

Sustainable Happiness

AREEYA
ANNUAL REPORT 2016

To live a life of sustainable happiness,
it is important to be balanced in all
aspects of life.

การจะมีความสุขกับชีวิตที่ยั่งยืนได้นั้น สำคัญยิ่งที่ต้องใช้ชีวิตให้สมดุล

อารียา ตระหนักและเล็งเห็นความสำคัญนี้เสมอมา จึงนำนวัตกรรม
การออกแบบที่เป็นมิตรกับสิ่งแวดล้อม มาใช้ในการพัฒนาโครงการ
โดยยังคงยึดไลฟ์สไตล์ความสุขของผู้อยู่อาศัยเป็นแนวทางหลักใน
การสร้างสรรค์ รวมถึงการดูแลและบริหารจัดการพื้นที่ ที่เน้นการ
มีส่วนร่วมของทุกคน เพื่อความรู้สึกเป็นส่วนหนึ่งในการดูแลและ
ทำให้โครงการมีความร่มรื่น สวยงาม ทำให้ “บ้าน” เป็นความสุข
ในการใช้ชีวิตที่ตอบรับกับไลฟ์สไตล์ และกลายเป็นความสุขที่ยั่งยืนของ
ทุกคนในวันนี้ และของคนรุ่นต่อไป

To live a life of sustainable happiness, it
is important to be balanced in all aspects
of life.

Areeya has always felt and anticipated this
necessity and has therefore used eco-friendly
design innovations in project development
considering a happy lifestyle among resi-
dents as a main principle in the creation,
care and management of properties. There is
also a focus on everybody's participation,
which creates a feeling of being part of
that care. This makes projects pleasant and
beautiful and “home” becomes a joy of living
that suits residents' lifestyles and makes
it a source of sustainable happiness for
everybody today and in the following gen-
erations.

“
The first rule of
sustainability is
to align with
natural forces,
or at least not
try to defy them.
”

Paul Hawken



“รักขโลก รักเรา”

Protecting
the world,
loving us

“รักขโลก รักเรา” (Sustainable Happiness)

เป็นนโยบายที่ บริษัท อารีญา พรอพเพอร์ตี้ จำกัด (มหาชน) เล็งเห็นความสำคัญของการเปลี่ยนแปลงเพื่อเปลี่ยนโลก จึงกำหนดแนวทางในการปรับเปลี่ยน เพื่อมอบ “สุขยั่งยืน” (Sustainable Happiness) ให้กับทุกชีวิตในโครงการชุมชน และสิ่งแวดล้อม เพื่อโลกใบนี้ยังคงสวยงามเพื่อเราและเพื่ออนาคตของคนรุ่นต่อไป

หลักคิดในการพัฒนาโครงการจึงถูกคิดอย่างรอบคอบและรอบด้านเพื่อสร้างสมดุลยืนยาว โดยแบ่งออกเป็น 2 ส่วน ได้แก่ (1) นวัตกรรมการออกแบบโครงการ และ (2) นวัตกรรมการดูแลและบริหารชุมชน

“Protecting the world, loving us”
(Sustainable Happiness)

This is the policy in which Areeya Property Public Company Limited has been foreseeing the importance of change in order to change the world. For this reason, concepts were created to make improvements for change and to offer sustainable happiness to everybody in projects, community and the environment so that this world will preserve its beauty for us and for the future of coming generations.

The concept behind project development is therefore considered carefully and extensively with the aim of establishing lasting balance. It is divided into 2 areas, namely (1) project design innovations and (2) community care and administration innovations.

1

ออกแบบ วางผังและเลือกวัสดุเป็นมิตรกับสิ่งแวดล้อม

Design, Layout and selection of materials that is environmentally friendly

4

พื้นที่จัดเก็บและจัดการขยะถูกวิธี

Areas for waste collection and correct waste management

2

พลังงานทางเลือกในพื้นที่ส่วนกลาง

Alternative Energies in Common Areas

5

เปลี่ยนสวนสวย เป็นสวนสวยรับประทานได้

Transforming beautiful gardens into edible beautiful gardens

3

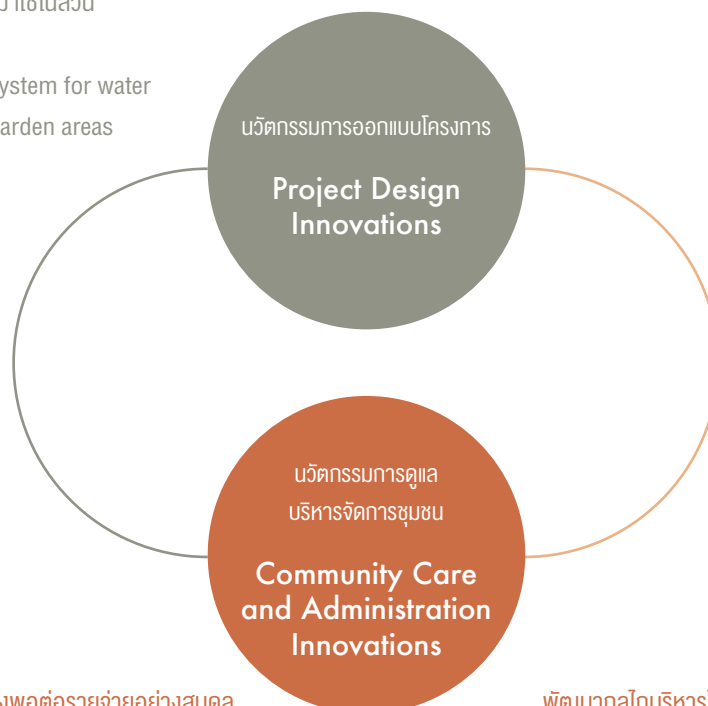
แยกระบบท่อน้ำเพื่อนำน้ำกลับมาใช้ในสวน

Separation of water-pipe system for water treatment and re-used in garden areas

6

พื้นที่ส่งเสริมการออกกำลังกาย

Promotion Areas of Exercise



1

สร้างรายได้ เพิ่มรายรับ ให้เพียงพอต่อรายจ่ายอย่างสมดุล

Creating income and increasing earnings aiming for balanced sufficiency for expenditures

4

พัฒนากลไกบริหารโครงการโดยคณะกรรมการชุมชน

Developing mechanisms for the management of the project by a community committee

2

เสริมความรู้ สร้างความรักสิ่งแวดล้อม

Supporting knowledge, creating love for the environment

5

พัฒนาสู่มาตรฐานชุมชนเมือง

Development towards city community standards

3

รณรงค์ สร้างการมีส่วนร่วม

Campaigning and creating participation

จุดเด่นของโครงการบ้านประชารัฐ “THE ENVI”

Main Features of Project Civil State House “THE ENVI”

นวัตกรรมการออกแบบโครงการ

Project Design Innovations

1

ออกแบบ วางผัง และเลือกวัสดุเป็นมิตรกับสิ่งแวดล้อม โดยคำนึงถึงรูปแบบการใช้ชีวิตภายในห้องพักที่สะดวกสบาย การใช้งานที่คุ้มค่าสูงสุด

- วางผังโครงการให้เหมาะสมทั้งในเรื่องของทิศทางของแสงและลม โดยลดสิ่งกีดขวางทางลม และเพิ่มการไหลเวียนของอากาศ ทำให้ห้องเย็นสบาย
- ลดการใช้พลังงานสิ้นเปลือง และเพิ่มความสะดวกในการใช้ชีวิตภายในอาคารที่รองรับความจำเป็นพื้นฐาน ได้แก่ ห้องซักผ้า ตู้หยอดเหรียญ เพื่อให้บริการต่างๆ ห้องขยะ ร้านค้า
- ห้องพักถูกออกแบบให้มีระเบียงยาวตลอดแนวให้สามารถรับลมและระบายอากาศได้เต็มที่ พร้อมเปิดรับพื้นที่สีเขียวของสวนส่วนกลาง
- เปลี่ยนพื้นที่ระเบียงให้เป็นสวนไม้กระถางเพื่อปลูกผักสวนครัว
- เลือกใช้วัสดุที่เป็นมิตรกับสิ่งแวดล้อมและเป็นประโยชน์ต่อผู้พักอาศัย

Design, layout and selection of materials, which are environmentally friendly under consideration of lifestyles in rooms with convenience and highest usability

- Appropriate project layout in terms of light and wind directions, reducing blockades for wind flow and increasing air circulation, which makes rooms pleasantly cool
- Reduction of excessive energy use and increased convenience for living in the building, which provides basic necessities, including laundry washing rooms, coin-operated machines for different services, waste rooms and stores
- Rooms were designed to have long balconies so that they can fully receive wind and ventilation and the rooms are opened to green spaces in common garden areas
- Transformation of the balcony space into a garden with flower pots to grow vegetables
- Selection of materials, which are environmentally friendly and useful for residents

2

นำไฟฟ้าพลังงานแสงอาทิตย์ (Solar Cell) มาเป็นพลังงานทางเลือก โดยเน้นการใช้งานในพื้นที่ส่วนกลางเป็นหลัก เช่น การให้แสงสว่างบริเวณทางเดิน สวน และบริเวณรอบอาคาร เพื่อลดการใช้ไฟฟ้า ซึ่งช่วยลดค่าใช้จ่ายส่วนกลางของโครงการ พร้อมดูแลและเปลี่ยนอุปกรณ์ที่จำเป็นเมื่อครบอายุการใช้งาน

Use of solar cell energy as the energy type of choice with a focus on usability in common areas, for example with light from walkways, garden areas and the area around the buildings to reduce energy consumption, which can help reduce common expenditures of the project, as well as control and exchange of equipment as necessary when it has reached its life-cycle.

3

แยกระบบท่อน้ำเพื่อบำบัดกลับมาใช้ในส่วน เป็นการออกแบบงานระบบ ในโครงการ ให้แยกท่อระบายน้ำที่มีค่า BOD ไม่สูงมากเกินไป เช่น น้ำจากการอาบน้ำ ซึ่งเมื่อนำมาบำบัดอย่างถูกวิธี จนได้ค่า BOD ที่ได้มาตรฐาน จะสามารถนำกลับมาใช้รดน้ำต้นไม้ หรือขัดล้างถนนหรือฟุตบาทได้ ช่วยลดปริมาณการใช้น้ำประปาและลดค่าใช้จ่ายส่วนกลางได้มาก

Separation of the water-pipe system so that water can be treated and re-used in garden areas: The system in the project is designed so that water pipes are separated for water with BOD-levels that are not too high, for example for water used for showering; when it has been treated correctly so that standardized BOD-levels have been reached, it can be taken back to water trees or to clean roads and footpaths; this can help significantly to reduce the amount of tap water and common expenditures.

4

มีพื้นที่จัดเก็บและจัดการขยะอย่างถูกวิธี มีการออกแบบพื้นที่ส่วนกลาง ให้มีสัดส่วนของห้องจัดเก็บขยะที่ถูกสุขอนามัย สะอาดเสมอ และสะดวกต่อผู้พักอาศัยในการนำขยะมาทิ้ง โดยใช้หลักการแยกประเภทขยะ ได้แก่ ขยะสด ขยะรีไซเคิล ขยะทั่วไป และขยะอันตราย พร้อมรณรงค์และเสริมความรู้ให้แก่ผู้พักอาศัยอย่างต่อเนื่อง และจัดกิจกรรมพิเศษ เพื่อเปลี่ยนขยะรีไซเคิลให้มีมูลค่า ด้วยการดัดแปลงประดิษฐ์สิ่งของต่างๆ

There are spaces for waste collection and correct waste management; communal spaces are designed so that they offer a suitable number of constantly hygienic and clean rooms for waste collection; they offer convenience for residents to drop their waste there; the principle of waste separation is applied for food waste, recycle waste, general waste and hazardous waste; in addition, there are continuous campaigns, the residents' knowledge is trained and special activities are organized so that recycle waste becomes something valuable that can be processed and new things can be made of it.

5

เปลี่ยนสวนสวย เป็นสวนสวยรับประทานได้ มีการออกแบบสวนส่วนกลาง หรือพื้นที่สีเขียวจากสวน ให้เป็นพื้นที่ปลูกผักสวนครัวที่ปรับเปลี่ยนได้ตามฤดูกาล มีไม้ยืนต้นที่เป็นไม้ผลหรือไม้ทานยอดที่เหมาะสมกับพื้นที่ โดยยังคงความสวยงามและเป็นที่พักผ่อนหย่อนใจเพื่อรับอากาศบริสุทธิ์ แต่มีผักปลอดสารพิษเพิ่มขึ้นในโครงการ

Transforming beautiful gardens into edible beautiful gardens: Communal garden areas or green parts of the garden areas are designed so that they become planting spaces for vegetables, which can be exchanged according to the seasons; there are perennial plants, including fruit plants and other plants with edible top parts that suit the location; the beauty of the gardens is preserved and they are relaxing areas where you can get fresh air but they also produce pesticide free vegetables within the project.

6

พื้นที่ส่งเสริมการออกกำลังกาย จัดให้มีห้องออกกำลังกาย สระว่ายน้ำ เพื่อบริการแก่ผู้พักอาศัย และในพื้นที่โครงการจังหวัดเชียงใหม่ ได้ออกแบบให้มีทางเดิน ลู่วิ่ง และทางปั่นจักรยานโดยรอบโครงการที่เน้นความร่มรื่นสวยงาม และปลอดภัยจากรถยนต์ เพื่อส่งเสริมการสร้างสุขภาพกายและใจให้แข็งแรงได้ทุกๆ วัน

The exercising area was constructed with an exercising room and a swimming pool offering services to residents; in the project location in Chiang Mai province, walkways, running tracks and a cycling track around the project were designed with a focus on shadiness, beauty and safety from cars; this supports physical and mental health and strengthens them every day.

นวัตกรรมการดูแลบริหารจัดการชุมชน

Community Care and Administration Innovations

1

สร้างรายได้ เพิ่มรายรับ ให้เพียงพอต่อรายจ่ายอย่างสมดุล มีการออกแบบโครงการให้มีพื้นที่เชิงพาณิชย์ และกำหนดให้พื้นที่ส่วนกลางสามารถนำมาใช้ประโยชน์ เพื่อสร้างรายรับแก่ฝ่ายบริหารอาคาร เช่น การให้พื้นที่เช่ากับร้านค้า ร้านสะดวกซื้อ ร้านอาหาร การกำหนดค่าเช่าที่เพื่อให้บริการตู้ ATM และการกำหนดอัตราที่จอดรถผู้พักอาศัยและผู้มาติดต่อ นอกจากนั้น ยังมีการสร้างรายได้จากการทำปุ๋ยหมักจากเศษใบไม้กิ่งไม้ การจำหน่ายผักปลอดสารแก่สมาชิก เพื่อนำรายได้กลับมาดูแลสวนผักให้หมุนเวียนได้ตลอดทั้งปี

Creating income and increasing earnings aiming for balanced sufficiency for expenditures: In the project, commercial areas were designed and it was determined that common areas can be used to create earnings for the building management, for example by renting out spaces to shops, convenience stores and restaurants, stipulating space rental costs for ATM service machines and determining rates for parking spaces for residents and people who come by; in addition, income is created with the production of compost from leaves and branches cut off from trees and sales of pesticide free vegetables to members; the income flows back to care for vegetable gardens and supports a year-round circulation.

2

เสริมความรู้ สร้างความรักสิ่งแวดล้อม ปรับรูปแบบการปฐมนิเทศ (Orientation) ในวันแรกที่มีการส่งมอบกล่องโอรัน จะมีการเสริมสร้างความรู้ความเข้าใจของการอยู่ร่วมกันในโครงการแบบ “หัวใจสีเขียว” ให้เข้าใจและทดลองปฏิบัติ เรื่องการแยกขยะ และการปลูกผักสวนครัว เพื่อร่วมกันดูแลสิ่งแวดล้อมทั้งในห้องพักและในโครงการให้อยู่ในสภาพที่ดีเสมอ ทำให้ได้ประโยชน์ร่วมกันทุกฝ่ายอย่างแท้จริง

Supporting knowledge, creating love for the environment, changing the form of orientation: On the first day, when the welcome box is handed over, knowledge and understanding on living together in a project with a “green heart” will be promoted to support understanding and to try out and practice; issues will cover waste separation and growing vegetables. This aims at common care for the environment and applies to living inside the room as well as in the project so that everything always remains in good conditions. This will create real common benefit for all parties.

3

รณรงค์ สร้างการมีส่วนร่วม เริ่มจากการนำรูปแบบสมาชิกมาเป็นกลไกในการบริหารจัดการ โดยสร้างกระแสเชิงบวกในโครงการให้ทุกคนเห็นความสำคัญและเห็นประโยชน์ที่จะเกิดขึ้นกับตนเองเป็นลำดับแรก และจัดการอบรมเชิงปฏิบัติการอย่างต่อเนื่องทุกไตรมาส โดยผู้เชี่ยวชาญจากภายนอก ซึ่งสมาชิกเป็นผู้กำหนดหัวข้อ เพื่อการจัดการทางด้านสิ่งแวดล้อม การจัดการชุมชน หรือการบริหารโครงการ เพื่อเป็นแนวทางแก่ผู้พักอาศัย

Campaigning and creating participation: Using membership as a mechanism in management by creating a positive movement in the project so that all see the importance and benefits that will arise for them as a first step. Next is to provide continuous practical training every quarter through external experts, for which members set up topics for management of environmental issues, community management or project management. This will function as a guideline for residents.

4

พัฒนากลไกบริหารโครงการโดยคณะกรรมการชุมชน โดยริเริ่มจากกลุ่มสมาชิก ขยายผลไปยังคนส่วนใหญ่ในโครงการ ผ่านเวทีกิจกรรมต่างๆ เพื่อสร้างความสัมพันธ์อันดี ผลักดันสู่การจัดตั้งคณะกรรมการชุมชน เพื่อบริหารโครงการด้วยรูปแบบการมีส่วนร่วมจากทุกภาคส่วน เน้นการบริหารที่โปร่งใส เปิดเผย เพื่อประโยชน์สาธารณะของชุมชน

Developing mechanisms for the management of the project by a community committee starting with members and extension to the people as a whole in the project through various activities. This is done in order to create good relations, pushing forward for the creation of a community to manage the project through a form of participation of all segments with a focus on management that is transparent and revealing for the public benefit of the community.

5

พัฒนาสู่มาตรฐานชุมชนเมือง ส่งเสริมบทบาทคณะกรรมการชุมชน ให้มีการทำงานแบบครบวงจร ตั้งแต่การวางแผนบริหารชุมชน การประสานดำเนินงานตามแผน มีการติดตามความก้าวหน้า ประเมินผล และปรับปรุงพัฒนาการดำเนินงานอย่างต่อเนื่อง ติดตามให้มีการดูแลโครงการให้อยู่ในสภาพแวดล้อมที่สวยงาม สงบ สะอาด ปลอดภัย ให้อยู่ในเกณฑ์และตัวชี้วัดมาตรฐานชุมชนเมือง

Development towards city community standards and promoting the role of the community committee so that it works on everything, starting from community management planning to coordinating work according to plans and follow-ups on progress, evaluation and ongoing improvement and development of activities. Then we have to follow-ups for supervision of the project so that the conditions of its environment are beautiful, quiet, clean and safe and correspond to regulations and measuring indicators of city communities.

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MESSAGE FROM CHAIRMAN

In the last four years, The company has implemented a long-term plan that improves corporate performance and grows business potential. In the year 2015 and 2016, the company's focus is on the growth of the company. The company aims to increase its revenue in the year 2015 and improve its profitability in the year 2016, as seen by the growth in revenue recognition and increased net profits over the past two years. Although external problems in terms of the economy grew only slightly. In 2015, GDP grew by only 2.8% and in 2016 grew by 3.1%. The impact of public transport is not as positive as it should have caused a contraction in the second half of 2016

In the year 2016, the company recorded total sales of 4,885 million baht, better than those in 2015, which comprised 79% from low-rise projects and 21% from high-rise projects. This made the company's total backlog reach 1,380 million baht at the end of 2016. Considering the corporate performance in the year 2016, the company had revenue from sales and other income of 4,725 million baht, a 13 percent decrease compared to the prior year, and reported net profit of 263 million baht, an increase of 22 percent over the prior year. In the year 2016, 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 that continues to grow revenue.

