	(137)
Total	17,730	(9,006)	(746)	7,978

Notes to the financial statements

	Separate financial statements		
	At 1 January 2015	(Charged) / Credited to: profit or loss (note 31)	At 31 December 2015
	(in thousand Baht)		
<i>Deferred tax assets</i>			
Provision for doubtful account	3,129	219	3,348
Advance receive	11,837	(3,845)	7,992
Provision for employee benefits	1,089	152	1,241
Legal reserve	3,320	-	3,320
Loss carry forward not utilised	334	(334)	-
Unrealisable (gain) loss from estimation of fair value	(12,523)	6,299	(6,224)
Accumulated depreciation of investment property	(2,487)	(2,488)	(4,975)
Provision for bonus	-	1,172	1,172
Others	(137)	42	(95)
Total	4,562	1,217	5,779

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	Separate financial statements			
	(Charged) / Credited to: (note 31)			
	At		Other	At
	1 January	profit	comprehensive	31 December
	2014	or loss	income	2014
(in thousand Baht)				
Deferred tax assets				
Provision for doubtful account	3,535	(406)	-	3,129
Advance receive	8,179	3,658	-	11,837
Provision for employee benefits	1,674	329	(914)	1,089
Legal reserve	3,456	(136)	-	3,320
Loss carry forward not utilized	-	334	-	334
Unrealizable profit from estimation of fair value	-	(12,523)	-	(12,523)
Accumulated depreciation of investment property	-	(2,487)	-	(2,487)
Others	-	(137)	-	(137)
Total	16,844	(11,368)	(914)	4,562

Notes to the financial statements

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Tax losses	60,933	58,145	-	-
Total	60,933	58,145	-	-

The tax losses expire in 2020. 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 and the Company can utilise the benefits therefrom.

17 Interest-bearing liabilities

(a) Bank overdrafts and short-term loans from financial institutions

	Interest rate		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Bank overdrafts	MOR, saving bank account + fixed number	MOR, saving bank account + fixed number	19,765	52,253	19,765	44,488
Promissory notes	MLR - fixed number	MLR - fixed number	310,000	510,000	310,000	510,000
Bills of exchange	Government bond yield + credit spread	Government bond yield + credit spread	1,284,721	1,616,500	1,284,721	1,606,500
Less prepaid interest			(4,179)	(19,686)	(4,179)	(19,670)
Total bills of exchange net			1,280,542	1,596,814	1,280,542	1,586,830
Total			1,610,307	2,159,067	1,610,307	2,141,318

Bank overdrafts and short-term loans have been secured by the place of saving and fixed deposits and the mortgaged of land of projects of the Group and the Company.

As at 31 December 2015, the Group and the Company had credit facilities for letter of credit to certain local banks totaling Baht 32.3 million and Baht 2.3 million (31 December 2014: Baht 45.7 million and Baht 10.6 million, respectively).

Notes to the financial statements

(b) Long-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Current				
Current portion	692,287	1,100,673	601,956	1,100,673
Classified as current liabilities	-	548,000	-	343,000
	692,287	1,648,673	601,956	1,443,673
Non Current				
Long-term loans from financial institutions	932,622	792,337	829,083	741,848
Total	1,624,909	2,441,010	1,431,039	2,185,521

Summary of long-term loans are presented below.

Company

- Group 1 Loans amounting to Baht 261 million (31 December 2014: Baht 682 million), carried interest at a rate of MLR less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2016.
- Group 2 Loans amounting to Baht 409 million (31 December 2014: Baht 138 million), carrying interest at a rate of MLR less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and are to be made at installment. The full payment is to be made within 2021.
- Group 3 Loans amounting to Baht 120 million (31 December 2014: Baht 405 million), carrying interest at carrying interest at a rate of SPRL less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2017.
- Group 4 Loans amounting to Baht 326 million (31 December 2014: Baht 75 million), carrying interest at a rate of MLR plus or less fixed number per annum. The full payment is to be made within 2021.
- Group 5 Loans amounting to Baht 162 million (31 December 2014: Baht 497 million), carrying interest at a rate of MLR less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2017.
- Group 6 Loans amounting to Baht 153 million (31 December 2014: Baht 389 million), carrying interest at a rate of MLR less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2017.

