

To Live More Sustainable, Starting Today

English Version Annual Report 2019

Celebrate Our 20th Year
Of Boutique Living Design
For A Sustainable
Tomorrow

Milestone

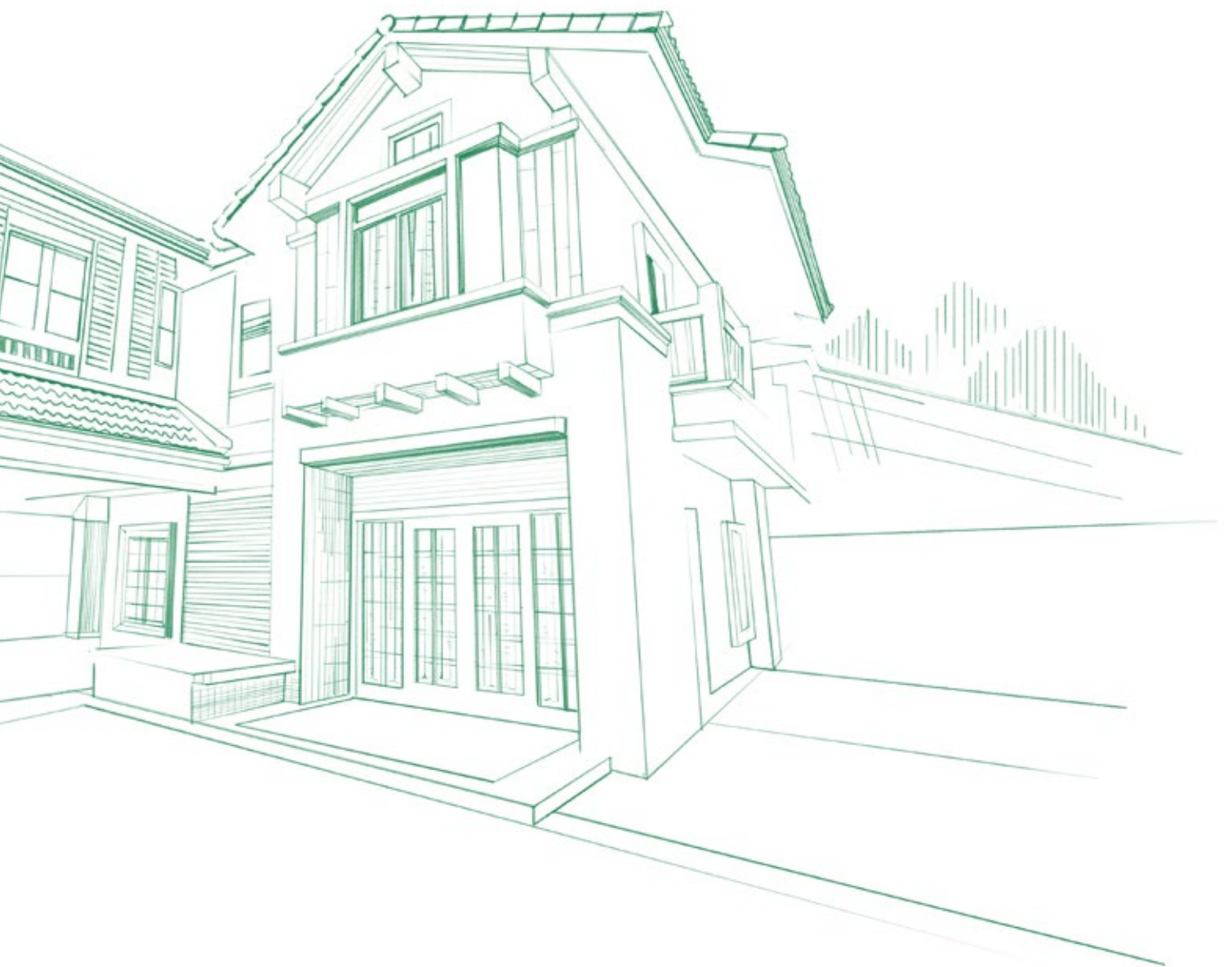
20th Year Of Boutique Living Design

" We Not Only Design Houses.
We Create Design That Promote
A Better Life And Well-Being For
People While Also Improving
Life Of Our Planet "