During the four years mentioned above, the Company has operated various projects to continuously conduct revenue recognition whether it is a condominium that will take longer than it is recognized as income. The company also has projects under construction and design, which are ready to recognize revenue for many years to come. At the same time, single detached house, twin house, and town home project has been developed to support long-term growth. By the end of 2016, the Company and its subsidiaries has already sold 49 projects worth a total of 33,704 million baht, with a total value of 22,326 million baht sold. The remaining products are for sale totaling 11,378 million baht. In 2016, there are 12 new projects worth approximately 5,176 million baht and projected to launch another 20 projects in 2017, the total project value of 24,000 million baht.

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

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 2016, 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 2016** 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 2016 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 2017 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 KPMG Phoomchai Audit Co.,Ltd., the company's auditor in 2016, 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 2016, 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

วณชัย นันทิกุล .
/

(Mr. Wanchai Tantikul)
Chairman of the Audit Committee
27 February 2017

ORGANIZATION CHART

Board of Directors

Audit Committee

Chairman and CEO
Mr. Wisit Laohapoonrungsee

Internal Audit

Marketing And Sales
Mr. Wisit Laohapoonrungsee
Executive Vice President (EVP)

Construction
Mr. Achawan Eiampaiboonphan
Executive Vice President (EVP)

- Marketing And Sales
- Sales Training And Development
- Research And Market Development
- Customer Service
- Brand Corporate
- Living Design

- Construction
- Construction Management
- Construction Appraisal
- Interior Design
- Business Development

Office Of The CEO Secretary	Office Of CEO and Company Secretary
Finance And Accounting Mr. Anat Pinrat First Executive Vice President (FEVP)	General Affair Mr. Wisit Laohapoonrungsee Executive Vice President (EVP)
<div>Finance</div> <div>Accounting</div> <div>Investor Relations</div> <div>Information Technology</div> <div>Company Asset</div>	<div>Human Resource</div> <div>Legal</div> <div>Government Liaison</div> <div>Community Management</div> <div>After Sales Service</div> <div>Key Performance Indicator</div> <div>Community Relations Management</div>

BOARD OF DIRECTORS





As of December 31, 2016, there are seven directors as the names were shown below:

No.	Name	Position
1.	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer
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 and Audit Committee
7.	Mr. Sompol Thiensuvan	Independent Director and Audit Committee

**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
- Director, Daily by Areeya Co., Ltd.
- Director, A Attitude Co., Ltd.
- Director, At Home Development Co., Ltd.
- Director, The Colors Co., Ltd.

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, 2016
32.7%

Meeting attendance

6 attendances of 6 Board of Directors meetings

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

Experience

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

**Percentage of shareholding as of December
31, 2016**
2.0%

Meeting attendance

6 attendances of 6 Board of Directors
meetings

**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, 2016**

None

Meeting attendance

6 attendances of 6 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

- Advisor to the Minister of Interior
- Advisor to the Minister of Transport
- Chairman, the Warehouse Organization Committee Ministry of Commerce
- Board of The Port Authority of Thailand
- Board of Directors of Radio Thailand
- Chief executive officer, Lake Garden Development Co., Ltd.
- Credit officer, Bank of Asia

Percentage of shareholding as of December 31, 2016
12.4%

Meeting attendance

5 attendances of 6 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.
- Audit Committee,
DCON Products Public Company Limited.
- Director, Daisho (Thailand) Co., Ltd.
- Director, Kanit Anchan Co., Ltd.

Experience

- Director, Thep Co., Ltd.

Percentage of shareholding as of December 31, 2016

None

Meeting attendance

- 6 attendances of 6 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.

Experience

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

Percentage of shareholding as of December 31, 2016

None

Meeting attendance

- 6 attendances of 6 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
- Vice President, Khunnathum Law Office
- Legal Advisor, Mae Fah Luang University
- Appeals and Complaints Board,
Mae Fah Luang University

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, 2016**
None

Meeting attendance

- 6 attendances of 6 Board of
Directors meetings
- 12 attendances out of
12 Audit Committee meetings

Consultants Profile

**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

Percentage of shareholding as of December 31, 2016

(None)

**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

- Chairman of the Board of Directors of Bangkok Expressway and Metro 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

Percentage of shareholding as of December 31, 2016

(None)

**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
- Advisor to the Deputy Minister of Commerce

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 Buriram 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

Percentage of shareholding as of December 31, 2016

(None)

Mr. Amorn Vachrakorn

Consultant



Education

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

Present

- Consultant, Areeya Property Public Limited Company

Experience

- Director, One up Co., Ltd.
- Credit Risk Manager, Siam Commercial Bank Public Limited Company

Percentage of shareholding as of December 31, 2016

(None)

**Mr. Chumpolpat
Puldrapaya**
Consultant



Education

- Bachelor of Business Administrator Finance and Banking, Assumption University of Thailand
- Master of Management program, Mahidol University

Present

- Consultant, Areeya Property Public Limited Company

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.

Percentage of shareholding as of December 31, 2016
(None)

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 and all projects are operated under the name of "Areeya". In year 2003, the Company registered as a public company and its security was listed in the Stock Exchange of Thailand in year 2004. At present, 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 the community mall development, wholesale building and retail building in order to build component of residential and 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 the house construction contract 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 eleven projects

- Bussaba
- Sawana 3
- Areeya Metro Kaset-Nawamin
- Areeya Como Bangna
- The Village Tiwanon
- The Village Cottage Kanchanaphisak-Ratchapruk
- Areeya Como Wongwaen Ramintra
- Areeya Como Bangna Wongwaen
- Areeya Donmuang Songprapa
- Areeya Como Ladkrabang-Suvarnabhumi
- Areeya Como Wongwaen-Ratchapruk

BUSINESS PROFILE

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 - The Colors Premium Rangsit-Lamlukka - The Colors Dongmuang-Songprapa Phase 1 - The Colors Chaeng Wattana - Tiwanon - The Colors Kanchanaphisak-Ratchapruk - The Colors Premium Kanchanaphisak-Ratchapruk - The Village Kanchanaphisak-Ratchapruk - Areeya At Home - The Colors Premium Wongwaen Ramintra - The Colors Wongwaen Ramintra - The Colors Bangna Wongwaen - The Colors Premium Bangna Wongwaen - The Village Bangna Wongwaen - The Colors Premium Wongwaen-Ratchapruk - The Colors Wongwaen- Ratchapruk - The Colors Premium Kanchanaphisak-Ratchapruk2 - The Village Bangna Wongwaen2 - The Colors Rangsit-Klong4 - The Village Kanchanaphisak-Ratchapruk2 - The Place Kanchanaphisak-Ratchapruk2 - The Colors Kanchanaphisak-Ratchapruk2 	<p>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 the projects in 7 locations which are Kaset-Nawamin, Tiwanon, Bangna, Rangsit, Songprapa, Ratchapruk and Wongwaen Ramintra. Moreover, the Company is planning to spread projects into Bangkok area and its vicinities to meet the demand of customer on this product type. 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.</p>

Type	Project	Description
Three-storey Design	<ul style="list-style-type: none"> - Areeya To Be - Areeya Daily Kaset-Nawamin - Areeya Brigg Donmuang Songprapa - Areeya Brigg Rangsit-Lamlukka 	Townhouse project with 5 meters wide compartment and 5.5 meters wide compartment, 3-storey high, This product is developed to meet the demand of small and medium family customers who need the alternative options. Currently, this project is located in three location in Kaset-Nawamin ,Donmuang Songprapa and Rangsit-Lamlukka.
Four-storey Design	<ul style="list-style-type: none"> - Areeya Mandarina Sukhumvit 77 	Townhouse project with 5 meters wide compartment and 5.5 meters wide compartment, 4-storey high, This product is developed to meet the demand of premium-grade townhouse from customers who require larger utility areas with distinctive design and to respond a variety needs of this group of customers. At present, this project has one locations in Sukhumvit 77.

3. Condominium Project. The Company's salient product line that is centrally located in vicinity of urban area. Its projects must meet the demands of customers in each segment in terms of commuting convenience, easily access to public utilities and amenities. The condominium projects focus on 3 distinctive designs as follows:

Type	Project	Description
The 8 storey condominium	<ul style="list-style-type: none"> - A Space Asoke Ratchada - A Space Kaset-Nawamintr - A Space Sukhumvit 77 - A Space Play - A Space Me Sukhumvit 77 - A Space Me Kaset-Nawamintr - Chelermnit by Areeya 	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 projects are located in 5 locations in Kaset-Nawamintr, Asoke-Ratchada, Sutthisan, Sukhumvit 53 and Sukhumvit 77. Moreover, the Company is planning to spread projects into Bangkok metropolis area and its vicinities to meet the demand of customer on this product type.
The 8 storey condominium but less than 30,000 sq.m.	<ul style="list-style-type: none"> - A Space ID Asake - A Space Me Bangna - A Space Me Rattanathibet 	A medium condominium which has the privacy and increased other infrastructure projects. At present, the Company has three condominium projects which located in Asoke-Ratchada, Bangna, and Rattanathibet.

BUSINESS PROFILE

Type	Project	Description
Over the 8 storey condominium and over 30,000 sq.m.	- Soontreeya	The large-sized condominium project emphasizing on the premium customers in central business district. The project highlight is the private club to serve the needs of customers who require premium-grade services. At present, the Company has one project located in Rajdamri road. Moreover, the Company is planning to increase its project locations to meet the demand of customer on this product.

For the community mall two projects, the project is named "Pickadaily Bangkok", which was built as a group of ancient buildings in the classical architecture by simulating the atmosphere of the English old town and another project named "Life Style Club" is located in Kaset-Nawamin district.

In the first quarter of year 2017, the company will launch a premium single detached house project named "The AVA Residence". This project is a 3-storey single-detached house project with 350-650 sq.m. at Sukhumvit 77 road. It can park up to 3 cars to cater to the needs of the middle to large family or an executive level up who wants to live in the city, love the convenience and save time traveling. The target group is those who live or work in the central to the end of sukhumvit, Pattanakarn, Srinakarin, or Suanluang. As of December 31, 2016, the club house and Mock-up unit has been completed.

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	2016		2015		2014	
	Consolidated		Consolidated		Consolidated	
	MB	%	MB	%	MB	%
1. Sales of real estate						
1.1 Low-rise project	3,313	70	3,426	63	2,238	90
1.2 High-rise project	1,330	28	762	14	46	2
1.3 Land	-	-	1,210	22	154	6
Total sales of real estate	4,643	98	5,398	99	2,438	98
2. Service income from house construction and sales of construction material ¹	4	-	3	-	-	-
3. Reversal of provision for litigation	5	-	-	-	-	-
4. Other income ²	73	2	53	1	59	2
Total revenues	4,725	100	5,454	100	2,497	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 and interest income.

INDUSTRIAL SITUATIONS AND REAL ESTATE MARKET DIRECTIONS OF 2017

Summary of Real Estate Market in 2016

Quarter 1/2016

- Government stimulus measures are a positive factor to stimulate demand for ready-to-buy products.
- Most entrepreneurs focus on sales promotion for the ready-to-move in order to release inventory.
- the launch of new projects fell in the first quarter.

Quarter 2/2016

- The major Entrepreneurs began to launch new condominiums projects, especially in upper level (for up to 3 million baht) such as AP, SPALI, SIRI.
- Proactive marketing entrepreneurs, no matter whether they are marketing events or campaigns to stimulate customer purchase decisions.
- Overview of launched the new projects fell. There are many projects being delayed opening in the third quarter of the year.

Quarter 3/2016

- Most entrepreneurs launch new projects more than the previous quarter. The project launched at the price of 2-3 million baht, up to 39% of the total market share, followed by the price level of 1 - 1.5 million baht, 28% of the total market share.
- High-end condominium (for up to 5 million baht) had the highest sales, with sales higher than the average sales in the third quarter to 30% of the total market share.
- Overview of launched the new projects upward from the second quarter.

Quarter 4/2016

- Expected to open a new projects, approximately 15,000 units because there is some move to launch appropriate in current circumstances.
- Overview of condominium development project is expected to be launched around 55,000 - 60,000 units, slightly lower than projected in the previous year (60,000 - 65,000 units).
- Entrepreneurs can not use media marketing to boost sales during the fourth quarter of the year 2016. As a result, sales may not meet the target.

Source : <http://www.bkkcitismart.com/ข่าว/8-nov-2016.htm>

Overview of real estate market in the year 2016

Kasikorn Research Center

Due to the slowdown of the housing market in the year 2016, the majority of real estate developers have reduced their pre-sale target and put their outstanding housing projects back to market with the promotion such as cash discounts, join with financial institutions to offer interest rate promotions. At the same time, it slowed down, resulting in the number of new homes launched areas around Bangkok Metropolis and its peripheral areas in the year 2016 contracted for the third consecutive year.

Entrepreneurs 's income comes from backlog waiting to be realized income from past residents' projects, while entrepreneurs still need to maintain a steady income growth rate in the future. Therefore, entrepreneurs still plans to launch the new residential projects to the realization of the continuous income in the future.

In the year 2017, the entrepreneurs focused on the sale of low-rise projects, most of which

were residential real estate purchase markets. most of which are the residential market to real living.

Most of the low-rise projects are real residential markets. According to the number of units of the low-rise projects is less than high-rise projects therefore low-rise projects can divide development and sales into phases and quickly close sales.

Kasikorn Research Center believes that real estate developers should launch new residential projects increased in the year 2017. It is estimated that in Bangkok and its vicinities in the year 2017, the number will increase to 107,000-109,000 units, up by 5-7% from the year 2016.

Although the number of new housing sales will come back as the first expansion in three years but most entrepreneurs tend to set targets for sales of residential projects and target pre-sale housing in the year 2017 carefully. Especially in the first quarter of the year 2017, investment and trading activities may be less active compared to the same period of 2016 during stimulus for the real estate sector of the state.

In the year 2017, considering the need to buy housing simultaneously, it is found that entrepreneurs also need to face the challenges in selling their projects whether it is the household debt is still at a high level, buying of housing buyer may also need to take in the recovery, including housing prices increased.

In addition, the interest rate in the year 2017 predicted that there will be an increasing trend also reflects the limitations in the ability to access the housing loan. The part of the entrepreneurs must consider the new promotions in order to attract buyers housing. Originally from entrepreneurs cooperated with financial institutions deals with low interest rates or a side interest rate 0% for a limited time.

INDUSTRIAL SITUATIONS AND REAL ESTATE MARKET DIRECTIONS OF 2017

The situation is likely to put pressure on housing decisions in the year 2017, which is expected to lead to an increase in housing stock by the end of 2017, a 4-8% increase from the end of the year 2016. The expansion, which resulted in a number of outstanding housing back to the level closest to the year 2015. This is a challenge to the recovery of investment and trading residential projects in the next phase.

The high-ended residential is likely to raise prices but they face the challenge of residential drainage, although new housing sales in the year 2017 are likely to expand. But it is still a challenging year for real estate developers to choose the segments and locations to develop its residential projects. Investment and trading activities are likely to be concentrated in residential projects in the segment and potential locations where housing prices are likely to rise.

Kasikorn Research Center seen as The high-ended residential both Low-rise and condominiums, particularly condominiums in central business areas will likely increase by a significant impetus to the rising cost of land. In addition, the price of a condominium project in the central business area seems to have a chance to rise from the need to purchase a residential area in the heart of the city both groups buy to actually living and group buy for investment.

Kasikorn Research Center that even the high-rise residential projects likely to be adjusted higher which can attract buyers to purchase residential investment group. In the year 2016, real estate developers are turning their focus on high-end residential projects to penetrate high-end residential buyers. As a result, the demand for the high-rise residential projects has been absorbed by 2016, as well as the launch of the upper housing project in 2017, Real estate development faces challenges in slowing down projects.

Meanwhile, mid-priced residential projects are likely to be flat due to high household debt levels. In the year 2017, Mid-price housing projects into the outskirts of Bangkok, an Skytrain extension areas is likely to increase. The slowdown of the housing market in the year 2016 is a continuing pressure for entrepreneurs to accelerate their investment strategy and housing sales intensively since the beginning of the year 2017. Major real estate developers and large capital groups are also operators that maintain a competitive advantage over medium and small real estate developers due to the ability to adjust the proportion of housing projects in line with changing market conditions, have a reliable brand, ability to access funding sources, including expertise in developing housing projects and the development of related businesses. In the year 2017, the competitive tendency in the housing market is becoming more severe, in the face of the challenges of buyers' purchasing power, which may not be able to recover much. As a result, a major real estate development and investment group that took the major share of controversy, the housing market with expansion into related businesses such as The management of residential projects, Project development pattern Mixed-use Project consists of residential and other real estate, Such as hotels, office buildings, shopping centres, etc.

This direction is consistent with the increase in the proportion of income in other forms other than the income from the sale of housing of listed real estate developers on the stock exchange. Most of the other forms of income are not very high, most of which account for less than 10% of total revenue. But Kasikorn Research Center believes that the proportion of other types of income will likely increase due to the expansion into other businesses to reduce the risk of reliance on residential sales.

The expansion into other related businesses. Real estate developers may need to consider the market conditions of their respective businesses by connecting them with certain businesses, such as hotels and shopping centers. But it is a business that has many market players. The competition is intense including fluctuations in economic conditions. The higher the risk. While the transition to a new business is not crowded, there are not many players in the market. Competition is not serious. Can earn money on a regular basis. Including high profit margins will likely mitigate risk. Among the uncertainty of the residential buyers market in the year 2017. Condominiums in the CBD area are likely to rise. Major driving force is likely to come from land prices.

Source : : http://www.reic.or.th/News/News_Detail.aspx?newsid=53444

The competitiveness of businesses

Although the real estate market, there are several risk factors are waiting ahead, however, many entrepreneurs still see business opportunities. The launch of the new projects is still ongoing both from experienced entrepreneurs and the new entrants to the real estate business.

The development projects of the entrepreneur would relies on several factors to bring about success this year. New investment projects are also more cautious. The entrepreneurs risk reduction turned to accelerate marketing boost sales of residual projects sold. While marketing strategy may need to be more complicated due to the limited business environment and the effect on the entrepreneurs at different levels. Sales of new launches in many the projects were slowed down and took longer to close. The real estate developers are mobilizing marketing campaigns to stimulate the market and motivate consumers to make a living purchasing decision. In addition, marketing strategies to differentiate themselves from competitors and tailor products to niche customers or to market at the upper level are key goals amidst the economic downturn. While some of the other projects are also targeting local customers, there are also foreign customers who are important to the market.

INDUSTRIAL SITUATIONS AND REAL ESTATE MARKET DIRECTIONS OF 2017

The number of competitors, Low-rise by zone

Zone	Detached House	Town home
	/ Twin House	
Bangna	20	15
Ladkrabang	6	3
Kaset-Nawamin	5	6
Songprapa	4	-
Rangsit	15	15
Wongwaen Ramintra	9	10
Kanchanaphisak-Ratchapruk	6	6
Wongwaen- Ratchapruk	6	6

The number of competitors, High-rise by zone

Zone	Condominium
Bangna	3
Sukhumvit 77	10
Asoke Ratchada	6
Rattana Thibet	10

SWOT ANALYSIS

STRENGTHS

- Strong brands such as The Colors, a company's core product that will drive sales and transfer, and each product has a function above or equivalent to the market and when combined with other factors. In each project, each location makes it easy to connect with competitors.
- Each project is located in an easily accessible location, Close to convenient transportation, Close to shopping malls. And it is a positive factor which further enhance the robust location based and easy decisions.
- Construction technology is used to improve the quality of the home such as the aluminum construction system with seamless joints of structural work to reduce leakage And more durable than any other construction.

OPPORTUNITIES

- Politically-influenced politics has impacted the confidence of entrepreneurs and consumers. • A clear map to invest Infrastructure of the government, such as the Metro, will increase demand for residential housing along the Metro line.
- Interest rate policy still low to stimulate investment
- The AEC is opening up for regional investment.
- Expansion of foreign investment. The entry into the ASEAN Economic Community on January 1, 2016 is expected to drive continued real estate investment.