Subsidiaries

- Group 1 Loans amounting to Baht 205 million at 31 December 2014, carrying interest at a rate of MLR less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2017. The subsidiary had fully paid in 2015.

Notes to the financial statements

Group 2 Loan amounting to Baht 92 million *(31 December 2014: nil)*, carrying interest at a rate of MLR less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2021.

Group 3 Balance at 31 December 2014, loans amounting to Baht 50 million carried interest at a rate of SPRL less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2017. The subsidiary had fully paid in 2015.

Group 4 Loan amounting to Baht 102 million *(31 December 2014: nil)*, carrying interest at a rate of MLR less fixed number per annum. Payments of principal are to be made at a percentage of the value of property transferred to customers and full payment is to be made within 2019.

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

The loan agreements also stipulated that loan repayments are to be made proportionately when properties are sold and transferred the right to customers.

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

As at 31 December 2015, the long-term credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 4,584.7 million and Baht 4,330.5 million, respectively (31 December 2014: Baht 7,111.3 million and Baht 6,551.9 million, respectively).

(c) Long-term loans from other parties

The Company had obtained long-term loans from other persons totaling Baht 111 million. These loans carried interest at a rate close to fixed interest rate, and are due for repayment when notice.

Notes to the financial statements

(d) Debentures

The debentures were registered, unsubordinated, unsecured and without a debenture holders’ representative as follows:

Debenture	Par value per		Total value	Issue date	Term	Maturity date	Coupon rate
	Unit	unit					
	<i>(in thousand units)</i>	<i>(in Baht)</i>	<i>(in million Baht)</i>		<i>(years)</i>		<i>(% per annum)</i>
Current							
1	511	1,000	511	12 April 2013	3	12 April 2016	
2	1,000	1,000	1,000	2 April 2015	1.5	5 October 2016	
		Transaction cost	(2)				
			1,509				
Non-Current							
3	1,500	1,000	1,500	11 April 2014	3	11 April 2017	Government bond yields plus a risk premium
4	1,500	1,000	1,500	31October 2014	3	31 October 2017 (or early redemption)	
5	1,000	1,000	1,000	22 October 2015	2 years 11 months 28 days	19 October 2018	
		Transaction cost	(3)				
			3,997				

On 26 February 2015, the Extraordinary General Meeting of the Company’s shareholders approved the issue and offer of debentures in a total amount not exceeding Baht 2,000 million.

On 27 February 2014, the Extraordinary Shareholders’ Meeting approved the issue and offers all of debentures. The debentures are registered or unregistered, secured or unsecured, with or without a debenture holders’ representative, subordinated or unsubordinated in a total amount not exceeding Baht 3,000 million by issuing in Baht and/or the equivalent in other currencies. The interest rate depends on market conditions at the time of offering by issuing either single or multiple offerings.

On 11 April 2014, the Company issued Baht 1,500 million of debentures (1,500,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders’ representative and debentures mature in 3 years.

On 31 October 2014, the Company issued Baht 1,500 million of debentures (1,500,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders’ representative and mature in 3 years. The Company had fully redeemed this debenture.

Notes to the financial statements

(e) Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2015			2014		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	53,400	(4,791)	48,609	51,993	(6,242)	45,751
After one year but within five years	46,906	(3,212)	43,694	67,557	(4,400)	63,157
Total	100,306	(8,003)	92,303	119,550	(10,642)	108,908

	Separate financial statements					
	2015			2014		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	45,090	(4,234)	40,856	43,927	(5,440)	38,487
After one year but within five years	42,054	(2,981)	39,073	58,050	(3,947)	54,103
Total	87,144	(7,215)	79,929	101,977	(9,387)	92,590

Interest-bearing liabilities of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

The Group and the Company have entered into the finance lease agreements with leasing company for rental of vehicle, equipment and machine for use in their operations, whereby they are committed to pay rental on a monthly basis.

The term of the agreements is generally 3 - 5 years. Finance lease agreements cannot be cancelled.