2002 Baan Areeya

“ The First Resort
Style Modern
Tropical House ”



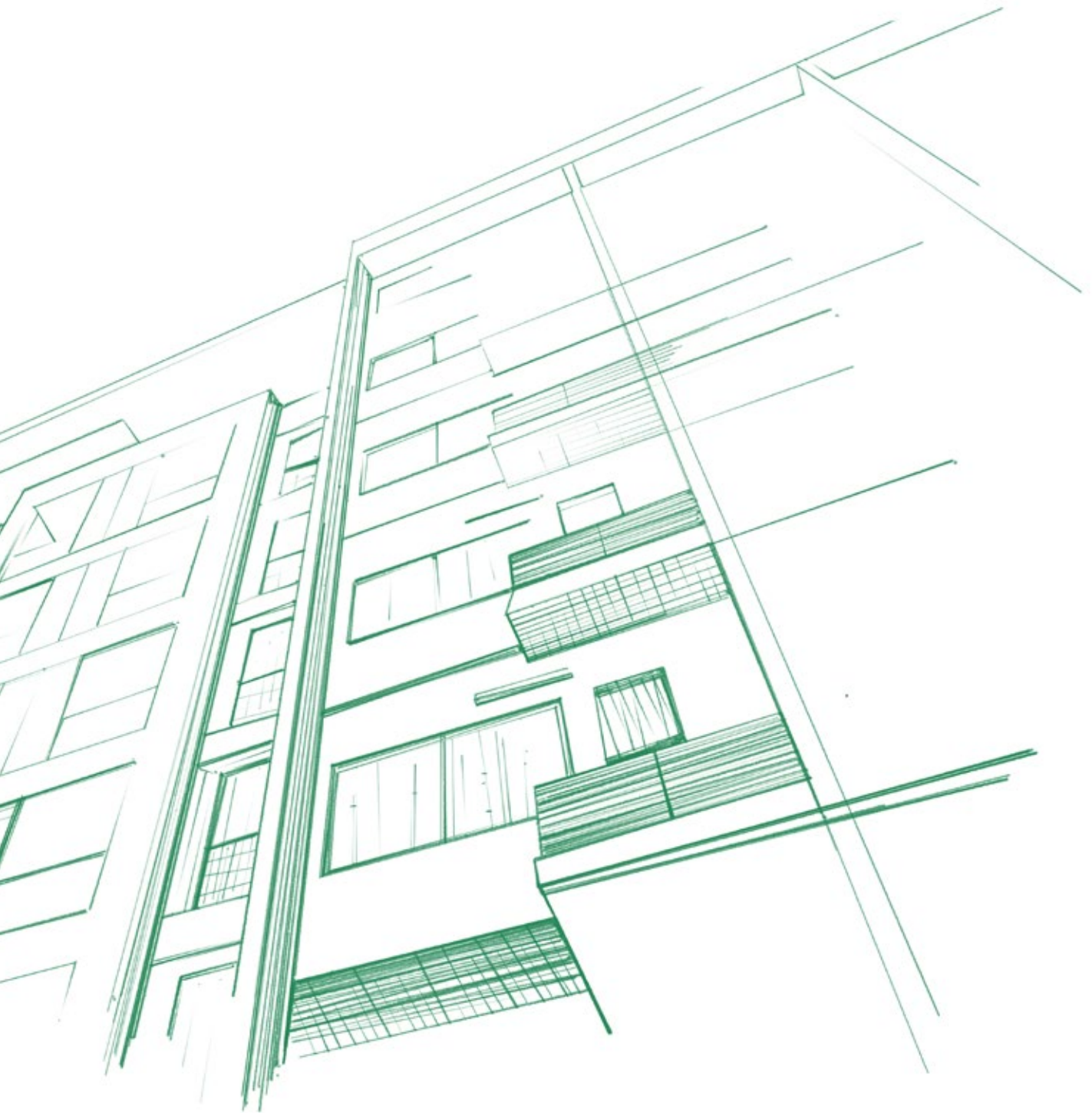


2006

A Space

“ The First
Fully Furnished
Condominium ”