THREATS

- High cost of business (Wages + land)
- GDP in the year 2016 grew from 0.3% in 2015, resulting in lower purchasing power. (People still have less money in their wallets)
- High household debt, Beware of financial institution loans, The trend to higher household debt. Make tight liquidity in the financial system. As a result, financial institutions are wary of lending for housing.

As result of the decline in lending at the end of 2016, the rate is 20-30%, which is still the main factor that will directly affect the real estate business. For Areeya Property PLC. , the plans for the year 2017 are:

Low-rise

Every project we have to make ourselves ready, analyze 6P including Product, Price, Place (Location), Promotion, Person (Sales) and Physical Evidence (Sales Office). And compared to competitors in the market, have to fight or over to ensure confidence in the project because it will affect direct sales. If the company is confident then the sales and the transfer. With strict screening customers by financial institutions. What companies need to do is.

- Pre Approve before booking to ensure the quality of the customer and not cancel.
- The market is harder to achieve balance Walk up to double, which would make a lot more sales. And if it was canceled, it still hit the target, as in the first half.
- Event sales incentives such as the 36th House and Condo Expo in March, 2017, at the Queen Sirikit National Convention Center.

INDUSTRIAL SITUATIONS AND REAL ESTATE MARKET DIRECTIONS OF 2017

- **High-rise**

For the first quarter of the year, there are no plans to open new projects. The company will focus on the completed projects and transfer to increase the overall higher revenue recognition. By focusing on marketing stimulate sales in the country, such as the department store booths, Grand opening of the pool a space ID Asoke - Ratchada. Sales stimulus abroad is Outsourcing companies with expertise in that country.

- A Space Me Bangna has been completed and transferred to customers since 2015.
- A Space Me Sukhumvit has been completed and gradually transferred to customers since 2015.
- A space ID Asoke - Ratchada has been completed and gradually transferred to customers since April, 2016.
- A Space Me Rattanathibet under construction. It is expected to begin transferring to customers in mid-2017.

All four projects have potential for higher sales, respectively due to it is in a potential location whether to buy yourself or invest or rent , you can add value in the future.

Marketing strategy

1. The existing product development and has been well received to make it even better by suggestions from customers to improve them in preparation for opening in new locations as follow;
 - The Colors ,The 2-storey Townhome , that we made this brand for more than 8 years which the company has sold and transferred almost 3,000 units. This shows that we have received a good response from the market because we have the function and a good construction system. Make people remember our brand and have long been.
 - The Village, New Town Colonial concept and Modern Colonial style house with unique style. Meet people who want to have a single house but the budget may not be reached. The Village has the same function as a detached house, with 4 bedroom bedrooms and no wall attached to anyone, Feel like staying home alone. In fact, some projects are only townhome. We are the first to release this product to penetrate another market segment and received the same good response. Because we have made this brand for 3 years, but we have sold and transferred nearly 600 units.
2. Launch new products to the market by breaking into new segments to make the product cover every segment.
 - Areeya Como; Twin houses and detached houses are priced between 4 - 6 million baht which we have been missing from the single-detached market segment since the 1997, Tom Yum Kung crisis. The first project in Bangna area, adjacent to the mega and ikea, was opened in late 2014. Ladkrabang - Suvarnabhumi area opened in early August, the current sales and transfer phase has been completed.
 - The Ava Residence; A 3-storey detached house on Sukhumvit Road that will open for sale in the first quarter of 2017. All along the Sukhumvit Road, The Ava Residence is the only project that can give you ownership of the last piece of land on Sukhumvit Road, all along the Sukhumvit Road. No single house project anymore. In addition to the customers will have a luxury single-family home to land a gold worth more than 300,000 per square wah and value continues to rise rapidly. It is the ultimate land title that is well worth the investment and possession.

3. Launch new projects in the same location. Simultaneously create 3 to 4 open projects, bringing the Product into 3 - 4 Product to cover all target groups. The price range is from 1.5 to 6 million baht. When customers visit the project, there are products in every price range, such as townhome, village townhouses, twin houses and single houses as follow;

- Kanchanaphisak-Ratchapruk; Open since the end of 2014 and Grand Opening in early 2015, which has been very well received, we are the market of this district. The highest sales compared to competitors.
- Product available in 4 Product ; The Colors, Village Twin houses, Village detached houses and The Village Cottage, prices start from 1.5 to 4 million baht and the product has a superior function over its competitors.
- Located on a potential location, Near Purple Metro Line newly opened in August 2016 and Central Westgate shopping mall opened in late August, 2015, is an indication of the potential and value of future locations.
- New Ratchaphruek Road Also launched at the beginning of last year as well. Make Chaengwattana Road link to Rajapruek and through the project.
- Full complement of projects with luxury clubhouse ,swimming pool, fitness and community mall located in front of the project.
- Wongwaen Ramintra ; The same model as Kanchanaphisak-Ratchapruk has 3 Products ; Townhome, The Colors 2 projects, and detached house / semi-detached Areeya Como price from 1.89 to 6 million baht, sold in March 2558 ago, sales were satisfactory. Because of this competition is very high but with the potential of the location in the area of Bangkok which can access to 4 routes near the Pink metro Line, only 5 k.m. from Fashion Island shopping mall, we are confident in the potential of the location and there will be higher sales for sure.
- Bangna KM.10 ; The same model as Kanchanaphisak-Ratchapruk has 4 Products ; Townhome, The Colors 2 projects, Village Twin houses, and detached house / semi-detached Areeya Como price. Initially open for sale only Twin House / Village Town. And two detached houses before May 2015 and open two more townhome projects in September 2558 to accommodate the potential of this location is still a high quality Demand.

4. Condominium projects; Focus on boosting sales of completed projects in 2015 such as A Space me Bangna is located next to the mega-store and Ikea Bangna and A Space me Sukhumvit 77, both projects have been completed and transferred. The latest addition to the project is A Space ID Asoke-Ratchada, a new generation condominium in the heart of the business district with innovative mechanical parking, Freeform large swimming pool, and golf putting green It is a project to penetrate the Luxury Group. Another new project is expected to open in the first quarter of 2017.

INDUSTRIAL SITUATIONS AND REAL ESTATE MARKET DIRECTIONS OF 2017

5. Create Brand Awareness to remind "Areeya Brand" is the first choice for customer's mind. All of Areeya's products will have a unique style that is unique to those who are proud. Focus on reaching out to customers with online media that reach the target audience quickly and in line with current customer behavior. In half a year ago, we have a database of 13,000 new online customers, which the sales department will follow up to invite all customers to visit the project. At the same time, the company has not abandoned Local media, including Billboard & Cutout, which is the main media for the success of the project in both continuous and online media.
6. Service and Customer Care; The Company has continuously maintained its customer service and customer care system since the day the customer visited the company's projects until they decided to buy houses and residential customers. The company has developed an efficient customer base and dedicated personnel to provide the service in a thorough manner. Moreover, we have organized activities to strengthen the good relationship for residential customers in the project continuously. The company foresees this importance and will be a key marketing strategy.
7. Create good relationships with your customer continuously with new workshops every month, unique or unique in the market. In order to impress and inform the FGF, this is a matter of priority because of these bases is a powerful marketing tool for many projects.

RISK FACTORS & 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. And after the construction work has been completed, the company has taken to improve its past experience in the section that affects the cost of the construction.

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.

RISK FACTORS & RISK MANAGEMENT

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 the 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.

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.

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 Labour 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.

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.

RISK FACTORS & RISK MANAGEMENT

3. To a specialized market for condominiums

The offer to sell condominiums prior to commencement of construction, there is still a risk in construction cost control. Because of the sale price is settled before you start construction, it could

occur a risk margin decrease if the cost of the construction is volatile. Therefore, The company has reduced that risk by the turnkey contract with the contractor and has negotiated the purchase order material in advance of significant sales to prevent the change in the price of materials and reduce the risk that margin will be affected from fluctuations in the price of building materials. Pre-sales prior to commencement of construction will also help reduce marketing risk and increase flexibility to adapt and develop products to suit the changing circumstances. It also allows the company to take money from customers as working capital as well. And with more than 10 years of project development, the launch of new projects. The product has been developed from the original design, which gives the company high accuracy in cost. However, the company has launched a condominium project since 2006 to date, under the name "A Space", with 8 projects totaling over 6,049 units, which confirms its professionalism in the condominium market.

4. The risk of a shareholder of the company

The Company's major shareholders were the Laohapoonrungsee family and Porncharoenchaisilp family will hold shares 53.99 percent and 10.77 percent, respectively, if the group's major shareholder. Both groups have banded together to control the tone of the meeting was half over. Whether the appointment of directors. Or to seek a resolution in which the majority of the shareholders, unless a special resolution requiring the voice of the shareholders' meeting for more than three in four, so the other shareholders may not be able to collect votes for. And the balance of the shares offered to the Company's Audit Committee to examine and consider the list to avoid potential conflicts. And to bring transparency in the operations of the Company. However, the Company has complied with the code of conduct for directors of listed companies by striving to conduct business according to principles of good governance (Good Corporate Governance) ethical practice. A transparent information disclosure With the approval of the transaction The person who may have a conflict of interest can not approve the transaction with its own. The Committee will consider the comments before making such a report for submission to the Board of Directors and / or shareholders for consideration and approval.

5. Financial risk

As at December 31,2016, the Company had short-term loans of Baht 1,545.89 Million, including bank overdrafts of Baht 28.81 Million, Promissory notes of Baht 115.00 Million and bills of exchange of Baht 1,402.08 Million. Also, the Company had long-term loans of Baht 705.65 Million from financial institutions to invest in condominium, townhouse and single detached house and debentures of Baht 6,989.50 Million. The company has bank debt to equity ratio equal to 1.08 times in 2015, decreasing from 0.70 times in the year 2016. For debt to equity, it equals to 3.16 times and 3.08 times in the year 2015 & 2016. Since the company has realized revenue from the sale of condominium properties in 2015 to the present. In addition, the Company will reduce the risk of using long-term loans from financial institutions by accessing other sources of funds by issuing unsecured and unsecured debentures. In 2015 and in 2016, the financial costs are lower than loans secured by other sources and it is a fixed rate. The issuance of such debentures has been well received by the market. This gives the company an opportunity to raise funds appropriately and effectively for future project development.

6. Risk of interest rate fluctuation

Due to the fact that the company has to borrow money from domestic financial institutions. To finance the project development and operation. Therefore, the interest rate in the money market has a significant impact on the financial cost of the company. Although the company's loans are charged at floating rates. But it is the interest rate of the loan at the minimum loan rate (MLR) or lower. For this reason, the company has taken measures to reduce the risk of fluctuating interest rates. By issuing long-term bonds with fixed interest rates. To repay some existing loans that are floating interest rates and have higher interest costs. Including the issuance of short-term bills with low interest rates. To be able to control the company's interest rate to a reasonable level. For this reason, the company measures to reduce the risk of interest rate that fluctuates by issuing long-term bonds at a fixed interest rate for repayment of the original loan, some of which amounted to a floating interest rate and higher interest costs. Including the issuance of short-term bills of exchange with low interest rates in order to control the interest rate of the company to the appropriate level.

As of December 31, 2016, the Company had overdraft and short-term loans amounting to Baht 1,545.89 million and long-term loans amounting to Baht 705.65 million, totaling Baht 2,251.54 million, which were liabilities that may be affected by fluctuations in interest rates. If the interest rate increases by 1% per annum, the Company may incur an additional interest of approximately Baht 23 million per year.

For the risk that may affect the purchase of housing, the impact of the home loan is a long-term. The interest rate fluctuations affect the monthly installments. And consumers have already paid down. In addition, the company is able to offer special deals on interest rates to commercial banks, as well as multi-level pricing, which focuses on the true purchasing power of real estate residents. It is also a part that reduces the impact of interest rate fluctuations on buyers.

RISK FACTORS & RISK MANAGEMENT

7. Risks of Maintaining Net Debt for Shareholders Complying with Terms and Conditions of Authorization

The company has reiterated its intention to fully comply with terms and conditions of maintaining net debt for shareholders not exceeding the proportion of 3:1 in accordance with the rules stated in the Terms and Conditions clause 6.2. financial The following debentures include:

- 1) Debentures of Areeya Property Public Company Limited No.1 / 2014, shall be due for redemption in 2017
- 2) Debentures of Areeya Property Public Company Limited No.2 / 2014, shall be due for redemption in 2017 with redemption before the maturity date.
- 3) Debentures of Areeya Property Public Company Limited No. 2/2014, shall be due for redemption in 2018, which the issuer can redeem before maturity.
The Company is obliged to comply with the terms and conditions of the net debt to equity ratio no more than 3: 1, in accordance with the rules specified in Clause 6.2. 11 Financial terms Specify net liabilities to be deducted by cash and cash equivalents. Temporary investment And secured bank deposits For debentures:
- 4) Debentures of Areeya Property Public Company Limited No. 1/2016, shall be due for redemption in 2019
- 5) Debentures of Areeya Property Public Company Limited No. 2/2016, shall be due for redemption in 2020, with the Issuer able to redeem before maturity.
- 6) Debentures of Areeya Property Public Company Limited No. 3/2016 , shall be due for redemption in 2019
- 7) Debentures of Areeya Property Public Company Limited No. 1/2017, shall be due for redemption in 2020

As at 31 December 2016, the Company maintained a net debt-to-equity ratio of 2.79 times (as described in clause 6.2.11 for debentures No. 1) - 3). Shareholders' equity is 2.62 times for debentures 4) - 6) According to the terms and conditions in clause 6.2.11)

Part 7) Debentures issued after December 31, 2016 are required to comply with clause 6.2.11. By specifying the net liabilities to be calculated is deducted by cash and cash equivalents. Temporary investment And secured bank deposits Same as the debentures in 4) - 6)

However, the company has prepared the following financial measures: 1) capital increase plan, 2) partial debt repayment plan, and 3) short term debt repayment plan. To maintain such ratio. The Company also has a policy to maintain its debt to equity ratio and capital structure at an appropriate level.

SHAREHOLDERS STRUCTURE AND MANAGEMENT

Shareholders Structure

• Ordinary Shares

The Company's registered capital, as of December 31, 2016, is Baht 1,200,000 , with issued and paid-up capital of Baht 980,000,000 , consisting of 980,000,000 ordinary shares at the par value of Baht 1 per share.

• Shareholders

As at 31 December 2016, the names and the proportion of the first ten major shareholders appearing in the Company's shareholders register book (Number of shares as of 31 December 2016 still hold 980,000,000 shares) are as follows:

No.	Name	No. of shares	%
1.	Laohapoonrungsee Family*	529,134,696	53.99
2.	Mrs. Patcharee Porncharoenchaisilp	105,522,500	10.77
3.	PROGRESSIVE OPULENT HOLDING (SINGAPORE) PTE. LTD.	60,000,000	6.12
4.	Mrs. Patcharanun Pinyochaianun	46,170,000	4.71
5.	Ms. Kanlaya Srisamer	45,983,900	4.69
6.	Mr. Thawat Tantivorasit	32,282,500	3.29
7.	Mr. Thakorn Nitipanyawut	28,450,000	2.90
8.	Mr. Amnard Chantanupong	21,179,000	2.16
9.	Mr. Veerasak Kunpin	20,000,000	2.05
10.	Mrs. Niphapat Romerattanaphun	19,400,000	1.98
Total		908,122,596	92.66

* Laohapoonrungsee Family consists of (1) Mr. Wisit Laohapoonrungsee hold 320,897,000 shares, 32.74% of the paid-up capital, (2) Mr. Viwat Lauhapoonrungsi hold 121,901,096 shares, 12.44% of the paid-up capital and (3) Mrs.Pathamol Lauhapoonrungsi hold 86,336,600 shares, 8.81% of the paid-up capital

The management structure of the Company consists of three committees: the Board of Directors, Audit Committee and executive board. The management structure of the Company as at 31 December 2016 is as follows:

SHAREHOLDERS STRUCTURE AND MANAGEMENT

Management

Management Structure

1. Board of Directors

As at 31 December 2016, the Board of Directors comprised of seven members as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2016
1.	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer	6/6
2.	Mr. Viwat Lauhapoonrungsi	Director	5/6
3.	Mrs. Niphapat Romerattanaphun	Director	6/6
4.	Mr. Thun Thiansuwan	Director	6/6
5.	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	6/6
6.	Mr. Preecha Boonyakida	Independent Director and Audit Committee	6/6
7.	Mr. Sompol Thiensuvan	Independent Director and Audit Committee	6/6
Total number of meetings			6

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 comply with the law, objectives, regulations of the company as well as the resolution in the shareholders' meeting with the following exception that need approval from shareholders' meeting before execution such as the activities that the law assign to have the resolution from the shareholders' meeting, relating transactions and purchasing and selling any securities according to the regulation of the Stock Exchange of Thailand or as assigned by other Government section.
2. To determine or change the company's authorized signatories.
3. To set policy, strategy and direction of company management as well as to supervise the executive to carry on the work effectively in accordance with the business policy, strategy and direction, in order to supremely increase economic value for the shareholders and for sustainable growth.

4. To consider and decide in important activities such as business plan, budget, mass investment projects, power of management, or any legal regulation.
5. To assess the results of the performance and determine the payment for the executives.
6. To be responsible for the results of execution and duty performance of executives with intention and carefulness.
7. To conduct accounting system, financial report and accounting report, to set the process in assessing the proper internal control, as well as to have an efficient and effective of internal audit; risk management; financial reporting and monitoring.
8. To prevent conflict of interest among the company's stakeholders.
9. To supervise duty performance to be in ethical behavior.
10. To set internal regulation and company code.
11. To report their job responsibility, in conducting financial report, together with the audited financial report revealed in the annual report; and include important activities in accordance with the Stock Exchange of Thailand policy of desirable performance for the company's board.
12. To appoint someone to administer the company business activities under their supervision or give the person authority and/or within the agreed time period; and the board can cancel, discharge or change this authority at any time.

2. Audit committees

As of December 31, 2016, there are three Audit Committee directors which are appointed from the Board of Directors as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2016
1.	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	12/12
2.	Mr. Preecha Boonyakida	Independent Director and Audit Committee	12/12
3.	Mr. Sompol Thiensuvan	Independent Director and 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.

SHAREHOLDERS STRUCTURE AND MANAGEMENT

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, 2016, the Executive Committees of the Company consists of four persons as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2016
1. Mr. Wisit	Laohapoonrungsee	Chairman and Chief Executive Officer	15/19
2. Mr. Viwat	Lauhapoonrungsi	Director	19/19
3. Mrs. Niphapat	Romerattanaphun	Director	19/19
4. Mr. Thun	Thiansuwan	Director	19/19
Total number of meetings			19

The member shall be appointed by the Board to have duty and responsibility. Their power are unable to authorize items or persons that can gain and loss, or may have a conflict of interest (according to the designation of The Securities and Exchange Commission, Thailand) except in approve some activities that agree with policies, methods or regulations that Board approved.

Scope of duty and responsibility of Executive Committee

1. To determine policies, directions strategies and structures of the Company's business to support an economic conditions and competition that has announced to the shareholders to ask for and agreement of the Board.
2. To determine business plan, budget and managing authority of the Company to ask for an agreement of the Board.
3. To examine and monitor the determined policy and managing method to be efficiently and benefit to the company.
4. To monitor the company's progress to follow the approved business plan.
5. To consider an investment project of the company in order to offer to the Board.
6. To make the legal act with the financial institution of opening an account, borrowing, mortgaging, pawning, guaranteeing, bargaining and register a proprietary right in order to run company's business.
7. To supervise and approve company's normal business activities, and may hand over power to the Directors or other people to run time work.
8. To run other business activities as the Board assigned.

SHAREHOLDERS STRUCTURE AND MANAGEMENT

4. Management Team

As of December 31, 2016, the management team of the Company consists of 12 members as follow:

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

Remark: Management team is according to the definition of SEC.