18 Trade and other payables

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)			
Related parties	4	-	-	366,951	374,266
Other parties		278,702	226,470	211,889	185,138
Total		278,702	226,470	578,840	559,404

Trade and other payables of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

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Notes to the financial statements

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Sales tax	35,728	34,636	3,075	1,796
Withholding tax deduct payable	9,851	8,608	7,259	6,946
Advance receive	3,377	3,377	3,377	3,377
Land deposit	-	73,719	-	73,719
Others	307	259	13	140
Total	49,263	120,599	13,724	85,978

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Present value of unfunded obligations	18,104	15,909	6,204	5,447
Statement of financial position obligations	18,104	15,909	6,204	5,447
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Long-term employee benefits	2,195	8,818	757	1,645
Recognised in other comprehensive income:				
Actuarial gain recognised in the year	-	(3,729)	-	(4,571)

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Notes to the financial statements

Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Defined benefit obligations at 1 January	15,909	10,820	5,447	8,373
Include in profit or loss:				
Current service cost	1,489	8,387	515	1,216
Interest on obligation	706	431	242	429
	2,195	8,818	757	1,645
Included in other comprehensive income				
Actuarial losses	-	(3,729)	-	(4,571)
	-	(3,729)	-	(4,571)
Defined benefit obligations at 31 December	18,104	15,909	6,204	5,447

The following were the principal actuarial assumptions at the reporting date.

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(% per annum)</i>				
Discount rate	4.06	4.06	4.06	4.06
Future salary increase rate	7.22	7.22	7.22	7.22

Employee turnover rate (depending on age) 0-42.00 0-42.00 0-42.00 0-42.00

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

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 32 years (31 December 2014: 27 years).

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.

Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
Defined benefit obligation 31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(389)	406	(148)	157
Future salary growth (0.5% movement)	461	(445)	166	(158)
Employee turnover rate (1% movement)	(1,062)	1,160	(382)	436

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.

21 Provision for litigation

Movements of the provision for litigation for the year ended 31 December are summarised below

	Consolidated / Separate financial statements	
	2015	2014
<i>(in thousand Baht)</i>		
As at 1 January	16,600	17,278
Settlement during year	-	(678)
As at 31 December	16,600	16,600

22 Share capital

	Par value per share (in Baht)	2015		2014	
		Number	Amount	Number	Amount
		(thousand shares / in thousand Baht)			
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	980,000	980,000	980,000	980,000
Increase of new shares	1	220,000	220,000	-	-
At 31 December					
- ordinary shares	1	1,200,000	1,200,000	980,000	980,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	980,000	980,000	980,000	980,000
At 31 December					
- ordinary shares	1	980,000	980,000	980,000	980,000

Notes to the financial statements

Issue of ordinary shares

On 27 February 2015, the Board of Directors Meeting approved the increase in registered share capital from Baht 980 million to Baht 1,200 million by the creation of 220 million ordinary shares. The Company registered the increase in registered share capital on 8 May 2015.

23 Premium on ordinary shares and reserves

Premium on ordinary shares

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 (“Premium on ordinary shares”). Premium on ordinary shares is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

24 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 Company and its subsidiaries are 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.

As at 31 December 2015, the Group and the Company have investment properties at fair value amounting to Baht 535 million and Baht 496 million, respectively (31 December 2014: Baht 510 million and Baht 492 million, respectively). At present, the management assessed that this segment is not major segment of the Group and the Company.

Major customers

For the year 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

Notes to the financial statements

25 Other income

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Revenue from cancellation	17,136	15,993	30,949	12,618
Revenue from community mall	14,955	21,138	14,706	21,138
Revenue from project management	9,939	8,813	-	-
Interest income	7,217	9,988	6,881	9,210
Others	3,154	2,782	3,094	3,001
Total	52,401	58,714	55,630	45,967

26 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Specific business tax and land transfer fees	214,867	94,028	167,263	70,205
Marketing	188,184	141,457	150,752	85,276
Employee benefit expense	35,351	27,906	18,061	19,653
Others	97,437	56,887	66,522	44,891
Total	535,839	320,278	402,598	220,025

27 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Employee benefit expense	230,781	192,688	95,351	111,667
Depreciation and amortisation	50,132	40,217	44,100	31,392
Common fee charge	23,674	16,961	21,581	15,873
Security expense	15,327	12,475	14,050	11,425
Utility expense	13,740	13,690	12,676	12,844
Transportation expense	13,303	13,425	5,853	6,849
Maintenance expense	6,147	3,531	5,165	2,611
Others	82,939	100,592	62,328	66,459
Total	436,043	393,579	261,104	259,120

Notes to the financial statements

28 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Wages and salaries	177,518	184,109	66,760	100,279
Contributions to provident fund	10,323	8,613	4,622	5,227
Others	78,291	35,504	42,029	24,214
Total	266,132	228,226	113,411	129,720

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 7% 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.