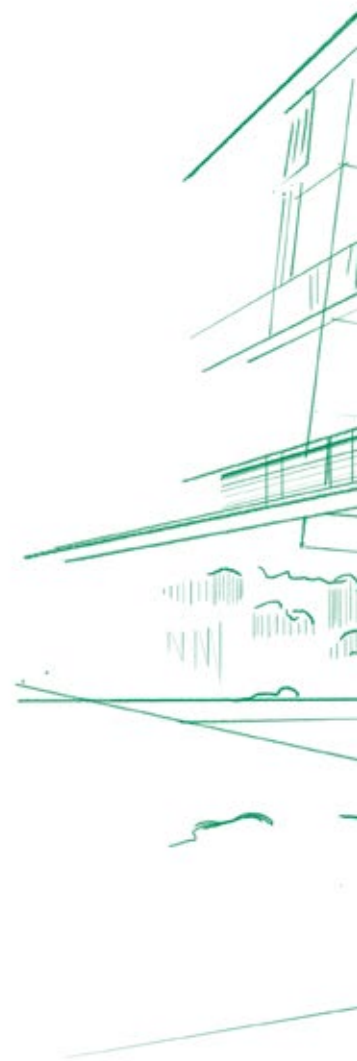


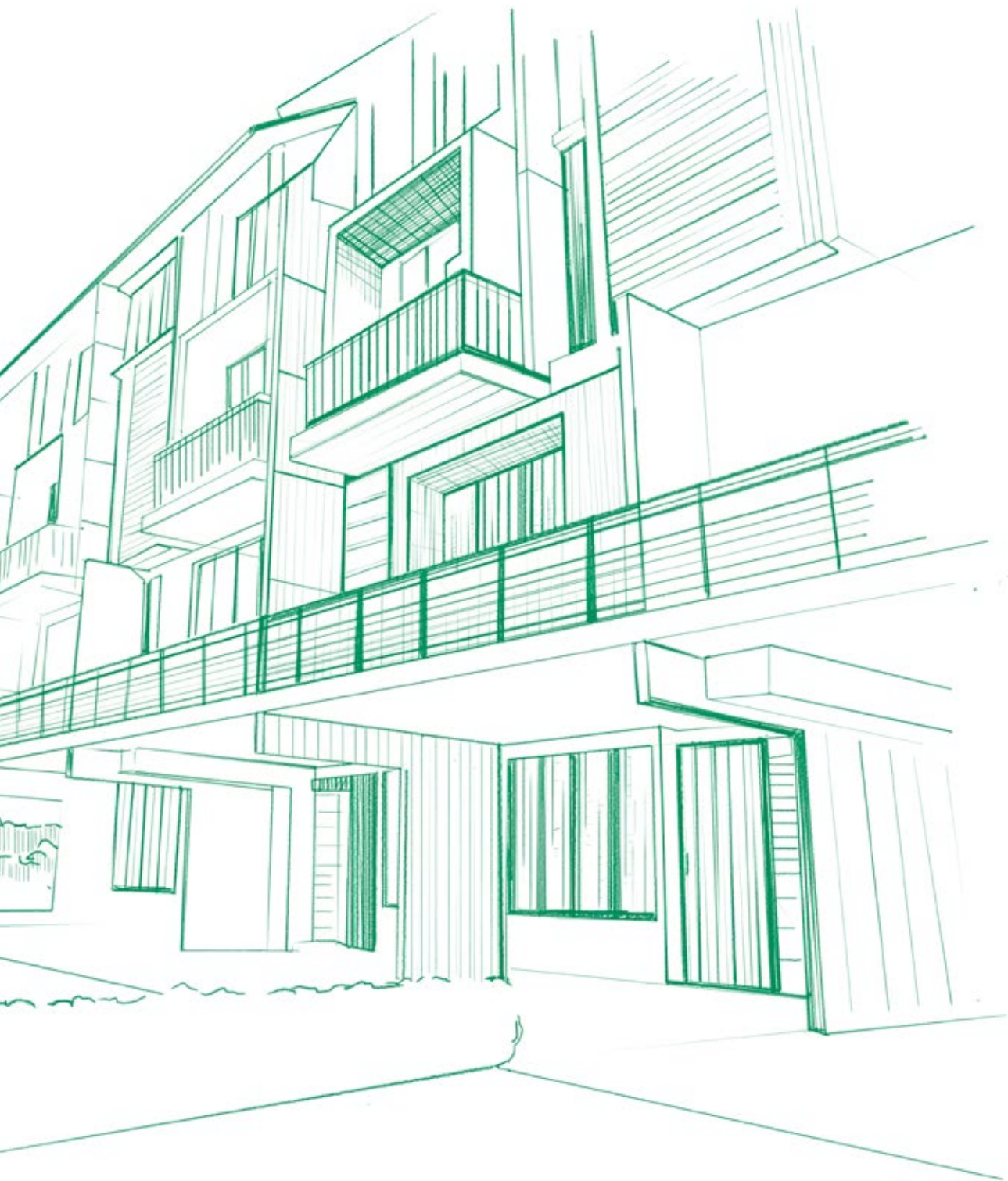


2012

Areeya Mandarina

“ The First Oriental
Boutique Living
Concept ”





2013 The Village

“ The First
Colonial Living
Village Town ”