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	Managing Director
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

SHAREHOLDERS STRUCTURE AND MANAGEMENT

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 Laohapoonrungrsee.

The Board of Directors has assigned Chief Executive Officer (CEO) to have duties and responsibilities in operation. The detail of assigned authority conforms to the scope of duty and responsibility of Chief Executive Officer which the authority assignment of CEO and other persons as the approval by CEO have not included the power and/or authority to approve any transactions that CEO or the authorized person may have any conflict of interests or any advantage from the company or subsidiary company (compliance with the Regulation of the Securities and Exchange Commission). Such transactions have to be proposed in the Board of Directors' meeting and/or Shareholders' meeting for consideration and approval as indicated in the company's Articles of Association or related law except the approval of transactions following the company's Policies, Methods, Rules approved by the Board of Directors or Executive Committee.

Scope of duty and responsibility of Chief Executive Officer

1. To operate and manage the company's business complying with plan and budget approved by the Board of Directors
2. To operate and manage the company's business entirely complying with the company's Objectives, Policies, Rules, Articles of Association, Orders, Resolutions of Board of Directors' Meetings or Executive Committee's Meetings
3. To have an authority to operate and act as the company's representative for the related business beneficial to the company
4. To have an authority to issue the Announcement, Orders or Memorandum in order to control the operation complying with the company's Policies and benefit and to maintain the disciplines in the organization work
5. To approve the appointment of Staffs and Consultants in any fields necessary for the company's operation
6. To operate as assigned by the Board of Directors or Executive Committee under the company's Rules and Articles of Association.

The approval of transactions under the scope of duty and responsibility has to comply with the payment approval authority approved by the Board of Directors.

SHAREHOLDERS STRUCTURE AND MANAGEMENT

Authorization of credit limit

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 transactions	Financial transactions
Chief Executive Officer	Not over Baht 500 Million	Not over Baht 500 Million
Executive Board	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

SHAREHOLDERS STRUCTURE AND MANAGEMENT

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 the year 2016, the Company paid remuneration in the following:

(Unit : Baht)

(CHIEF EXECUTIVE OFFICER AND DIRECTORS)				
No.	Name		Position	Amount
1.	Mr. Wisit	Laohapoonrungsee	Chairman and Chief Executive Officer	-
2.	Mr. Viwat	Lauhapoonrungsi	Director and Executive Director	-
3.	Mrs. Niphapat	Romerattanaphun	Director and Executive Director	-
4.	Mr. Thun	Thiansuwan	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 the year 2016, the Executive Committee and the management of the Company paid the total salary , bonus and provident fund totaling Baht 59.75 million.

2. Other Remuneration

-None-

RELATED TRANSACTIONS

Related transactions in the year 2016 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.

Reasons for making related transactions

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 Transactions

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 transactions. 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 transactions. The company also discloses the related transactions in the Notes to Financial Statement as part of the Audited Financial Statements.

MANAGEMENT DECISION AND ANALYSIS

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As of December 31	Consolidated 2016	Consolidated 2015	Consolidated 2014
Statement of Comprehensive Income (Million Baht)			
Revenue from Sales of Real Estate	4,643	5,398	2,438
Service Income from House Construction and Sales of Construction Materials	4	3	0
Cost of Sales of Real Estate	3,056	4,017	1,632
Cost of Service from House Construction and Cost of Construction Materials	3	1	12
Profit before Finance Costs, Income Tax expenses and Marketing Expenses	1,097	974	521
Net Profit	263	217	41
Statement of financial position (Million Baht)			
Total Assets	13,516	12,861	11,957
Total Liabilities	10,201	9,771	9,083
Total Shareholders' Equity	3,315	3,090	2,874
Financial Ratio			
Bank-Debt-to-Equity Ratio (Time)	0.70	1.08	1.64
Debt-to-Equity Ratio (Time)	3.08	3.16	3.16
Gross Profit Margin on Revenue from sales of real estate	34.17%	25.61%	32.58%
Net Profit Margin	5.57%	3.97%	1.66%
Return on Asset	4.38%	3.53%	0.39%
Return on Equity	8.22%	7.27%	1.44%
Book Value per Share (Baht)	3.37	3.14	2.91
Basic Earnings per Share (Baht)	0.27	0.22	0.04
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 company has formed subsidiaries to provide of each business as follows:

- In the year 2004, the subsidiary (Areeya Service Co., Ltd.) has been formed to provide after-sale services for property with 99.99% ownership interest.
- In the year 2007, the Company has established a subsidiary company (One Up Co., Ltd.) with 64.99% ownership interest to provide construction services to Areeya's projects and outside customers.
- In the year 2008 the Company purchased 35% of the share capital of One Up from other shareholder. As a result, the Company's ownership interest increased to 99.99%.
- In the year 2008 the Company had formed 2 companies with 99.99% ownership interest which consisted of:
 - Areeya Management Co., Ltd. for development of real estate projects and to provide a management service for juristic person.
 - Cool Space Co., Ltd. for development of real estate projects.
- In the year 2009 the Company had formed a company with 99.99% ownership interest which consisted of White Living Co., Ltd. for development of real estate projects.
- In the year 2010 the Company had formed a company with 99.99% ownership interest which consisted of Chill Space Co., Ltd. for development of real estate projects.
- In the year 2014, the Company has established Areeya Convenience Store Co., Ltd with 99.97% ownership for retail business.

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

MANAGEMENT DECISION AND ANALYSIS

2) Overview Summary and Significant Change

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

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

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

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

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

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

On 20 October 2016, the Company issued 646.8 million baht of debentures (646,800 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature in year 2019.

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

As at 31 December 2016, the Company has 49 current projects and 2 community malls, totally 51 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	Areeya Donmuang-Songprapa	Donmuang Songprapa	Single Detached House
10	Areeya Como Ladkrabang-Suvarnabhumi	Ladkrabang-Suvarnabhumi	Single Detached House
11	Areeya Como Wongwan-Ratchapruek	Bangbuathong	Single Detached House
12	At Home	Kaset-nawamintr	Townhouse
13	The Colors Chaengwattana-Tiwanon	Chaengwattana-Tiwanon	Townhouse
14	Areeya To Be	Lat Phrao	Townhouse
15	Areeya Daily	Kaset-nawamintr	Townhouse
16	The Colors Premium Bangna	Bangna	Townhouse
17	The Colors Bangna K.M.10	Bangna	Townhouse
18	The Village Bangna K.M.10	Bangna	Townhouse
19	The Colors Leisure Bangna K.M.8	Bangna	Townhouse
20	The Colors Leisure Bangna K.M.10	Bangna	Townhouse
21	The Colors Bangna Wongwan	Bangna	Townhouse

MANAGEMENT DECISION AND ANALYSIS

No.	Project	Location	Type of Product
22	The Colors Premium Bangna Wongwan	Bangna	Townhouse
23	The Village Bangna Wongwan	Bangna	Townhouse
24	The Colors Premium Rangsit-Lumlukka	Rangsit	Townhouse
25	Areeya Mandarin Sukhumvit 77	Sukhumvit 77	Townhouse
26	The Colors Donmuang-Songprapa Phase 1	Donmuang-Songprapa	Townhouse
27	Areeya Brigg Donmuang-Songprapa	Donmuang-Songprapa	Townhouse
28	The Village Kanjanapisek-Ratchapruk	Sai Noi	Townhouse
29	The Colors Premium Kanjanapisek-Ratchapruk	Sai Noi	Townhouse
30	The Colors Kanjanapisek-Ratchapruk	Sai Noi	Townhouse
31	The Colors Premium Wongwan Ramintra	Hathairath	Townhouse
32	The Colors Wongwan Ramintra	Hathairath	Townhouse
33	The Colors Premium Wongwan-Ratchapruk	Bangbuathong	Townhouse
34	The Colors Wongwan-Ratchapruk	Bangbuathong	Townhouse
35	The Colors Premium Kanjanapisek-Ratchapruk 2	Sai Noi	Townhouse
36	A Space Asoke	Asoke-Ratchada	Condominium
37	A Space Kaset	Kaset-nawamintr	Condominium
38	A Space Play Ratchada-Suttisan	Ratchada-Suttisan	Condominium
39	A Space Sukhumvit 77	Sukhumvit 77	Condominium
40	A Space Me Sukhumvit 77	Sukhumvit 77	Condominium
41	A Space Me Bangna	Bangna	Condominium
42	A Space I.D. Asoke-Ratchada	Asoke-Ratchada	Condominium
43	A Space Me Rattanathibet	Rattanathibet	Condominium
44	Pickadaily Bangkok	Sukhumvit 77	Community Mall
45	Life Style Club	Kaset-nawamintr	Community Mall
46	Areeya Brigg Rangsit-Lumlukka	Rangsit	Townhouse
47	The Colors Rangsit-Klong 4	Rangsit-Klong 4	Townhouse
48	The Village Bangna Wongwan 2	Bangna	Townhouse
49	The Village Kanjanapisek-Ratchapruk 2	Sai Noi	Townhouse

No.	Project	Location	Type of Product
50	The Place Kanjanapisek-Ratchapruet 2	Sai Noi	Townhouse
51	The Colors Kanjanapisek-Ratchapruet 2	Sai Noi	Townhouse

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.

The revenue recognition schedule for the year 2016, 2015 and 2014 by the type of real estate.

Type	Sales					
	2016		2015		2014	
	Unit	MB	Unit	MB	Unit	MB
Condo	491	1,030	354	566	152	264
Single Detached house	161	780	134	616	89	443
Townhouse / twin house	1,205	3,075	1,267	3,262	749	2,020
Land	-	-	-	-	-	-
Total	1,857	4,885	1,755	4,444	990	2,727
% Increase from prior year	6%	10%	77%	63%	-25%	-22%

MANAGEMENT DECISION AND ANALYSIS

Type	Transferred					
	2016		2015		2014	
	Unit	MB	Unit	MB	Unit	MB
Condo	636	1,330	631	762	37	46
Single Detached house	139	686	56	372	26	171
Townhouse / twin house	1,032	2,627	1,189	3,054	732	2,066
Land	-	-	2	1,210	1	154
Total	1,807	4,643	1,878	5,398	796	2,437
% Increase from prior year	-4%	-14%	136%	122%	36%	39%

Condominium For the year 2016, sales of condominiums increased from year 2015 due to the new Condominiums are completed and ready to deliver two projects, and combined with the price increase after the pre-sale.

In the year 2016, the company recognized revenue of A Space Me Sukhumvit 77 and A Space Me Bangna , which continues from 2015. The company has a new project completed and ready for delivery this year namely A Space I.D. Asoke-Ratchada, which has commenced the transfer of ownership in the second quarter of 2016. This year, The revenue recognition of A Space Me Bangna, A Space Me Sukhumvit 77, A Space I.D. Asoke-Ratchada and A Space Me Sukhumvit 77 were worth 336 million baht, 346 million baht, 641 million baht and 7 million baht, respectively.

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 720 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 830 Million Baht as at 31 December 2014 or 70% of the total project value.

Single Detached House In year 2016, The Company has launched 3 project include Areeya Donmuang-Songprapa, Areeya Como Ladkrabang-Suvarnabhumi, and Areeya Como Wongwan-Ratchapruek with total project value of 916 Million Baht and total revenue recognition amounting to 77 Million Baht in the year 2016. There are two more projects that have been transferred in late 2015, and highly to be transferred in 2016, namely, Areeya Como Bangna Km. 10 and Areeya Como Wongwan-Ramintra with an increase in transfers from year 2015 of 422 million baht, it is expected to see more revenue in year 2016 than in year 2015.

The Company has launched new single detached house and recognized revenue in 2014 amounting to 87 Million baht 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 68 million baht and total revenue recognition amounting to 334 Million Baht in the year 2015.

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

- **Cost of sales of real estate**

For the year ended December 31, 2016, the cost of sales of real estate decreased by 23.91% from prior year (cost of sales in 2016 and 2015 amounted to 3,056.22 million baht and 4,016.73 million baht, respectively) mainly due to decrease in cost of sales of real estate from the cost of land sales of Baht 862 million in previous year. However, there is no sale of land in 2016. Therefore, when considering the cost of sales of real estate, only the portion of the house and condo will decrease from last year to 99 million baht. The company has improved cost management makes the perceived cost of home sales fell 317 million baht. The cost of condominium projects increased of Baht 218 million from the previous year due to the transfer of ownership of the project began in late 2015 and the second quarter of 2016 of two projects namely A Space Me Sukhumvit 77 and A Apace ID Asoke - Ratchada.

For the year 2015, Cost of sale of real estate increased from that of the year 2014 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.

MANAGEMENT DECISION AND ANALYSIS

- **Gross Profit Margin**

The Company has gross profit for the year 2016, 2015 and 2014 amounted to Baht 1,587.03 million, Baht 1,381.29 million and Baht 805.48 million, respectively, or 34.17%, 25.61% and 32.58 %, respectively. The increase in gross margin in 2016 is due to the company's higher selling price. The gross margin has increased significantly. And the company has managed its cost of sales more efficiently. The gross margin can be increased over the year 2015. The future trend is to manage the cost of sales more efficiently. As a result, the gross margin is expected to increase further in the future.

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

At 31 December 2016, the Company had unrealized loss in fair value on investment properties of 44.41 Million Baht. The Company presented investment properties in fair value which were appraised by the independent property valuers in the basis of income approach as addressed in the appraisal report dated 5 January 2017 and 3 February 2017.

In 2015, the Company had unrealized loss in fair value on investment properties of 25.85 Million Baht. The Company presented investment properties in fair value which were appraised by the independent property valuers in the basis of income approach as addressed in the appraisal report dated 30 December 2015.

In 2014, the Company had unrealized gain in fair value on investment properties of 62.62 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.

- **Selling Expenses**

Type	Transferred								
	2016			2015			2014		
			%			%			%
	MB	Transferred	Transferred	MB	Transferred	Transferred	MB	Transferred	Transferred
Selling Expenses	519.27	4,643.25	11.18%	535.84	4,187.92***	12.79%	320.38	2,437.56	13.14%
% Increase (Decrease)	(16.57%)		(3.09%)	215.56		67.30%	15.91		5.23%

***The total revenue for the year 2015 was 5,398.02 million baht, which included the revenue from the sale of land of 1,210.10 million baht to compare the revenue from the transfer of ownership of houses and condominium units. The above transfer figures for the year 2015 do not include revenues from land sales.

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

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

Advertising, public relations and other marketing expenses decreased due to the company focus marketing expenses only Low-rise projects. 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.

MANAGEMENT DECISION AND ANALYSIS

- **Administrative expenses**

Type	Transferred								
	2016			2015			2014		
			%			%			%
	MB	Transferred	Transferred	MB	Transferred	Transferred	MB	Transferred	Transferred
Administrative expenses	523.94	4,643.25	11.28%	436.04	4,187.92***	10.41%	393.58	2,437.56	16.00%
% Increase (Decrease)	87.90		20.16%	42.46		10.79%	105.82		36.77%

*** The total revenue for the year 2015 was 5,398.02 million baht, which included the revenue from the sale of land of 1,210.10 million baht to compare the revenue from the transfer of ownership of houses and condominium units. The above transfer figures for the year 2015 do not include revenues from land sales.

For the year 2016, the administrative expenses are more than 20.16% higher than the year 2015, mainly due to the increase in staff expenses and administrative expenses. In order to be able to handle the increased work of the expansion of business more. However, the ratio of administrative expenses to transfers did not differ significantly compared to last year.

- **Finance costs**

Financial cost was in amount of 236.80 Million Baht in the year 2016 and 166.34 Million Baht in the year 2015 increased by 42.36 percent. Mainly due to the Company had financial cost from debentures increased. Which in October 2015, the Company issued 1,000 million baht of debentures and 1,353.20 million baht in April 2016, (Redeemed of 511 million baht in April 2016) and issued 646.80 million baht in October 2016

Financial cost was in amount of 166.34 Million Baht in the year 2015 and 145.05 Million Baht in the year 2014 and 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 and 3,000 Million Baht in the year 2014 (and redeemed before maturity date of 989 million baht in the year 2014).

- **Net Profit**

For the year 2016, the Company reported net profit of 263.34 million Baht, increased 21.53 percent from 216.69 million Baht in the year 2015. The main factor was the increase in revenue of real estate and effective project cost management.

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 2016, 2015 and 2014, the Company had gross profit margin at 34.17, 25.61 and 32.58 percent, respectively, net profit at 5.57, 4.00 and 1.61 percent respectively and return on equity at 8.22, 7.27 and 1.44 percent, respectively.

- **Important factors which may result to the operation in the future**

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.

In year 2015-2016, 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.

MANAGEMENT DECISION AND ANALYSIS

4) Financial position

4.1 Assets

	2016	2015	2014
Total assets (Million Baht)	13,515.77	12,861.19	11,956.52
Increase from the previous year (Million Baht)	654.58	904.67	2,968.37
Percentage	5.09	7.57	33.02
Real estate projects under development (Million Baht)	11,395.98	10,930.65	9,841.68
Increase from the previous year (Million Baht)	465.33	1,088.97	2,909.90
Percentage	4.26	11.06	41.98

An increased assets in 2014 to 31 December 2016 was mainly from an increase of Real estate projects under development and deposit land.

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

In the year 2015, Increase in Real estate projects under development because of launched the new projects in the area Kanjanapisek-Ratchapruet (Soi noi), Wongwan Ramintra, Wongwan Ratchapruet (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 for the year ended 31 December 2014 to 2016 as follows.

	2016	2015	2014
Cash flow from operating activity before changing of operating assets and liabilities	694.57	508.59	1,818.62
Changing of operating assets and liabilities	-436.38	-450.39	-3,544.95
Corporate income tax	-51.30	-60.34	-23.95
Net cash provided by (used in) operating activities	206.89	-2.14	-1,750.28
Net cash provided by (used in) investing activities	-77.44	-3.57	-286.29
Net cash provided by (used in) financing activities	-113.79	90.63	2,149.25
Cash and cash equivalent increase/ -decrease	15.66	84.92	112.68
Cash and cash equivalent at the beginning of the year	305.81	220.89	108.21
Cash and cash equivalent at the end of the year	321.47	305.81	220.89

As at 31 December 2016, cash and cash equivalent increased from the year 2015 by 15.66 Million Baht mainly from (1) Net cash provided by operating activities by 206.89 Million Baht. (Due to investment in real estate project under development and transferred in the period) (2) Net cash used in investing activities by 77.44 million baht, due to purchase machinery and construction equipment and vehicles. (3) Net cash used in financing activities by 113.79 million baht, mainly due to repayment of long-term loans from financial institutions, finance costs paid and repayments of debentures totaling 4,132.41 million baht and decrease in bank overdrafts and short-term loans from financial institutions, repayment of finance lease liabilities, dividends paid totaling 155.28 million baht (However, the Company had proceeds from issuance of debentures and long-term loans from financial institutions of 4,173.90 million baht.)

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 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.

MANAGEMENT DECISION AND ANALYSIS

- **Deposits for Land**

	2016	2015	2014
Deposits for Land (Million Baht)	274.39	80.00	347.00
Increase/-decrease from the previous year	194.39	-267.00	-395.00

Increase in Deposits for land as at 31 December 2016 was 194.39 Million Baht from year 2015 due to The Company has new deposits for new project in Rungsit, Sai Ma, the area expansion in Bangna.

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), Expansion in Kanjanapisek-Ratchapruek.

Decrease in Deposits for land as at 31 December 2014 was 395.00 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.

- **Investment properties**

	2016	2015	2014
Investment properties (Million Baht)	494.24	535.23	510.20
Increase/-decrease from the previous year	-40.99	25.03	87.94

As at 31 December 2016, The company had an investment properties of 7.66 percent which decreased from that of the year 2015 mainly due to the decrease of unrealized gain on fair value adjustment of the previously recognized of community mall.