29 Expenses by nature

Significant expenses by nature are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Employee benefit expenses	266,132	228,226	113,411	129,720
Depreciation and amortization	50,132	40,217	44,100	31,392
Marketing expenses	188,184	141,457	150,752	85,276
Specific business tax and land transfer fees	214,867	94,028	167,263	70,205

Notes to the financial statements

30 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
(in thousand Baht)					
Interest expense:					
Subsidiaries	4	-	-	461	461
Interest bearings		484,174	435,230	471,020	409,311
Total interest expense		484,174	435,230	471,481	409,772
Other finance costs		1,720	1,413	1,439	1,129
		485,894	436,643	472,920	410,901

Less amounts included in the cost of qualifying assets:

- Real estate projects under development	8	(319,332)	(289,894)	(307,527)	(268,529)
- Investment property	12	(216)	-	(216)	-
- Assets under construction	13	-	(1,700)	-	(1,700)
		(319,548)	(291,594)	(307,743)	(270,229)
Net		166,346	145,049	165,177	140,672

31 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
(in thousand Baht)					
Current tax expense					
Current year		60,409	6,221	47,022	-
Adjust for prior years		-	271	-	271
Deferred tax expense					
Movements in temporary differences	16	(5,663)	9,006	(1,217)	11,369
Total income tax expense		54,746	15,498	45,805	11,640

Notes to the financial statements

Income tax recognised in other comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		(in thousand Baht)			
Defined benefit plan actuarial gains	16	-	746	-	914

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		271,435		56,765
Income tax using the Thai corporation tax rate	20.0	54,287	20.0	11,353
Under provided in prior years		-		271
Expenses not deductible for tax purposes		17,917		4,316
Additional expense deductions allowed		(21,827)		(49)
Current year losses for which no deferred tax asset was recognised		11,629		5,796
Others		(7,260)		(6,189)
Total	20.2	54,746	27.3	15,498

	Separate financial statements			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		233,225		53,395
Income tax using the Thai corporation tax rate	20.0	46,645	20.0	10,679
Under provided in prior years		-		271
Expenses not deductible for tax purposes		15,841		3,947
Additional expense deductions allowed		(15,708)		(49)
Others		(973)		(3,208)
Total	19.6	45,805	21.8	11,640

Notes to the financial statements

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction of the corporate income tax rate to 20% for net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, the National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

32 Earnings per share

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	216,689	41,266	187,420	41,756
Number of ordinary shares outstanding	980,000	980,000	980,000	980,000
Earnings per share (basic) (in Baht)	0.22	0.04	0.19	0.04

33 Dividends

At the annual general meeting of the shareholders of the Company held on 28 April 2014, the shareholders approved the appropriation of dividend of Baht 0.03 per share, amounting to Baht 29.4 million. The dividend was paid to shareholders during 2014. There was no dividend paid during 2015.

34 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.

Notes to the financial statements

Capital management

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, excluding non-controlling interests 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 because loan interest rates are mainly fixed. Most of the Company and its subsidiaries’ financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Foreign currency risk

The Group is exposed to foreign currency risk relating from service transactions that are denominated in foreign currencies.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in thousand Baht / thousand shares)			
United States Dollars	36	(440)	36	(281)
Total	36	(440)	36	(281)

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.