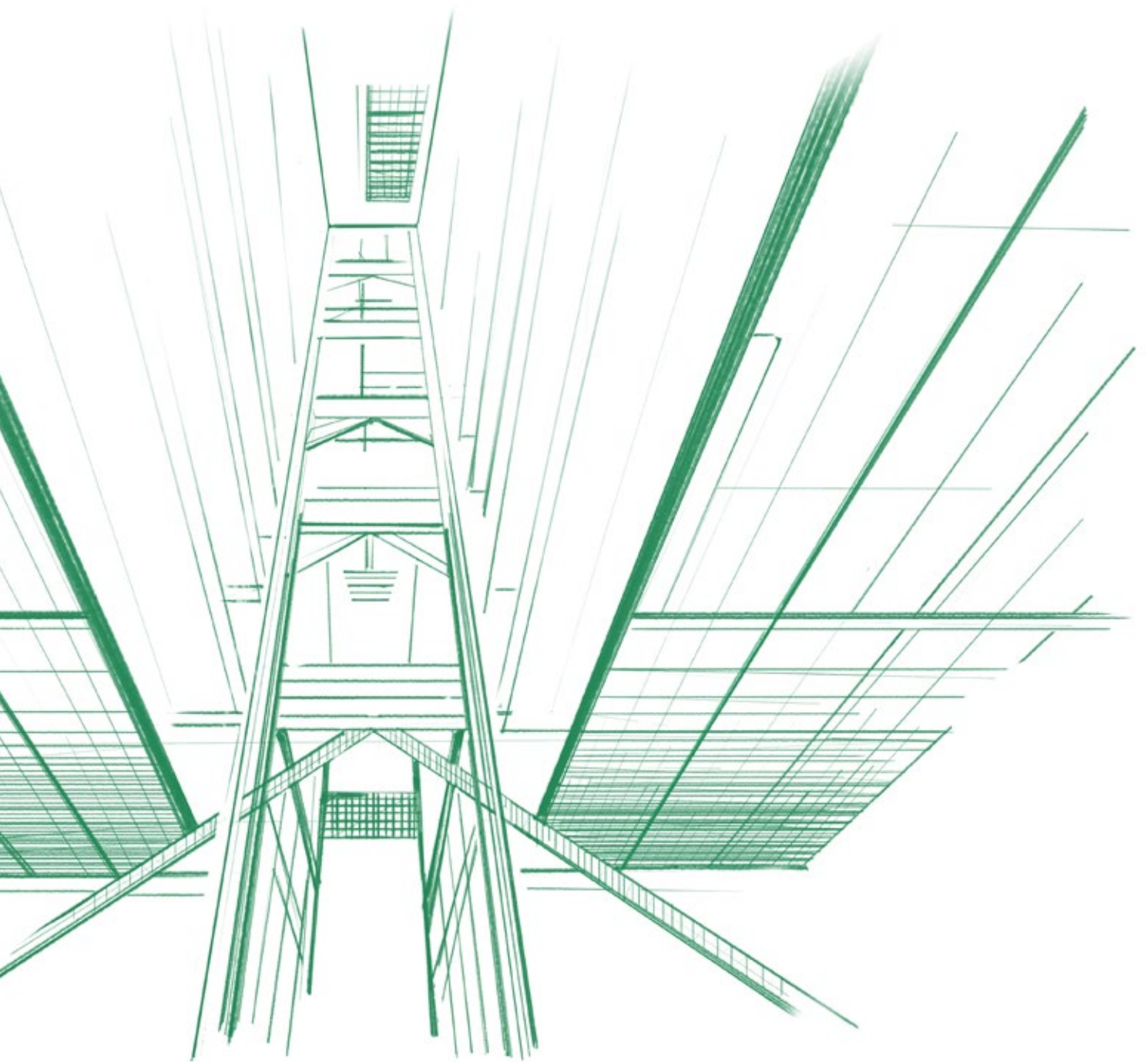


2016

A Space ID

“ The First
Condominium
with Smart
Mechanical
Parking System ”