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 25.03 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 unrealised 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" and "Life Style Club" have been completed. Such investment properties is a shopping center by dividing the space for rent. The investment properties have been presented under fair value method. The fair value has been determined based on valuation performed by an accredited independent valuer, using the income approach as addressed in the appraisal report dated 5 January 2017 and 3 February 2017. 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**

	2016	2015	2014
Property, plant and equipment	399.88	411.24	400.01
Increase/-decrease from the previous year	-11.36	11.23	22.77

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

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

Now, the Company and lessor has conclusion that the lessor and the leasee agreed to extend the lease for another 10 years. As for pricing, the rental rates in the 11 to 20 year lease agreement on the new rate at market price or other appropriate price. If the Company agrees to extend the agreement, the Company must submit written notice in advance as stipulated in the memorandum. Upon the expiry of the lease term of this agreement, or any extension thereof, or upon termination of the agreement due to the fault of the Company, the Company must return the leased asset to the lessor in the same condition as before the lease commenced. The Company must demolish all assets on the leased asset, if not the ownership of assets will be transferred to the lessor without any cost. If the lessor does not intend to receive the assets, the Company has the obligation to pay for any cost, such as demolition cost as stipulated in the memorandum.

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

MANAGEMENT DECISION AND ANALYSIS

The total amount of depreciation and amortization will be reduced by the amount of 50.13 million baht to 41.58 million baht as at 31 December 2015 and the total number is down from 40.22 million baht to 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. The rental fee are disclosed in note to the financial statements with amount of improvement. Total comprehensive income in the statement of comprehensive income for the year 2015 was 216.69 million baht and for the year 2014, 44.25 million baht remains the same.

As at 31 December 2016, prepaid rental expenses - Building on lease land has been disclosed in financial line "Prepaid Rental Expense" by the financial statement for the year ended 31 December 2016, the total of 144.87 million baht decreased from 153.41 million baht as of 31 December 2015 with the amortization of the right of use property. This disclosure in amortized in Note 14 to the financial statement and included in the name "depreciation and amortization" in Administrative expenses. If the amendment is rental expense, The total amount of depreciation and amortization will be reduced by the amount of 53.38 million baht to 41.58 million baht as at 31 December 2016 and the total number is down from 50.13 million baht to 41.58 million baht as at December 31, 2015 decreased by reclassify the amortization of rights to use property as a rental fee of 8.55 million. The rental fee are disclosed in note to the financial statements with amount of improvement. Total comprehensive income in the statement of comprehensive income for the year 2016 was 263.34 million baht and for the year 2015, 216.69 million baht remains the same.

In the financial statement for the year ended 31 December 2016, the company has amended the notes to the financial statement regarding the Significant Accounting Policies in the topic of "Building on lease land" to "Prepaid rental expense" and amortized over the estimate useful live of 20 years, but will disclose the amortization of prepaid rentals as a rental (Reclassify) to accordance with accounting standards and financial reporting standards in the financial statements for the year 2017.

For the Financial statement as at 31 December 2016, 2015 and 2014 have been reclassified to Prepaid Rental Expense as table below (Decreased from amortization prepaid rental expenses);

	2016	2015	2014
Building on lease land	144.86	153.41	161.96
Increase/-decrease from the previous year	-8.55	-8.55	

- **The adequacy of the provision and allowance for doubtful accounts.**

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

- The ratio shows the efficiency of major operations.

Return on assets of the Company as at 31 December 2016, 2015 and 2014 was 4.38, 3.53 and 0.39 percent, respectively due to the Company had net profit in the year 2016 more than 2015. As a result, the return on assets improved to the order.

4.2 Liabilities and sources of financing.

	2016	2015	2014
Total liabilities	10,201.31	9,770.87	9,082.89
Increase from the previous year	430.44	687.98	2,953.53
Bank overdrafts and short-term loans from financial institutions	1,545.89	1,610.31	2,159.07
Current portion of long-term loans from financial institutions	491.87	692.29	1,648.67
Current portion of debentures	3,000.00	1,509.35	-
Long-term loans from financial institutions	213.78	932.62	792.34
Debentures	3,989.50	3,996.60	3,511.00

As at 31 December 2016, Total liabilities increased from the year 2015 by 430.44 million baht mainly due to the Company issued 1,353.20 million baht of debentures in April 2016 (Redeemed of 511 million baht) and issued 1,646.80 million baht in October 2016 (Redeemed of 1,000 million baht). However, overdrafts and short-term loans from financial institutions were decreased, resulting in a decrease in liabilities of 64.42 million baht, a decrease in long-term loans from financial institutions amounting to 919.26 million baht and repayment of financial lease liabilities of 51.66 million baht.

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 816.10 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 2,011.00 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.

MANAGEMENT DECISION AND ANALYSIS

- **Bank overdrafts and short-term loans from financial institutions**

As at 31 December 2016, Bank overdrafts and short-term loans from financial institutions decreased from the previous year by 64.42 million Baht or 4.00 percent mainly from promissory notes.

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 2,000 million baht 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 2016, Long-term loans from financial institutions decreased by 916.26 million baht or 56.57 percent from prior year because of increase in revenue from sale of real estate. It can be used to more repayment long-term loan. Moreover, in April 2016 and October 2016, the Company issued debentures of 1,353.20 million baht and 1,646.80 million baht, respectively. Which objective for repayment the debentures maturing redemption and repayment of such long-term loan because debentures have lower financial costs.

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 2,000 million baht 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 3,000 million baht 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 2016, the Company had debenture 6,989.50 million baht which increased from the year 2015 by 1,483.55 million baht or 26.94 percent. On 23 February 2016, the Extraordinary Shareholders' Meeting No. 1/2016 approved the issuance and offering of all types of debentures, with and/or without a name registered, the combined total amount not exceeding 3.0 Billion baht by issuing either single or multiple offerings.

On 20 October 2016, the Company issued 646.8 million baht of debentures (646,800 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 20 July 2019.

On 5 October 2016, the Company issued 1,000 million baht of debentures (1,000,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 1 October 2020. The Company has right to redeem this debenture before maturity. Meanwhile, the debenture of Areeya Property Public Company Limited No. 1/2015 due B.E. 2016 in amount of 1,000 million baht, which has been fully redeemed by the Company on 5 October 2016.

On 1 April 2016, the Company issued a debentures name of The Debentures of Areeya Property Public Company Limited No. 1/2016 due B.E. 2019 amounting to 1,353.20 million baht. Meanwhile, the debenture of Areeya Property Public Company Limited No. 1/2013 due B.E. 2016 in amount of 511 million baht, which has been fully redeemed by the Company on 12 April 2016.

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 2.0 Billion baht by issuing either single or multiple offerings. The Company issued debentures two times during the year 2015.

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 holders representative, subordinated debentures and/or unsubordinated debentures, and perpetual and/or tenured depending on market conditions at the time of offering. The combined total amount not exceeding 3.0 Billion baht by issuing either single or multiple offerings. The Company issued debentures two times during the year 2014.

1st time, On 11 April 2014, the Company issued 1,500 million baht of debentures (1,500,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative. The debentures bear interest at a rate of 5.95% per annum, and mature in 3 years.

MANAGEMENT DECISION AND ANALYSIS

2nd time, On 31 October 2014, the Company issued 1,500 million baht of debentures (1,500,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative. The debentures bear interest at a rate of 5.85% per annum, and mature in 3 years. The Company had fully redeemed this debenture.

Compared to 2013, the company has issued and offered debentures for the first time. Issued and offered 2 times.

1st time, On 12 April 2013, the Company issued 511 million baht of debentures (511,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative. The debentures bear interest at rates of, year 2014 and 2013 are 5.90% and 5.75%, respectively per annum, and mature in 3 years.

2nd time, On 31 July 2013, the Company issued 989 million baht of debentures (989,000 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative. The debentures bear interest at a rate of 6.10% per annum, and mature in 2 years. The Company had fully redeemed this debenture on 31 October 2014.

- **Short-term Bill of exchange**

	2016	2015	2014
short-term Bill of exchange	1,402.08	1,280.54	1,596.81
Increase/-decrease from the previous year	121.54	-316.27	642.65

As at 31 December 2016, Increase in short-term Bill of exchange by 121.54 Million Baht or 9.49 percent from year 2015 for working capital in the companies. Because of the Short-term bill of exchange have lower financial costs and unsecured loans.

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 2,000.00 million baht 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.

- **Equity**

As at 31 December 2016, the shareholders Equity of the Company was amount 3,314.46 million baht which the shareholders Equity increased from year 2015 of amount 224.14 million baht or 7.25 percent due to increase in net profit for the year of 263.34 million baht and dividend payment of 39.20 million baht during the year 2015.

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**

	2016	2015	2014
Cash flow from operating activities before changing of operating assets and liabilities	694.57	508.59	1,818.62
Changing of operating assets and liabilities	-436.38	-450.39	-3,545.95
Income tax paid	-51.30	-60.34	-23.95
Net cash provided by (used in) operating activities	206.89	-2.14	-1,750.28

Cash flow from operation activities was mainly used for real estate project under development especially during political situation is becoming stable and the economy continues to improve in year 2016. The company has 13 new projects that will start to realize revenue for the year 2016, amounting to 796 million for low-rise and 641 million baht for a condominiums.

	2016	2015	2014
Net cash provided by (used in) investing activities	-77.44	-3.57	-286.29

Net cash flow used in investing activities in 2016 amounting 77.44 was mainly due to Increase in deposits at banks used as collateral amounting 33.40 million baht and purchase of equipment amounting 57.45 million baht. Cash flow from investing in 2014 is mainly invested in property, plant and equipment in head office and aluminum forms used in low-rise and high-rise construction projects that last for 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.

MANAGEMENT DECISION AND ANALYSIS

	2016	2015	2014
Net cash provided by (used in) financing activities	-113.79	90.63	2,149.25

As at 31 December 2016, The Company had cash flow used in financing activities amounting to 113.79 million baht, mainly due to repayment of long-term loans from financial institutions, debentures and finance costs paid total amounting to 4,132.41 million baht, decrease in bank overdrafts and short-term loans from financial institutions, repayment of finance lease liabilities and dividend paid totaling 155.28 million baht. (However, the company had issued of debentures and proceed from long-term loan from financial institutions during the period amounting to 4,173.90 million baht).

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.

- **Significant Financial Policy Analysis Ratios**

Liquidity ratio

As at 31 December 2016, Liquidity ration of the Company was amount of 2.07 times by decrease from 2.44 times from the year 2015. Due to current liabilities increased by 1,152.74 million baht or 24.65 percent, mainly due to the increase in debentures of 1,490.65 million baht.

The Company's quick ratio was 0.11 times as of 31 December 2016 by increase from 0.09 times in year 2015, Due to cash and cash equivalents from operating activities of 206.89 million baht, cash flow used in investing activities and financing activities of 77.44 million baht and 113.79 million baht, respectively, resulting in an increase in cash and cash equivalents from year 2015 amount 15.66 million baht.

Interest coverage ratio

The Company's interest coverage ratio is 2.44 times as of 31 December 2016, decrease from 2.63 times in year 2015. The ability to pay interest is derived from income before interest and corporate income tax divided by financial costs. In year 2016, profit before interest expenses and corporate income tax increased by 140.18 million baht or 32 percent. However, year 2016 financial cost is higher than year 2015 of 70.46 million baht or 42 percent. As a result, interest coverage in year 2016 will decrease from year 2015, while the Company has a 0.50 times as much cash interest coverage ratio as of 31 December 2016, up from 0.12 times in year 2015. The Company's cash flow from operating activities was 206.89 million baht, an increase of 2.14 million baht from the previous year.

Debt to equity ratio

The Company has a total debt to equity ratio of 3.08 times as of 31 December 2016, decrease from 3.16 times in year 2015 and year 2014. The decrease in total debt to equity ratio due to increased recognition of revenue from transfer, including cost management and manage the cost effectively. As a result, the net profit margin increased. As of 31 December 2016, the Company had inventories balance for sale worth 11,396 million baht. Upon transfer of ownership, the debt to equity ratio will gradually decrease.

• The Maintenance of the net debt to equity ratio

The Company has reiterated its intention to fully comply with terms and conditions of the maintaining net debt to equity not exceeding the proportion of 3:1 in accordance with the rules stated in the Terms and Conditions clause 6.2. The condition of issuer to comply with clause 6.2.11 the following debentures include:

- 1) Debentures of Areeya Property Public Company Limited No. 1/2014 due B.E. 2017.
- 2) Debentures of Areeya Property Public Company Limited No. 2/2014 due B.E. 2017 with the issuer's right of early redemption.
- 3) Debentures of Areeya Property Public Company Limited No. 2/2015 due B.E. 2018 with the issuer's right of early redemption.

In addition, the Company has reiterated its intention to fully comply with the terms and conditions of the maintaining net debt to equity of not exceeding the proportion of 3:1 times as specified in the Terms and Conditions of Clause 6.2. The condition of issuer to comply with clause 6.2.11 Financial Conditions Specify net liabilities to be deducted by cash and cash equivalents, current investment and deposits at banks used as collateral for debentures:

- 4) Debentures of Areeya Property Public Company Limited No. 1/2016 due B.E. 2019.
- 5) Debentures of Areeya Property Public Company Limited No. 2/2016 due B.E. 2020 with the issuer's right of early redemption.
- 6) Debentures of Areeya Property Public Company Limited No. 3/2016 due B.E. 2019.
- 7) Debentures of Areeya Property Public Company Limited No. 1/2017 due B.E. 2020.

As at 31 December 2016, the Company maintained a net debt-to-equity ratio of 2.79 times (as described in clause 6.2.11 for debentures No. 1) - 3). Shareholders' equity is 2.62 times for debentures 4) - 6) According to the terms and conditions in clause 6.2.11)

MANAGEMENT DECISION AND ANALYSIS

Part 7) Debentures issued after December 31, 2016 are required to comply with clause 6.2.11. By specifying the net liabilities to be calculated is deducted by cash and cash equivalents. Temporary investment and secured bank deposits same as the debentures in 4) - 6)

However, the company has prepared to maintain its debt to equity ratio and capital structure to the appropriate level in the future:

- 1) Repayment short-term debt instrument and/or long-term debt instrument in whole or in part, Short-term and long-term debt instrument of the company will be due within 90 days are as follows:
 1. Repayment of short-term debt instrument of 758 million baht.
 2. Repayment of long-term debt instrument of 1,500 million baht.
- 2) Accelerate the sale and transfer of completed projects and transfers of low-rise and high-rise projects amounting to 6,971 million baht as of 31 December 2016 with the promotion, promotion and public relations projects to reach more customers. The Company expects that this measure will increase the Company's revenue recognition and profit margins, resulting in a decrease in total debt to equity ratio and capital structure in an appropriate proportion.

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, 2016. 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 Laohapoonrungsee
Chairman and Chief Executive
Officer

GENERAL INFORMATION

Company Name	:	Areeya Property Public Company Limited
Type of Business	:	Development of real estate
Head Office Address	:	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	:	0107546000431
Home Page	:	www.areeya.co.th For more details about condominium project, please visit www.aspace.co.th For more details about town home project, please visit www.thecolors.co.th For more details about Village Town, please visit www. areeya.co.th/villagetown For more details about Village Town, please visit <a href="http://www.
areeya.co.th/singlehome">www. areeya.co.th/singlehome For more details about the community mall project, please visit www.pickadailybkk.com For more details about Re-sales & Leasing services, please visit www.areeyaagent.com
Telephone	:	02-798-9999, 1797
Facsimile	:	02-798-9990
Authorized Share Capital	:	1,200,000,000 common shares, Baht 1 per share, As at December 31, 2016, Total authorized share capital Baht 1,200,000,000
Issued and Paid-up share capital	:	Baht 980,000,000 (As at December 31, 2016)

Auditor : KPMG Phoomchai Audit Ltd.
48th-51st Floors, Empire Tower, 1 South Sathorn Road,
Sathorn, Bangkok 10120
Tel 66(02)-677-2000 Fax 66(02)-677-2222

Security Registrar : **Thailand Securities Depository Co., Ltd.**
93 The Stock Exchange of Thailand Building,
Ratchadapisek Road, Dindeang, Dindeang
Bangkok 10400
Tel 66(02) 009-9000
Facsimile 66(02) 009-9991
SET Contact center: 0 2009-9999
Website: <http://www.set.or.th/tsd>

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

GENERAL INFORMATION

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

Company Name	Type of Business	Authorized Share Capital	Shareholding Percentage (%)
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	99.97

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. 2/2017 held on February 27, 2017, 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 2016 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. 2/2017 held on February 27, 2017.

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.

In addition, the company's auditor is KPMG Phoomchai Audit Limited, the auditors for fiscal year 2016 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 50% 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. 2/2017 passed a resolution to pay a dividend of Baht 0.05 per share from the result of its 2016 operation to the Company's shareholders, totaling Baht 49,000,000 million.

CORPORATE GOVERNANCE

With our determination in developing to sustainable growth, transparency, and really governance, the Board of Directors has adhered to the policy on compliance with management principles and good corporate governance.

They are the key factors supporting to operating systematically and efficiency and leading the Company to conduct its business achieved. By determining the business efficiency and effectiveness, and fairness to all parties related to the Company, whether being shareholders, stakeholders, the committees, the executives and its employees.

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 2016, the good corporate governance guidelines could be categorized in 5 major scopes detailed below.

Scope 1: Rights of Shareholders

- The company has 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 is 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 has 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 has 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) have 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.

CORPORATE GOVERNANCE

The company's Committee has 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 completes 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 has 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 has 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 has strategically maintained its long-standing reputation under 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 emphasizes on further development of environmental and energy conservation policies.

Shareholders:

Obviously, the company has offered 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 2016, the company has 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 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 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 has 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 can 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 has 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 has 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 may be resulted from the company's business practices. The company has also 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 emphasizes on providing its business information in a sufficient and timely manner. The information included the delivery of corporate news via new electronic systems known as SET Community Portal (SCP) and ELCID, developed by the Stock Exchange of Thailand (SET) and the publication of news in local newspapers in accordance with the Public Limited Company Act. The company has also unveiled its business information in the form of annual registration statement (56-1 form) and financial statement in both Thai and English languages in the company's website www.areeya.co.th.

Significant information technology systems include financial reports, non-financial data, and other related information approved by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The information stated in the financial statements to be disclosed to the SET is fully reviewed and verified by the company's auditing team and approved by its Board of Directors. Obviously, the Board of Directors is responsible for financial statements of the company and its subsidiaries. It is clearly understood that the financial information specified in the annual report will be prepared in accordance with the accounting standards generally used and accepted in Thailand. It is also required to select the most appropriate accounting policies, pursue the policies' requirements, determine accurate judgment in a cautious manner, generate the most effective estimation for the preparation of information, and sufficiently disclose important information in the financial statements' remarks. The Board of Directors has also maintained progressive internal audit to ensure that the accounting records are accurate, complete, and sufficient, particularly to sustain the value of properties and identify weaknesses to prevent fraud and other corrupted actions. The Board has appointed members of the Internal Audit Committee, who are not considered the company's executives, to be responsible for the quality of financial reporting and internal controls. The Internal Audit Committee's approval can be seen in the internal audit reports already listed in the annual report and annual registration statement (56-1 form).

CORPORATE GOVERNANCE

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 has 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 is 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 may cause difficulties to the company. As a result, the company has 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 has 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 2016, there are totally 6 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 meeting regularly too. The Committee has 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 2016, there are 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.

CORPORATE GOVERNANCE

Corporate Social Responsibilities

15 years Areeya ... where happiness. We strive to bring happiness to sustainable growth.

Vision

Happy to have created, Happy to be creative, and happy to be ready to deliver to everyone, the happiness continues indefinitely.

Mission

Develop business with social, community and environmental responsibility. Committed to excellence in construction and services for maximum satisfaction of stakeholders.