Notes to the financial statements

Fair values of financial assets and liabilities

As at 31 December 2015, the Group have fair values of financial assets and liabilities, or disclose fair value by fair value hierarchy were as follows:

	Consolidated financial statements			
	Fair value			
	Level 1	Level 2	Level 3	Book value
	(in thousand Baht)			
Fair values of financial assets				
Non-current				
Investment properties	-	-	497,663	497,663
Fair values of financial liabilities				
Current				
Current portion of debentures	-	(1,515,920)	-	(1,509,346)
Non-current				
Debentures	-	(4,019,035)	-	(3,996,595)

	Separate financial statements			
	Fair value			
	Level 1	Level 2	Level 3	Book value
	(in thousand Baht)			
Fair values of financial assets				
Non-current				
Investment properties	-	-	458,066	458,066
Fair values of financial liabilities				
Current				
Current portion of debentures	-	(1,515,920)	-	(1,509,346)
Non-current				
Debentures	-	(4,019,035)	-	(3,996,595)

Notes to the financial statements

As at 31 December 2014, the Company and subsidiaries have fair values of financial assets and liabilities, or disclose fair value by fair value hierarchy were as follows:

Consolidated financial statements				
Fair value				
	Level 1	Level 2	Level 3	Book value
(in thousand Baht)				
Fair values of financial assets				
Non-current				
Investment properties	-	-	489,650	489,650
Fair values of financial liabilities				
Non-current				
Debentures	-	(3,532,984)	-	(3,511,000)

Separate financial statements				
Fair value				
	Level 1	Level 2	Level 3	Book value
(in thousand Baht)				
Fair values of financial assets				
Non-current				
Investment properties	-	-	489,650	489,650
Fair values of financial liabilities				
Non-current				
Debentures	-	(3,532,984)	-	(3,511,000)

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These 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 purposes, the Group determines Level 2 fair values for traded debentures have been determined based on quoted selling prices from the Thai Bond Market Association at the close of the business.

Notes to the financial statements

For disclosure purposes, the Group determines Level 3 fair values for fair value of of investment property is carried based on valuations by independent valuers. 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 rate.

35 Commitments with non-related parties

As at 31 December 2015 and 2014, the Company and subsidiaries had commitments as follows:

- (a) In 2013, the Company entered into a sale and purchase agreement of land and amended memorandum in 2015 amounting to Baht 1,708 million for a property development project. As at 31 December 2015, the Company had paid Baht 35 million (31 December 2014: Baht 226 million) for deposit and the parties transferred the ownership over the property during the year Baht 1,619 million (31 December 2014: Baht 1,290 million).
- (b) In October 2015, the Company entered into a sale and purchase agreement of land amounting to Baht 140 million for a property development project. As at 31 December 2015, the Company had paid Baht 20 million for deposit.
- (c) In November 2015, the Company entered into a sale and purchase agreement of land amounting to Baht 105 million for a property development project. As at 31 December 2015, the Company had paid Baht 25 million for deposit.
- (d) As at 31 December 2015, the Company and its subsidiaries have commitments relating to project development contracts amounting to Baht 1,064.71 million.
- (e) 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.
- (f) Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
(in thousand Baht)				
Within one year	1,379	1,779	1,379	1,779
After one year but within five years	4,510	32	4,510	32
Total	5,889	1,811	5,889	1,811

Notes to the financial statements

(g) As at 31 December 2015, the Group and the Company have outstanding bank guarantees of Baht 676.7 million and Baht 574.4 million, respectively (31 December 2014: Baht 590.1 million and Baht 546.9 million, respectively).

36 Events after the reporting period

On 23 February 2016, the Extraordinary General Meeting of the Company’s shareholders approved the issue and offer of debentures in a total amount not exceeding Baht 3,000 million.

37 Thai Financial Reporting Standards (“TFRS”) not yet adopted

A number of revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those revised TFRS that may be relevant to the Group’s operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 27 (revised 2015)	Separate Financial Statements
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 8 (revised 2015)	Operating Segments

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Notes to the financial statements

TFRS	Topic
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 13 (revised 2015)	Fair Value Measurement
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate’s financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

38 Reclassification of accounts

Certain accounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements.

	2014					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
(in thousand Baht)						
Statement of financial position						
Property, plant and equipment	561,970	(161,956)	400,014	523,891	(161,956)	361,935
Building on lease land	-	161,956	161,956	-	161,956	161,956
		-			-	

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The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company’s business.