Policy

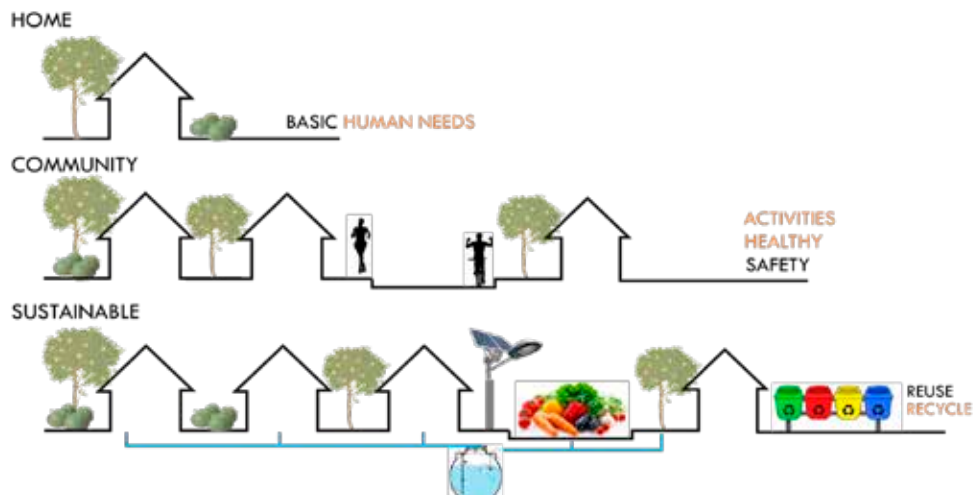
"Sustainable Happiness"

Throughout the years, Areeya Property Public Company Limited has been operating on a corporate social responsibility basis for sustainable development. By 2016, the company continues to strive to develop in every work process to create accountability for goods and services, enhancing added value and meeting the needs of stakeholders. In the year 2016, the company has continued the process and added a focus to developing real estate projects under the "Sustainable Happiness" policy as follow;

(1) Development of concepts for business development.

The "Sustainable Happiness" policy developed from brainstorming being used as the guidance for the development of the company's real estate projects. There are five components of development as follow:

- (1) Gardening in the public area from a beautiful garden to a non-toxic garden, Grow vegetables, kitchens and perennials that can be eaten.
- (2) The use of natural solar energy to replace electricity in the central area of the project to reduce long-term costs to the customer.
- (3) Water treatment system is designed for the process of converting used water into water that meet the water quality standard and safely returned to use in the common areas of the housing projects. This policy can help reduce the consumption of tap water and also reduce the costs.
- (4) Designing a common area for waste sorting and campaigning ways for the customer in the project to work together to reduce the amount of waste and bring the waste into the Recycle or Reuse process to reduce pollution to society.
- (5) Add more space to encourage the customers to keep exercise in the projects. People nowadays is more health-conscious so this will be one strength point for the Company's projects.



(2) Study and develop prototype

From the five elements of the development, the teams of consultants and specialists was set up to study the detailed information both of the water system and recycled water treatment, free of vegetable waste and solar power system to get the best practice and practical construction model which will be apply in each project of the company. The company has held a press release and policy statement in July 2016.



CORPORATE GOVERNANCE

(3) A pilot project, "Sustainable Happiness"

From policy to create the concepts and get the results as a construction model and finally, the implementation in the project. We start with a garden in the public area from a beautiful garden to a non-toxic garden, Grow vegetables, kitchens and perennials that can be eaten in the pilot project, Sainoi zone and also develop a community of vegetation management with the residents and plan to spread this project into other locations in the year 2017.



One of famous company's activities is the flea market named "Yak with Joan thoroughfare" at the company's community mall, Pickadaily Bangkok. This event is to promote the activities of "Thamturakit" group which is the group of organic and non-toxic planting farmers. Their organic products are distributed at Pickadaily Bangkok without any charge. In the activity, there are also the exhibition, "Follow in the Father's Footsteps" in honor of His Majesty the late King Bhumibol Adulyadej, and discussion on the topics of living and self-reliance as the "sufficiency economy". the company is proud and honored to be the one who continue to follow and promote the teachings set by His Majesty to Thai and foreign people to learn and understand which will lead to a sustainable change in the future society.



The "Sustainable Happiness" policy also extends to after-sales service and community building within the project. The goal is to provide the best service and the highest satisfaction from villager's Areeya. This will lead to the introduction of Friend Get Friend and build confidence to the customers in the long term.

CORPORATE GOVERNANCE

Development of after-sales service started with the following policy: the company's mission reviews, responsibilities and work procedures, standards of service including the restructuring of departments which responsible for the after-sale services. The Company focus on the security guards and security systems standard by enhancing the tools and equipment that can record and monitor the work of security system and be able to check randomly in anytime.

Besides the standard after-sales services, the warranty repair service (After Sale Service) is another service that the Company monitor it closely. The Company develop a fully implemented tracking system to ensure that the tasks requested from customers have done completely in accordance with the standards specified. The information and comments received from customers will be used for improving and developing a skill of our technicians by providing training course and skill testing to technicians. Also providing personality development and communication course to technicians to establish a trust for the home owners. In the year 2016. The score of satisfaction level are in range of "good" and "very good" which can be calculated to 91 percent, higher than the target at 85 percent. This lead to the new target of 2017 by increasing the satisfaction score to 95 percent.

Housing Fund Management and the deliverable of housing/building project to the board of housing estate juristic person and board of building estate juristic person is another important function of after-sale services. It require the efficiency on fund management, transparency, accountability and providing maximum benefits to the home owners, board of juristic person and the Company. The other key function is to maintain the public infrastructure projects in perfect condition and available to use. This will help increasing the satisfaction of the residents and can reduce the time delay in the deliverable of infrastructure when legally due and also reduce the costs and increase opportunities for the company.



Besides the main function above, the other work which performed continuously from 2012 until the present is to maintain the quality of life of a construction worker by providing better physical and mental health. The Company provides the good accommodation for workers in construction sites with cleanliness and basic hygiene and waste management control. This will help the worker perform work with high-quality and be able to deliver quality standard home to the home owners. The accommodation for workers in Company's sites has been valued as one of the pilot projects in the network of contagious disease surveillance in the establishment (construction) from the Ministry of Health.

The welfare providing and create learning opportunities for children of workers is also the important policy of the Company. The Company provide the center for children's learning in the construction area with teachers. Scheduling daily learning and activities that make the migrant children can read and write and create the opportunities for these children in the future. Also provide children's health checkup and improve the necessary development for children. With cooperation from Labor Rights Promotion Network Foundation, the Company still continue this project in 2017 and in the future.



CORPORATE GOVERNANCE

The Corporate Social Responsibility of the company is continuously operated from the first year of start learning to the year that the Company can develop the CSR program and has the clear goal to achieve. Our objective is to help making a better change in our society. The change from a starting point to the change in family, community, society and environment and the company will continue to strive and develop the CSR program in the further future.



“

**Nature is not a place
to visit. It is home.**

”

Gary Snyder



INDEPENDENT AUDITOR'S REPORT

To the shareholders of Areeya Property Public Company Limited

Opinion

I have audited the 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 2016, 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.

In my opinion, the accompanying 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 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Valuation of real estate projects under development and cost of projects	
Refer to Notes 3 (f) and 8	
The key audit matter	How the matter was addressed in the audit
<p>Real estate projects under development and cost of projects are significant transactions in the financial statements. Real estate projects have development period and recorded under the standard cost which involved judgement to estimate standard cost that are closed to the cost.</p> <p>Real estate projects under development are stated at the lower of cost and net realisable value. The management is required to make significant judgement in determining the net realisable value for the long outstanding projects. The Group engaged independent valuers to assist in valuing the real estate projects under development by using market approach. I considered this matter to be a significant area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Inquiring, understanding, testing internal control of cost and assessing management's procedures for considering net realisable value of real estate projects under development; • Randomly selecting cumulative actual cost of the projects and estimate budget cost of completion with related documentations including verifying the calculation; • Randomly observing real estate projects under development during the year end; • Evaluating the qualification, competency and independence of independent valuer engaged by the Group by considering professional qualification and related documentations; • Assessing net realisable value by comparing carrying amount of real estate projects under development with subsequent actual selling prices including approval selling price, appraised value from independent valuers engaged by the Group less related selling expenses for long outstanding projects. I engaging KPMG asset valuation expert to assist in evaluating the appropriateness of the significant assumptions in the appraised value; and • Considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Valuation of investment properties	
Refer to Notes 3 (h) and 12	
The key audit matter	How the matter was addressed in the audit
Investment properties are measured at cost on initial recognition and subsequently at fair value. The lease space within the major shopping mall is not fully occupied and management is required to apply judgement in fair value estimation by engaged independent valuer to assist in valuing the investment properties using the income approach, therefore, this is a significant area in my audit.	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Inquiring, understanding and assessing procedures for fair value estimation of investment properties by management; • Observing the property during the end of the year; • Evaluating the qualification, competency and independence of independent valuer engaged by the Company by considering professional qualification and related documentations; • Considering fair value estimation under income approach approved by management and assessment by independent valuer engaged by the Company. I considering the key assumptions by enquiring management and independent valuer to understand the key assumptions and test the key assumptions with actual operation and randomly examining with lease agreements, operation plan and test with related documentations. I engaging KPMG asset valuation expert to assist in evaluating the appropriateness of the methodology and relating key assumptions; and • Considering the adequacy of the disclosures in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2017

STATEMENT OF FINANCIAL POSITION

Areeya Property Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	321,473,416	305,806,285	195,508,337	200,537,326
Current investment	6	82,704	81,841	82,704	81,841
Trade and other receivables	4, 7	39,289,554	35,068,209	364,037,449	176,436,375
Real estate projects under development	4, 8	11,395,975,090	10,930,649,249	9,355,531,097	9,114,263,675
Deposits for land	35	274,390,000	80,000,000	274,390,000	80,000,000
Short-term loans to related parties	4	-	-	1,424,455,752	1,428,087,824
Other current assets	9	61,693,824	63,403,922	59,290,797	56,656,757
Total current assets		12,092,904,588	11,415,009,506	11,673,296,136	11,056,063,798
<i>Non-current assets</i>					
Deposits at banks used as collateral	10, 35	227,331,586	193,929,945	227,331,586	193,929,945
Investments in subsidiaries	11	-	-	301,999,239	301,999,239
Investment properties	12	494,236,285	535,231,422	456,094,285	495,634,422
Property, plant and equipment	13	399,883,042	411,241,517	373,204,598	376,373,038
Prepaid rental expenses	4, 14	144,864,702	153,410,407	144,864,702	153,410,407
Intangible assets	15	24,827,330	26,204,354	24,775,137	26,135,596
Deferred tax assets	16	15,699,134	13,641,225	10,610,578	5,779,198
Rental deposit	4	60,000,000	60,000,000	60,000,000	60,000,000
Other non-current assets		56,028,574	52,498,082	46,476,023	46,636,141
Total non-current assets		1,422,870,653	1,446,156,952	1,645,356,148	1,659,897,986
Total assets		13,515,775,241	12,861,166,458	13,318,652,284	12,715,961,784

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

STATEMENT OF FINANCIAL POSITION

Areeya Property Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2016	2015	2016	2015
(in Baht)					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	17	1,545,889,707	1,610,306,879	1,536,831,103	1,610,306,879
Trade and other payables	4, 18	268,180,831	278,678,225	633,576,231	578,840,489
Current portion of long-term loans					
from financial institutions	17	491,868,955	692,287,171	491,868,955	601,956,277
Short-term loans from related parties	4	-	-	173,679,887	218,061,522
Current portion of long-term loans					
from other parties	17	111,493,133	111,493,133	111,493,133	111,493,133
Current portion of debentures	17	3,000,000,000	1,509,346,663	3,000,000,000	1,509,346,663
Current portion of finance lease liabilities	17	29,267,075	48,608,917	25,475,943	40,855,632
Construction retentions	4	209,473,190	208,359,495	162,468,406	155,848,923
Unrecognised income on installments due	4	89,757,437	166,023,562	89,427,428	164,947,562
Income tax payable		32,710,794	1,330,057	-	372,711
Other current liabilities	19	49,822,303	49,263,148	12,162,702	13,723,739
Total current liabilities		5,828,463,425	4,675,697,250	6,236,983,788	5,005,753,530
Non-current liabilities					
Long-term loans from financial institutions	17	213,782,674	932,622,119	148,782,672	829,082,814
Long-term loans from related party	4	-	-	9,700,000	9,700,000
Debentures	17	3,989,495,963	3,996,595,924	3,989,495,963	3,996,595,924
Finance lease liabilities	17	37,486,113	43,693,901	36,213,162	39,072,722
Utilities guarantees		6,413,823	11,981,646	6,413,823	11,981,646
Employee benefit obligations	20	20,090,434	18,103,529	6,705,576	6,204,676
Provision for litigation	21	11,500,000	16,600,000	11,500,000	16,600,000
Other non-current liabilities		94,077,104	75,547,602	60,835,570	54,308,754
Total non-current liabilities		4,372,846,111	5,095,144,721	4,269,646,766	4,963,546,536
Total liabilities		10,201,309,536	9,770,841,971	10,506,630,554	9,969,300,066

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

STATEMENT OF FINANCIAL POSITION

Areeya Property Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2016	2015	2016	2015
(in Baht)					
Equity					
Share capital	22				
Authorised share capital		<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued and paid-up share capital		<u>980,000,000</u>	<u>980,000,000</u>	<u>980,000,000</u>	<u>980,000,000</u>
Premium on ordinary shares	22	669,209,894	669,209,894	669,209,894	669,209,894
Retained earnings					
Appropriated					
Legal reserve	23	71,903,600	66,653,600	71,903,600	66,653,600
Unappropriated		<u>1,593,352,211</u>	<u>1,374,460,993</u>	<u>1,090,908,236</u>	<u>1,030,798,224</u>
Total equity		<u>3,314,465,705</u>	<u>3,090,324,487</u>	<u>2,812,021,730</u>	<u>2,746,661,718</u>
Total liabilities and equity		<u>13,515,775,241</u>	<u>12,861,166,458</u>	<u>13,318,652,284</u>	<u>12,715,961,784</u>

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

STATEMENT OF COMPREHENSIVE INCOME

Areeya Property Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
Note		2016	2015	2016	2015
		(in Baht)			
Income					
Revenue from sale of real estate	4	4,643,249,304	5,398,024,485	3,206,423,284	4,093,546,245
Revenue from sale of construction materials		3,933,040	3,271,910	3,517,390	2,913,521
Interest income	4	5,271,517	7,216,784	80,835,069	6,881,432
Reversal of provision for litigation	21	5,100,000	-	5,100,000	-
Other income	4, 25	67,418,871	45,184,674	57,803,663	48,748,875
Total income		4,724,972,732	5,453,697,853	3,353,679,406	4,152,090,073
Expenses	4				
Cost of sale of real estate		3,056,217,090	4,016,727,027	2,195,858,120	3,057,371,953
Cost of sale of construction materials		3,173,452	1,454,238	2,786,163	1,120,323
Selling expenses	26	519,264,320	535,838,691	370,474,782	402,598,346
Administrative expenses	4, 27	523,936,255	436,043,304	371,272,529	261,104,327
Unrealised losses on fair value of investment properties	12	44,414,000	25,853,335	42,959,000	31,492,563
Finance costs	4, 30	236,802,795	166,346,064	240,640,341	165,177,262
Total expenses		4,383,807,912	5,182,262,659	3,223,990,935	3,918,864,774
Profit before income tax expense		341,164,820	271,435,194	129,688,471	233,225,299
Income tax expense	31	(77,826,002)	(54,746,203)	(25,130,859)	(45,805,322)
Profit for the year		263,338,818	216,688,991	104,557,612	187,419,977
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive income for the year		263,338,818	216,688,991	104,557,612	187,419,977
Basic earnings per share	32	0.27	0.22	0.11	0.19

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

STATEMENT OF CHANGES IN EQUITY

Areeya Property Public Company Limited and its Subsidiaries

Consolidated 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 2015					
Balance at 1 January 2015		980,000,000	669,209,894	57,253,600	1,167,172,002
Comprehensive income for the year					
Profit		-	-	-	216,688,991
Total comprehensive income for the year		-	-	-	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
For the year ended 31 December 2016					
Balance at 1 January 2016		980,000,000	669,209,894	66,653,600	1,374,460,993
Transactions with owners, recorded directly in equity					
Distributions to owners of the Company					
Dividends to owners of the Company	33	-	-	-	(39,197,600)
Total transactions with owners, recorded directly in equity		-	-	-	(39,197,600)
Comprehensive income for the year					
Profit		-	-	-	263,338,818
Total comprehensive income for the year		-	-	-	263,338,818
Transfer to legal reserve	23	-	-	5,250,000	(5,250,000)
Balance at 31 December 2016		980,000,000	669,209,894	71,903,600	1,593,352,211

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

STATEMENT OF CHANGES IN EQUITY

Areeya Property Public Company Limited and its Subsidiaries

Separate financial statements					
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Total equity
	Note			Legal reserve (in Baht)	Unappropriated
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
For the year ended 31 December 2016					
Balance at 1 January 2016		980,000,000	669,209,894	66,653,600	1,030,798,224
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Dividends to owners of the Company	33	-	-	-	(39,197,600)
Total transactions with owners, recorded directly in equity		-	-	-	(39,197,600)
Comprehensive income for the year					
Profit		-	-	-	104,557,612
Total comprehensive income for the year		-	-	-	104,557,612
Transfer to legal reserve	23	-	-	5,250,000	(5,250,000)
Balance at 31 December 2016		980,000,000	669,209,894	71,903,600	1,090,908,236

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

STATEMENT OF CASH FLOWS

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	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	263,338,818	216,688,991	104,557,612	187,419,977
<i>Adjustments for</i>				
Depreciation and amortisation	53,383,608	50,132,568	49,517,024	44,100,034
Amortisation of premium on debentures	6,086,515	-	6,086,515	-
Unrealised losses on fair value of investment properties	44,414,000	25,853,335	42,959,000	31,492,563
Interest income	(5,271,517)	(7,216,784)	(80,835,069)	(6,881,432)
Doubtful debt expense	1,832,467	1,096,876	2,577,904	1,096,876
Allowance for decline in value of real estate projects under development	20,681,216	-	14,162,802	-
Gain on disposal of equipments	(1,710,815)	-	(1,710,814)	-
Loss on disposal of intangible assets	298,637	-	298,637	-
Unrealised gain on current investment	(863)	(1,179)	(863)	(1,179)
Unrealised gain on exchange rate	-	(166,423)	-	(166,423)
Employee benefit obligations	1,986,905	2,194,273	500,900	757,369
Reversal of provision for litigation	(5,100,000)	-	(5,100,000)	-
Finance costs	236,802,795	166,346,064	240,640,341	165,177,262
Income tax expense	77,826,002	54,746,203	25,130,859	45,805,322
	<u>694,567,768</u>	<u>509,673,924</u>	<u>398,784,848</u>	<u>468,800,369</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other receivables	(6,053,812)	(15,728,146)	(114,270,529)	(93,616,365)
Real estate projects under development	(138,577,039)	(710,335,071)	64,857,610	(191,748,788)
Deposits for land	(194,390,000)	267,000,000	(194,390,000)	267,000,000
Other current assets	4,511,507	(27,608,388)	118,816	(26,577,316)
Other non-current assets	(3,530,492)	(14,017,414)	160,118	(13,704,701)
Trade and other payables	(36,697,271)	29,528,088	18,298,066	(2,385,047)
Construction retentions	1,113,695	80,765,584	6,619,483	66,210,448
Unrecognised income on installments due	(76,266,125)	(32,709,600)	(75,520,134)	(32,970,000)
Other current liabilities	559,155	(71,335,663)	(1,561,037)	(72,253,895)
Utilities guarantee	(5,567,823)	5,104,571	(5,567,823)	5,104,571
Other non-current liabilities	18,529,502	37,864,644	6,526,816	22,122,383
Cash from operating activities	<u>258,199,065</u>	<u>58,202,529</u>	<u>104,056,234</u>	<u>395,981,659</u>
Income tax paid	(51,304,583)	(60,340,864)	(33,087,806)	(46,650,122)
Net cash from (used in) operating activities	<u>206,894,482</u>	<u>(2,138,335)</u>	<u>70,968,428</u>	<u>349,331,537</u>

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

STATEMENT OF CASH FLOWS

Areeya Property Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Cash flows from investing activities					
Interest received		5,271,517	7,280,192	4,926,620	6,944,840
(Increase) decrease in deposits at banks used as collateral		(33,401,641)	98,168,035	(33,401,641)	93,330,500
(Increase) decrease in short-term loans to related parties		-	-	3,632,072	(624,765,953)
Purchase of investment properties		(3,418,863)	(50,882,297)	(3,418,863)	(35,438,380)
Proceeds from disposal of equipments		13,997,070	-	4,890,515	-
Purchase of equipments		(57,448,286)	(55,383,393)	(44,762,560)	(53,459,078)
Purchase of intangible assets		(2,437,225)	(2,755,331)	(2,421,175)	(2,723,231)
Net cash flows used in investing activities		(77,437,428)	(3,572,794)	(70,555,032)	(616,111,302)
Cash flows from financing activities					
Finance costs paid		(516,728,140)	(486,054,590)	(491,737,261)	(465,710,883)
Dividends paid		(39,197,600)	-	(39,197,600)	-
Repayment of finance lease liabilities		(51,656,211)	(53,403,863)	(43,729,510)	(41,588,968)
Decrease in bank overdrafts and short-term loans from financial institutions		(64,417,172)	(548,760,134)	(73,475,776)	(531,011,405)
Increase (decrease) in short-term loans from related parties		-	-	(44,381,635)	145,765,775
Proceed from long-term loans from financial institutions		1,173,896,731	2,193,662,998	925,645,202	1,836,711,198
Repayment of long-term loans from financial institutions		(2,093,154,392)	(3,009,764,243)	(1,716,032,666)	(2,591,193,260)
Proceeds from debentures		3,000,000,000	1,994,942,587	3,000,000,000	1,994,942,587
Repayments of debentures		(1,511,000,000)	-	(1,511,000,000)	-
Transaction costs from issue of debentures		(11,533,139)	-	(11,533,139)	-
Net cash flows from (used in) financing activities		(113,789,923)	90,622,755	(5,442,385)	347,915,044
Net increase (decrease) in cash and cash equivalents		15,667,131	84,911,626	(5,028,989)	81,135,279
Cash and cash equivalents at 1 January		305,806,285	220,894,659	200,537,326	119,402,047
Cash and cash equivalents at 31 December	5	321,473,416	305,806,285	195,508,337	200,537,326
Non-cash transactions					
Transfer of deposits for land to real estate projects under development		545,612,670	1,065,602,770	545,612,670	1,065,602,770
Acquisition of equipments under finance leases		24,169,061	29,023,078	23,552,741	21,152,158
Acquisition of intangible assets under finance leases		1,937,520	7,775,035	1,937,520	7,775,035
Payable for equipments purchased		-	2,460,000	-	250,000
Capitalisation of finance costs as real estate projects under development		290,329,986	208,203,478	274,800,812	208,203,478

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

NOTES TO THE FINANCIAL STATEMENTS

Areeya Property Public Company Limited and its Subsidiaries
For the year ended 31 December 2016

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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 issue by the Board of Directors on 27 February 2017.

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 (53.99%) and Porncharoenchaisilp (10.77%) family shareholdings.

The principal business of the Company is the development of real estate projects. Details of the Company’s subsidiaries as at 31 December 2016 and 2015 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 2016. 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 2017 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.

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

Areeya Property Public Company Limited and its Subsidiaries
For the year ended 31 December 2016

(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 accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Assumptions and estimation uncertainties

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

Note 8	Measurement of real estate projects under development: net realisable value;
Note 16	Recognition of deferred tax assets: future taxable profit against which tax losses carried forward can be used;
Note 20	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 21	Recognition and measurement of provisions.

Measurement of fair values

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

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

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

Significant valuation issues are reported to the Group Audit Committee.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobserved inputs).

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

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

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

- Note 12 investment properties; 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

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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 with 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 currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

(c) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

Areeya Property Public Company Limited and its Subsidiaries
For the year ended 31 December 2016

(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

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 or net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

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

(g) Investments in subsidiaries

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

(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 in profit or loss.

Leased assets

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

Subsequent costs

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

Depreciation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Areeya Property Public Company Limited and its Subsidiaries
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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) Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

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

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

(k) Impairment

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

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

(l) *Prepaid rental expense*

Prepaid rental expense is amortised over the estimate useful live of 20 years.

(m) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised at cost.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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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.

(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.

Real estate development projects

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

Investments

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

Rental income

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

Interest income

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

(r) Finance costs

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

(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.

(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 items recognised directly in equity or in other comprehensive income.

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

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

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

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that

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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 or loss attributable to ordinary shareholders of the Company by the weighted average 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 related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Cool Space Co., Ltd.	Thailand	Subsidiary
Chill Space Co., Ltd.	Thailand	Subsidiary
Areeya Management Co., Ltd.	Thailand	Subsidiary
One Up Co., Ltd.	Thailand	Subsidiary
White Living Co., Ltd.	Thailand	Subsidiary
Areeya Service Co., Ltd.	Thailand	Subsidiary
Areeya Convenience Store Co., Ltd.	Thailand	Subsidiary
Daily By Areeya Co., Ltd.	Thailand	Co-director
A Attitude Co., Ltd.	Thailand	Co-director
At Home Development Co., Ltd.	Thailand	Co-director
The Colors Co., Ltd.	Thailand	Co-director
W Solar & Power Co., Ltd.	Thailand	Co-director

Name of entities	Country of incorporation/ nationality	Nature of relationships
W Power Co., Ltd.	Thailand	Co-director
Tavalamai Co., Ltd.	Thailand	Co-director
Laohapoonrungsee and Porncharoenchaisilp groups	Thailand	The group of major shareholders
Mr. Wisit Laohapoonrungsee	Thailand	A Director of the Company / Group
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of the Group.

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

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

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	75,908	-
Management income	-	-	12,300	16,899
Management fee	-	-	26,150	-
Finance costs	-	-	4,898	461
Other related parties				
Revenue from sale of real estate	50,032	-	50,032	-
Land rental	1,000	1,000	1,000	1,000
Key management personnel compensation				
Short-term benefits	58,597	46,949	30,071	24,149
Post-employment benefits	1,151	1,286	189	383
Total	59,748	48,235	30,260	24,532

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Trade and other receivables - related parties</i>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>261,329</u>	<u>157,113</u>
<i>Interest receivable - related parties (included in trade and other receivables)</i>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>75,908</u>	<u>-</u>
<i>Finance costs - related parties (included in real estate projects under development)</i>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>5,022</u>	<u>-</u>
<i>Rental deposit</i>				
Key management	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
<i>Trade and other payables - related parties</i>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>396,833</u>	<u>366,951</u>
<i>Accrued interest expense - related parties (included in trade and other payables)</i>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>11,649</u>	<u>1,843</u>
<i>Unrecognised income on installments due</i>				
Key management	<u>890</u>	<u>7,136</u>	<u>890</u>	<u>7,136</u>
<i>Construction retentions - related party (included in other non-current liabilities)</i>				
Subsidiary	<u>-</u>	<u>-</u>	<u>5,012</u>	<u>5,012</u>
<i>Short-term loans to related parties</i>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,424,456</u>	<u>1,428,088</u>

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

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

<i>Short-term loans to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	1,428,088	803,322
Increase	-	-	349,852	917,266
Decrease	-	-	(353,484)	(292,500)
At 31 December	-	-	1,424,456	1,428,088
	<i>(in thousand Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<i>Short-term loans from related parties</i>				
Subsidiaries	-	-	173,680	218,062

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

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

<i>Short-term loans from related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	218,062	72,296
Increase	-	-	302,574	415,741
Decrease	-	-	(346,956)	(269,975)
At 31 December	-	-	173,680	218,062
	<i>(in thousand Baht)</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<i>Long-term loans from related party</i>				
Subsidiary	4.75	4.75	9,700	9,700

Long-term loans from related party are due at call. However, the subsidiary will not recall loan within 12 months since 31 December 2016.

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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 2016 of Baht 57.4 million (2015: 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 2016 of Baht 0.4 million (2015: Baht 0.4 million) to a subsidiary, without any compensation for the subsidiary to hold title to such land on behalf of the subsidiary as a representative for the purposes of entering into any contract in relation to the land. In addition, the subsidiary has registered the land subject to servitudes and restrictions to the projects of the subsidiary for construction of the utilities of the projects without any compensation and with no time limit.

Contracts with related parties

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Within one year	1,100	1,000	1,100	1,000
After one year but within five years	4,620	4,510	4,620	4,510
After five years	2,541	3,751	2,541	3,751
Total	8,261	9,261	8,261	9,261

As at 31 December 2016, the Company had commitment up to the end of lease agreement amounting to Baht 8.2 million (2015: Baht 9.3 million). The Company paid rental deposit to the lessor amounting to Baht 60 million to guarantee that the leased asset would not be foreclosed by the financial institution since the lessor agreed to mortgage the leased asset under a credit facility agreement with the financial institution to finance the construction of the office building. The said deposit will be repaid to lessee at the end of the lease on 31 December 2023. Upon the expiration of the lease term of this agreement or expired lease to be extended, no matter how many times to renew or the lease agreement was terminated by the fault of the lessee, the lessee has to manage the leased asset condition as before the rental and demolish all the building on leased asset. If the expiration of the lease period, the Company does not demolish, the Company agrees to obtain the right in building to the lessor's part of land and leased asset without any charge. If lessor does not require the building, the lessee is responsible for any charge such as demolition of building as specified in the memorandum. The Company recognised the construction in prepaid rental expense.

Other

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	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	1,835	461	1,835	461
Cash at banks - current accounts	18,724	1,883	14,485	7,674
Cash at banks - saving accounts	260,104	236,978	155,371	148,334
Highly liquid short-term investments	554	549	-	-
Cashier cheques to bank for loan repayment and deposit in transit	30,570	44,419	19,276	35,734
Cheque in transit	9,686	21,516	4,541	8,334
Total	321,473	305,806	195,508	200,537

Cash and cash equivalents of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

6 Current investments

	Consolidated financial statements / Separate financial statements			
	2016		2015	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
Unit trusts	80	83	80	82

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 2016 and 2015 were denominated entirely in Thai Baht.

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7 Trade and other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Trade accounts receivable					
Related party	4	-	-	24	24
Other parties		12,888	11,816	12,042	9,337
Total		12,888	11,816	12,066	9,361
Less allowance for doubtful accounts		(4,409)	(4,520)	(4,351)	(2,791)
Net		8,479	7,296	7,715	6,570
Other receivables					
Related parties	4	-	-	337,213	157,089
Other parties		36,709	31,726	24,082	16,731
Total		36,709	31,726	361,295	173,820
Less allowance for doubtful accounts		(5,898)	(3,954)	(4,973)	(3,954)
Net		30,811	27,772	356,322	169,866
Total trade and other receivables - net		39,290	35,068	364,037	176,436
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		(in thousand Baht)			
Doubtful debts expense for the year		1,833	1,097	2,578	1,097

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Trade accounts receivable				
Related party				
Overdue:				
Over 12 months	-	-	24	24
	-	-	24	24
Other parties				
Within credit term	1,214	626	1,117	391
Overdue:				
Less than 3 months	805	1,564	785	1,381
3 - 6 months	970	1,448	914	1,419
6 - 12 months	2,006	1,487	1,721	1,476
Over 12 months	7,893	6,691	7,505	4,670
	12,888	11,816	12,042	9,337
Less allowance for doubtful accounts	(4,409)	(4,520)	(4,351)	(2,791)
Trade accounts receivable - net	8,479	7,296	7,715	6,570
Other receivables - net	30,811	27,772	356,322	169,866
Total trade and other receivables - net	39,290	35,068	364,037	176,436

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

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

8 Real estate projects under development

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Land and development costs				
of projects for sale	19,502,832	17,621,730	15,720,252	14,376,436
Show houses	122,758	202,100	102,348	180,832
Construction in progress	13,589,231	11,648,631	10,934,741	9,543,194
Construction materials	3,000	594	3,000	581
Total	33,217,821	29,473,055	26,760,341	24,101,043
Portion transferred to cost of sales	(21,801,165)	(18,542,406)	(17,390,647)	(14,986,779)
	11,416,656	10,930,649	9,369,694	9,114,264
Less allowance for decline in value of real estate projects under development	(20,681)	-	(14,163)	-
Net	11,395,975	10,930,649	9,355,531	9,114,264
Finance costs capitalised during the year	290,330	319,332	274,801	307,527
Rates of interest capitalised (% per annum)	4.45 - 7.50	4.60 - 8.50	4.45 - 7.50	4.60 - 8.50
Carrying value of real estate projects under development subject to pledged to secure liabilities	7,042,936	7,869,717	5,486,809	6,549,436
Real estate projects under development recognised as an expense in 'cost of sales of real estate project':				
- Cost of sale	3,035,536	4,016,727	2,181,695	3,057,372
- Write-down to net realisable value	20,681	-	14,163	-
Total	3,056,217	4,016,727	2,195,858	3,057,372

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

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9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Prepaid expenses	31,535	34,237	29,902	33,511
Deposits	24,119	16,785	23,664	16,297
Advances	1,318	7,860	1,120	6,773
Input value added tax and others	4,722	4,522	4,605	76
Total	61,694	63,404	59,291	56,657

10 Deposits at banks used as collateral

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

11 Investments in subsidiaries

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	302,000	302,000
At 31 December	302,000	302,000

During the year ended 31 December 2016 there were no acquisitions and disposals of investments in subsidiaries.

Investments in subsidiaries as at 31 December 2016 and 2015, and dividend income from those investments for the years then ended, were as follows:

Type of business		Separate financial statements											
		Ownership interest		Paid-up capital		Cost method		Impairment		At cost-net		Dividend income	
						2016	2015	2016	2015	2016	2015		
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		(in thousand Baht)											
Direct subsidiaries	Areeya Service Co., Ltd	99.99	99.99	10,000	10,000	10,000	10,000	-	-	10,000	10,000	-	-
	One Up Co., Ltd	99.99	99.99	100,000	100,000	100,000	100,000	-	-	100,000	100,000	-	-
	Areeya Management Co., Ltd.	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-
	Cool Space Co., Ltd.	99.99	99.99	60,000	60,000	60,000	60,000	-	-	60,000	60,000	-	-
	White Living Co., Ltd.	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-
Chill Space Co., Ltd.	Development of real estate projects	99.99	99.99	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-
Areeya 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	-	-

All subsidiaries are incorporated in Thailand. There was no dividend declared by subsidiaries during the years 2016 and 2015.

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12 Investment properties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	535,231	510,202	495,634	491,689
Additions	3,419	50,882	3,419	35,438
Unrealised loss from a fair value adjustment	(44,414)	(25,853)	(42,959)	(31,493)
At 31 December	494,236	535,231	456,094	495,634

Investment properties were revalued as at 31 December 2016 and 2015 by a firm of independent valuers, using the income approach.

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

The Company mortgaged the certain 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 properties of the Group and the Company of Baht 453 million and Baht 415 million, respectively, have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Fair value method Level 3

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Balance at 1 January	497,663	523,516	458,066	489,559
Unrealised change in fair value	(44,414)	(25,853)	(42,959)	(31,493)
Balance at 31 December	453,249	497,663	415,107	458,066

Valuation technique and significant unobservable inputs

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

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate lease incentive costs such as other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.	<ul style="list-style-type: none"> • Expected market rental growth (5% to 15%). • Occupancy rate (48% to 95%). • Risk-adjusted discount rates (8.15% and 9%). 	<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).

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13 Property, plant and equipment

<i>Cost</i>	Land	Buildings and system	Leasehold improvement	Consolidated financial statements (in thousand Baht)				Assets under construction	Total
				Club house and temporary building	Furniture, fixtures and office equipment	Machinery and construction equipment	Vehicles		
At 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
Transfers	-	1,792	2,727	-	16,260	13,002	-	(33,781)	-
Disposals	-	-	-	-	-	(8,155)	(4,837)	-	(12,992)
At 31 December 2015									
At 1 January 2016	67,258	46,824	2,727	54,556	140,496	250,135	105,100	29,463	696,559
Additions	2,637	-	-	-	8,996	34,130	22,662	13,193	81,618
Disposals	-	-	-	(15,438)	(23)	(17,955)	(11,174)	-	(44,590)
At 31 December 2016	69,895	46,824	2,727	39,118	149,469	266,310	116,588	42,656	733,587
<i>Depreciation</i>									
At 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									
At 1 January 2016	-	6,990	320	30,613	64,895	108,537	73,962	-	285,317
Depreciation charged for the year	-	3,731	545	1,956	17,141	44,440	12,877	-	80,690
Disposals	-	-	-	(15,438)	(22)	(5,669)	(11,174)	-	(32,303)
At 31 December 2016	-	10,721	865	17,131	82,014	147,308	75,665	-	333,704

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Separate financial statements

	Land	Buildings and system	Leasehold improvement	Club house and temporary building	Furniture, fixtures and office equipment	Machinery and construction equipment	Vehicles	Assets under construction	Total
Cost									
At 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
Transfers	-	1,792	2,727	-	16,260	13,002	-	(33,781)	-
Disposals	-	-	-	-	-	(8,155)	(4,837)	-	(12,992)
At 31 December 2015 and 1 January 2016	67,258	46,824	2,727	54,556	131,542	163,993	77,863	29,463	574,226
Additions	2,637	-	-	-	8,977	20,846	22,662	13,193	68,315
Disposals	-	-	-	(15,438)	(24)	(3,877)	(11,173)	-	(30,512)
At 31 December 2016	69,895	46,824	2,727	39,118	140,495	180,962	89,352	42,656	612,029
Depreciation									
At 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	-	-	-	-	-	(1,771)	(4,578)	-	(6,349)
At 31 December 2015 and 1 January 2016	-	6,990	320	30,613	57,611	52,878	49,441	-	197,853
Depreciation charged for the year	-	3,731	545	1,956	16,290	34,035	11,747	-	68,304
Disposals	-	-	-	(15,438)	(23)	(698)	(11,174)	-	(27,333)
At 31 December 2016	-	10,721	865	17,131	73,878	86,215	50,014	-	238,824

(in thousand Baht)

		Separate financial statements								
		Land	Buildings and system	Leasehold improvement	Club house and temporary building	Furniture, fixtures and office equipment	Machinery and construction equipment	Vehicles	Assets under construction	Total
<i>(in thousand Baht)</i>										
Net book value:										
At 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 and 1 January 2016										
Owned assets		67,258	39,834	2,407	23,943	70,178	59,541	510	29,463	293,134
Assets under finance lease		-	-	-	-	3,753	51,574	27,912	-	83,239
		67,258	39,834	2,407	23,943	73,931	111,115	28,422	29,463	376,373
At 31 December 2016										
Owned assets		69,895	36,103	1,862	21,987	65,812	58,586	207	42,656	297,108
Assets under finance lease		-	-	-	-	805	36,161	39,131	-	76,097
		69,895	36,103	1,862	21,987	66,617	94,747	39,338	42,656	373,205

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 73.0 million (2015: Baht 93.9 million).

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The Company and subsidiaries entered into finance lease contracts for acquiring vehicles and equipments. These contracts will expire in various years until 2021. Under the terms of the lease contracts, the Company and its subsidiaries must comply with certain conditions stipulated in the agreements.

Depreciation charged for the year

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Recognised in:				
- Real estate projects under development	41,305	38,200	32,753	28,723
- Administrative expenses	39,385	37,439	35,551	31,451
Total	80,690	75,639	68,304	60,174

14 Prepaid rental expenses

	Consolidated financial statements / Separate financial statements <i>(in thousand Baht)</i>
Cost	
At 1 January 2015	170,914
At 31 December 2015 and 1 January 2016	170,914
At 31 December 2016	170,914
Amortisation	
At 1 January 2015	8,958
Amortisation for the year	8,546
At 31 December 2015 and 1 January 2016	17,504
Amortisation for the year	8,545
At 31 December 2016	26,049
Net book value	
At 1 January 2015	161,956
At 31 December 2015 and 1 January 2016	153,410
At 31 December 2016	144,865

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

15 Intangible assets

	Consolidated financial statements Software licenses (in thousand Baht)	Separate financial statements Software licenses
Cost		
At 1 January 2015	32,217	31,329
Additions	10,530	10,498
At 31 December 2015 and 1 January 2016	42,747	41,827
Additions	4,374	4,359
Disposals	(669)	(669)
At 31 December 2016	46,452	45,517
Amortisation		
At 1 January 2015	12,396	11,589
Amortisation for the year	4,147	4,103
At 31 December 2015 and 1 January 2016	16,543	15,692
Amortisation for the year	5,453	5,421
Disposals	(371)	(371)
At 31 December 2016	21,625	20,742
Net book value		
At 1 January 2015	19,821	19,740
At 31 December 2015 and 1 January 2016	26,204	26,135
At 31 December 2016	24,827	24,775

16 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	(in thousand Baht)			
Total	23,555	26,137	(7,856)	(12,496)
Set off of tax	(7,856)	(12,496)	7,856	12,496
Net deferred tax assets	15,699	13,641	-	-
	Separate financial statements			
	Assets		Liabilities	
	2016	2015	2016	2015
	(in thousand Baht)			
Total	18,105	17,073	(7,494)	(11,294)
Set off of tax	(7,494)	(11,294)	7,494	11,294
Net deferred tax assets	10,611	5,779	-	-

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

	Consolidated financial statements		
	At 1 January 2016	(Charged) / Credited to: profit or loss (note 31) (in thousand Baht)	At 31 December 2016
<i>Deferred tax assets</i>			
Allowance for doubtful account	3,694	366	4,060
Allowance for decline in value of real estate projects under development	-	4,136	4,136
A fair value adjustment of investment properties	-	1,530	1,530
Provision for bonus	2,546	1,196	3,742
Unrecognised income on installment due	8,032	(4,263)	3,769
Employee benefit obligations	3,621	397	4,018
Provision for litigation	3,320	(1,020)	2,300
Loss carry forward	4,924	(4,924)	-
Total	26,137	(2,582)	23,555
<i>Deferred tax liabilities</i>			
A fair value adjustment of investment properties	(7,353)	7,353	-
Accumulated depreciation - investment properties	(5,040)	(2,762)	(7,802)
Others	(103)	49	(54)
Total	(12,496)	4,640	(7,856)
Net	13,641	2,058	15,699
	Consolidated financial statements		
	At 1 January 2015	(Charged) / Credited to: profit or loss (note 31) (in thousand Baht)	At 31 December 2015
<i>Deferred tax assets</i>			
Allowance for doubtful account	3,475	219	3,694
Provision for bonus	-	2,546	2,546
Unrecognised income on installment due	11,896	(3,864)	8,032
Employee benefit obligations	3,182	439	3,621
Provision for litigation	3,320	-	3,320
Loss carry forward	1,252	3,672	4,924
Total	23,125	3,012	26,137
<i>Deferred tax liabilities</i>			
A fair value adjustment of investment properties	(12,523)	5,170	(7,353)
Accumulated depreciation - investment properties	(2,487)	(2,553)	(5,040)
Others	(137)	34	(103)
Total	(15,147)	2,651	(12,496)
Net	7,978	5,663	13,641

	Separate financial statements		
	At 1 January 2016	(Charged) / Credited to: profit or loss (note 31) (in thousand Baht)	At 31 December 2016
Deferred tax assets			
Allowance for doubtful account	3,348	515	3,863
Allowance for decline in value of real estate projects under development	-	2,833	2,833
A fair value adjustment of investment properties	-	2,368	2,368
Provision for bonus	1,172	480	1,652
Unrecognised income on installment due	7,992	(4,244)	3,748
Employee benefit obligations	1,241	100	1,341
Provision for litigation	3,320	(1,020)	2,300
Total	17,073	1,032	18,105
Deferred tax liabilities			
A fair value adjustment of investment properties	(6,224)	6,224	-
Accumulated depreciation - investment properties	(4,975)	(2,504)	(7,479)
Others	(95)	80	(15)
Total	(11,294)	3,800	(7,494)
Net	5,779	4,832	10,611

	Separate financial statements		
	At 1 January 2015	(Charged) / Credited to: profit or loss (note 31) (in thousand Baht)	At 31 December 2015
Deferred tax assets			
Allowance for doubtful account	3,129	219	3,348
Provision for bonus	-	1,172	1,172
Unrecognised income on installment due	11,837	(3,845)	7,992
Employee benefit obligations	1,089	152	1,241
Provision for litigation	3,320	-	3,320
Loss carry forward	334	(334)	-
Total	19,709	(2,636)	17,073
Deferred tax liabilities			
A fair value adjustment of investment properties	(12,523)	6,299	(6,224)
Accumulated depreciation - investment properties	(2,487)	(2,488)	(4,975)
Others	(137)	42	(95)
Total	(15,147)	3,853	(11,294)
Net	4,562	1,217	5,779

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Loss carry forward	14,346	12,454	-	-
Total	14,346	12,454	-	-

The tax losses expire in 2018 to 2021. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

17 Interest-bearing liabilities

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

	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Bank overdrafts	MOR, saving bank account+ fixed number	MOR, saving bank account+ fixed number	28,807	19,765	19,748	19,765
Promissory notes	MLR-fixed number	MLR-fixed number	115,000	310,000	115,000	310,000
Bills of exchange	Government bond yield+ credit spread	Government bond yield+ credit spread	1,444,000	1,284,721	1,444,000	1,284,721
Less prepaid interest			(41,917)	(4,179)	(41,917)	(4,179)
Bills of exchange - net			1,402,083	1,280,542	1,402,083	1,280,542
Total			1,545,890	1,610,307	1,536,831	1,610,307

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

As at 31 December 2016, the Group and the Company had credit facilities for letter of credit to certain local banks and considers the facilities by individual transaction.

(b) Loans from other parties

As at 31 December 2016, the Company had obtained loans from other persons totaling Baht 111.5 million (2015: Baht 111.5 million). These loans carried interest at a rate close to fixed interest rate.

(c) Long-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Current				
Current portion	491,869	692,287	491,869	601,956
Non-current				
Long-term loans from financial institutions	213,783	932,622	148,783	829,083
Total	705,652	1,624,909	640,652	1,431,039

Long-term loans agreement as at 31 December 2016 were as follows:

The Company

Agreements	Balance (in million Baht)	Contractually interest rate (% per annum)	Repayment
Group 1	151	MLR-1	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2017.
Group 2	159	MLR-1 to MLR-0.75	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2019.
Group 3	129	MLR-0.25	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2021.
Group 4	201	MLR-0.75 to MLR-0.50	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.

Subsidiaries

Agreements	Balance (in million Baht)	Contractually interest rate (% per annum)	Repayment
Group 1	65	MLR-0.5	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2020.

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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 2016, in order to comply with term and conditions stipulated in some loan agreements, certain amounts of loans have been presented as current liabilities in the statement of financial position.

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

Unutilised credit facilities

As at 31 December 2016, the long-term credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 2,494.8 million and Baht 2,049.8 million, respectively (2015: Baht 4,584.7 million and Baht 4,330.5 million, respectively).

(d) *Debentures*

As at 31 December 2016 and 2015, the debentures of the Company were registered, unsecured, unsubordinated, unsecured and without a debenture holders' representative, payable quarterly, with face value of Baht 1,000 per unit as follows:

Debenture	Units (in thousand units)	Issuance date	Term	Maturity date	Interest rate (% per annum)	Consolidated and separate financial statements				
						Current portion		Non-current		Total
						2016	2015	2016	2015	2015
						(in thousand Baht)				
No. 1/2013	511	12 April 2013	3 years	12 April 2016	5.75	-	511,000	-	-	511,000
No. 1/2014	1,500	11 April 2014	3 years	11 April 2017	5.95	1,500,000	-	-	1,500,000	1,500,000
No. 2/2014	1,500	31 October 2014	3 years	31 October 2017 or early redemption	5.85	1,500,000	-	-	1,500,000	1,500,000
No. 1/2015	1,000	2 April 2015	1 year 6 months 3 days	5 October 2016	5.40	-	1,000,000	-	-	1,000,000
No. 2/2015	1,000	22 October 2015	2 years 11 months 28 days	19 October 2018 or early redemption	1st year: 5.50 2nd-3rd year: 5.80	-	-	1,000,000	1,000,000	1,000,000
No. 1/2016	1,353	1 April 2016	3 years	1 April 2019	5.45	-	-	1,353,200	-	-
No. 2/2016	1,000	5 October 2016	3 years 11 months 26 days	1 October 2020	5.40	-	-	1,000,000	-	-
No. 3/2016	647	20 October 2016	2 years 9 months	20 July 2019	5.00	-	-	646,800	-	-
Total debentures, at face value						3,000,000	1,511,000	4,000,000	4,000,000	5,511,000
Less deferred transaction costs from issued of debentures						-	(1,653)	(10,504)	(3,405)	(5,058)
Debentures - net						3,000,000	1,509,347	3,989,496	3,996,595	5,505,942

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(e) Finance lease liabilities

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

Consolidated financial statements						
2016			2015			
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	32,353	(3,086)	29,267	53,400	(4,791)	48,609
After one year but within five years	40,501	(3,015)	37,486	46,906	(3,212)	43,694
Total	72,854	(6,101)	66,753	100,306	(8,003)	92,303

Separate financial statements						
2016			2015			
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	28,336	(2,860)	25,476	45,090	(4,234)	40,856
After one year but within five years	39,184	(2,971)	36,213	42,054	(2,981)	39,073
Total	67,520	(5,831)	61,689	87,144	(7,215)	79,929

The Group and the Company have entered into the finance lease agreements with leasing company for rental of vehicle and equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The term of the agreements is generally 3 - 5 years. Finance lease agreements cannot be cancelled.

Interest-bearing liabilities of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

18 Trade and other payables

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015 (in thousand Baht)	2016	2015
Related parties	4	-	-	408,482	368,794
Other parties		268,181	278,678	225,094	210,046
Total		268,181	278,678	633,576	578,840

Trade and other payables of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

19 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Value added tax suspense	39,405	35,728	4,100	3,075
Withholding tax deduct payable	9,507	9,851	7,339	7,259
Advance receive	557	3,377	557	3,377
Others	353	307	167	13
Total	49,822	49,263	12,163	13,724

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statement of financial position				
Statement of financial position obligation for:				
Post-employment benefits	20,090	18,104	6,706	6,205
 <i>Year ended 31 December</i>				
Statement of comprehensive income				
Recognised in profit or loss:				
Post-employment benefits	1,986	2,195	501	757

Post-employment defined benefit plans

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

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

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	18,104	15,909	6,205	5,448
 Included in profit or loss:				
Current service cost	1,324	1,489	359	515
Past service cost	14	-	-	-
Interest on obligation	648	706	142	242
	1,986	2,195	501	757
 Defined benefit obligations at 31 December	20,090	18,104	6,706	6,205

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Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(% per annum)			
Discount rate	3.55 - 4.06	4.06	4.06	4.06
Future salary growth rate	3.33 - 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 2016, the weighted-average duration of the defined benefit obligation was 25 years (2015: 26 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.

	Consolidated financial statements		Separate financial statements	
	(in thousand Baht)			
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(374)	390	(154)	163
Future salary growth rate (0.5% movement)	533	(515)	192	(182)
Employee turnover rate (1% movement)	(1,227)	1,344	(440)	502

	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 rate (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 were as follows:

	Consolidated / Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	16,600	16,600
Reversal during year	(5,100)	-
At 31 December	11,500	16,600

During the year ended 31 December 2016, the Company reversed provision for litigation of Baht 5.1 million because the Supreme Court rendered the judgement rejecting a lawsuit. Consequently, the Company is not liable to damages claims.

22 Share capital

	Par value per share <i>(in Baht)</i>	2016		2015	
		Number	Amount	Number	Amount
		<i>(thousand shares / in thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	1,200,000	1,200,000	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	1,200,000	1,200,000
Issued and paid-up					
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

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.

Share premium

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

23 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.

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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 2016, the Group and the Company have investment properties at fair value (note 12). At present, the management assessed that this segment is not major segment of the Group and the Company.

Major customers

For the year 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

25 Other income

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Management income	-	-	12,300	16,899
Revenue from cancellation	9,006	11,075	7,525	9,792
Revenue from rental and rendering of services	16,419	16,157	12,706	15,895
Revenue from project management	13,575	9,939	-	-
Gain on disposal of equipments	1,711	-	1,711	-
Other income: court judgement in favor of the Company	3,100	-	3,100	-
Others	23,608	8,013	20,462	6,163
Total	67,419	45,184	57,804	48,749

26 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Specific business tax and land transfer fees	172,226	214,867	120,161	167,263
Marketing expense	228,297	188,184	181,630	150,752
Employee benefit expense	47,360	35,351	21,973	18,061
Others	71,381	97,437	46,711	66,522
Total	519,264	535,839	370,475	402,598

27 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Employee benefit expense	242,414	230,781	106,641	95,351
Depreciation and amortisation	53,384	50,133	49,517	44,100
Common fee charge	45,405	23,674	43,313	21,581
Management fee	-	-	26,150	-
Security expense	19,428	15,327	18,873	14,050
Utility expense	16,943	13,740	15,220	12,676
Transportation expense	22,167	13,303	10,769	5,853
Maintenance expense	11,168	6,147	8,985	5,165
Others	113,027	82,938	91,805	62,328
Total	523,936	436,043	371,273	261,104

28 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Wages and salaries	206,261	177,518	81,573	66,760
Contributions to provident fund	11,372	10,323	5,342	4,622
Others	72,127	78,291	41,699	42,029
Total	289,760	266,132	128,614	113,411

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	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Depreciation and amortisation	53,384	50,133	49,517	44,100
Marketing expenses	228,297	188,184	181,630	150,752
Specific business tax and land transfer fees	172,226	214,867	120,161	167,263
Employee benefit expenses	289,760	266,132	128,614	113,411

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30 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Interest expense:					
Subsidiaries	4	-	-	9,920	461
Interest bearings		524,528	484,174	503,094	471,020
Total interest expense		524,528	484,174	513,014	471,481
Other finance costs		2,605	1,720	2,427	1,439
		527,133	485,894	515,441	472,920
<i>Less</i> amounts included in the cost of qualifying assets:					
- Real estate projects under development	4, 8	(290,330)	(319,332)	(274,801)	(307,527)
- Investment properties	12	-	(216)	-	(216)
		(290,330)	(319,548)	(274,801)	(307,743)
Net		236,803	166,346	240,640	165,177

31 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		79,884	60,409	29,963	47,022
Deferred tax expense					
Movements in temporary differences	16	(2,058)	(5,663)	(4,832)	(1,217)
Total income tax expense		77,826	54,746	25,131	45,805

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		341,165		271,435
Income tax using the Thai corporation tax rate	20	68,233	20	54,287
Income not subject to tax		(1,054)		(1,573)
Expenses not deductible for tax purposes		1,727		1,962
Additional expense deductions allowed		(1,384)		(206)
Recognition of previously unrecognized tax losses		-		(333)
Current year losses for which no deferred tax asset was recognised		1,892		558
Eliminated income		8,412		51
Total	23	77,826	20	54,746

	Separate financial statements			
	2016		2015	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		129,688		233,225
Income tax using the Thai corporation tax rate	20	25,938	20	46,645
Income not subject to tax		(1,107)		(1,372)
Expenses not deductible for tax purposes		769		733
Additional expense deductions allowed		(469)		(201)
Total	19	25,131	20	45,805

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

32 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 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	
	2016	2015	2016	2015
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	263,339	216,689	104,558	187,420
Number of ordinary shares outstanding	980,000	980,000	980,000	980,000
Earnings per share (basic) (in Baht)	0.27	0.22	0.11	0.19

33 Dividends

At the annual general meeting of the shareholders of the Company held on 25 April 2016, the shareholders approved the appropriation of dividend of Baht 0.04 per share, amounting to Baht 39.2 million. The dividend was paid to shareholders in May 2016.

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.

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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, and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (note 17). The Group does not use derivative financial instrument to manage exposure to fluctuations in interest rates on specific borrowings. Interest rate from borrowings is according to market interest rates.

Credit risk

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

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

Liquidity risk

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

Carrying amount and fair values

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

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
31 December 2016					
Financial liability not measured at fair value					
Debentures	(6,989,496)	-	(6,994,018)	-	(6,994,018)
31 December 2015					
Financial liability not measured at fair value					
Debentures	(5,505,942)	-	(5,534,955)	-	(5,534,955)

	Carrying amount	Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
<i>Financial liability not measured at fair value</i>					
Debentures	(6,989,496)	-	(6,994,018)	-	(6,994,018)
31 December 2015					
<i>Financial liability not measured at fair value</i>					
Debentures	(5,505,942)	-	(5,534,955)	-	(5,534,955)

Measurement of fair value

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2

Type	Valuation technique
Debentures	Market comparison technique: The fair values are based on quoted selling prices from Thai Bond Market Association.

35 Commitments with non-related parties

As at 31 December 2016 and 2015, the Company and subsidiaries had commitments as follows:

- As at 31 December 2016, the Company and its subsidiaries have commitments relating to project development contracts amounting to Baht 642 million (2015: Baht 1,065 million).
- 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.
- In January 2016, the Company entered into a sale and purchase agreement of land amounting to Baht 228 million for a property development project. As at 31 December 2016, the Company had paid Baht 73 million for deposit.
- In April 2016, the Company entered into a sale and purchase agreement of land amounting to Baht 340 million for a property development project. As at 31 December 2016, the Company had paid Baht 53 million for deposit and the parties transferred the ownership over the property during the year Baht 158 million.
- In August 2016, the Company entered into a sale and purchase agreement of land amounting to Baht 306 million for a property development project. As at 31 December 2016, the Company had paid Baht 88 million for deposit.
- In October 2016, the Company entered into a sale and purchase agreement of land amounting to Baht 118 million for a property development project. As at 31 December 2016, the Company had paid Baht 55 million for deposit.

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- (g) In October 2016, the Company entered into a sale and purchase memorandum of land amounting to Baht 5 million for a property development project. As at 31 December 2016, the Company had paid Baht 5 million for deposit and the parties transferred the ownership over the property in January 2017.
- (h) Non-cancellable operating lease commitments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Future minimum lease payment under non-cancellable operating leases				
Within one year	2,731	2,857	2,731	2,857
After one year but within five years	12,391	12,391	12,391	12,391
After five years	66,913	69,391	66,913	69,391
Total	82,035	84,639	82,035	84,639

The Company has lease agreements of land rental for periods of 1 and 30 years up to 2017 and 2049, respectively.

- (i) As at 31 December 2016, the Group and the Company have outstanding bank guarantees of Baht 838.3 million and Baht 679.6 million, respectively (*2015: Baht 676.7 million and Baht 574.4 million, respectively*).

36 Events after the reporting period

- (a) In January 2017, the Company has been sued in lawsuits for alleged violation of agreements amounting Baht 55.39 million. Currently, the case is being considered by the court and has not been finalised. Consequently, the Company did not recognise this transaction in the financial statement.
- (b) On 31 January 2017, the Company issued Baht 654.5 million of debentures (654,500 units of Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 31 January 2020.
- (c) On 20 February 2017, the Company got an approval to issue Baht 2,000 million of bill of exchange with maturity not more than 270 days.

37 Thai Financial Reporting Standards ("TFRS") not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period

TFRS	Topic
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 13 (revised 2016)	Fair Value Measurement
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 21 (revised 2016)	Levies
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

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 2015 financial statements have been reclassified to conform to the presentation in the 2016 financial statements.

	2015					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>					
<i>Statement of financial position</i>						
Construction retentions	-	-	-	160,861	(5,012)	155,849
Non-current liabilities	-	-	-	49,297	5,012	54,309
		<u>-</u>			<u>-</u>	

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	2015					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. <i>(in thousand Baht)</i>	Before reclass.	Reclass.	After reclass.
<i>Statement of comprehensive income</i>						
Interest income	-	7,217	7,217	-	6,881	6,881
Other income	52,402	<u>(7,217)</u>	45,185	55,630	<u>(6,881)</u>	48,749
		<u>-</u>			<u>-</u>	

The reclassifications have been made because the new classification is more appropriate to the Group's business.

“Be the change you wish to see in the world.”

Mahatma Gandhi





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