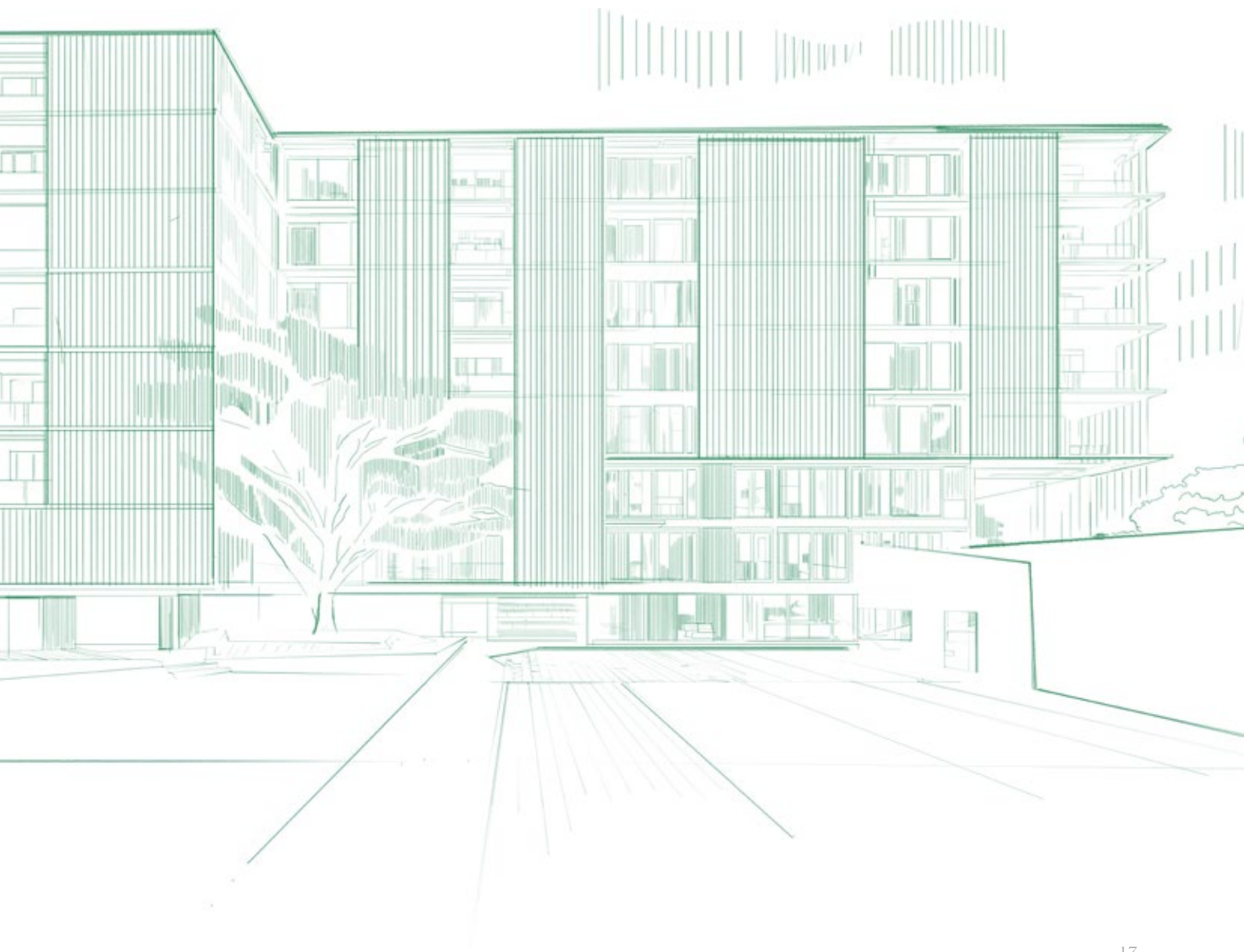




2017 Chalermnit Art De Maison

“ The First
Japanese - Inspired
Luxurious Living
Condominium ”





Vision & Mission



Corporate Vision / Mission Statement

To become Thailand's leading real estate developer by creating everlasting happiness.

Vision

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

Mission

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

Corporate Value & DNA

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

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



PIPCO

Proactive Proactive work with positive thinking

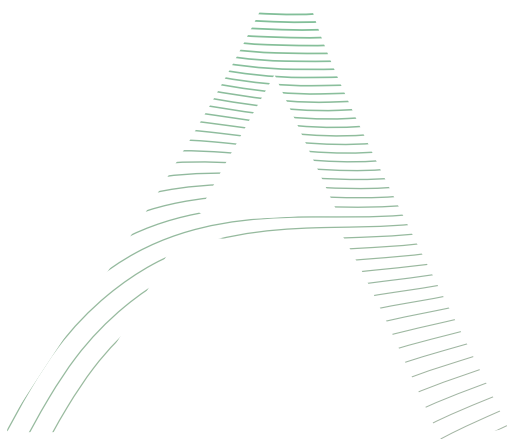
Innovative Dare to be creative and different

Passionate Keen and eager for success

Collaboration Working together as a team

Sense of Ownership Sense of owning and belonging

Brand Background & Heritage



Corporate Background

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

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

Celebrating
20 Years Of Pride

Introduced Areeya Property
in 1999 (20 years)

*Current 2019

Product Type	No. of Project	Amount (MB)
SDH / Twin House	11	6,310
Townhome	35	16,542
Condominium	11	19,127
Total	<u>57</u>	<u>41,979</u>

4 Key Strategic Pillars

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

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

Aesthetic Design & Premium Quality

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

Innovative Living

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

Sustainable Happiness

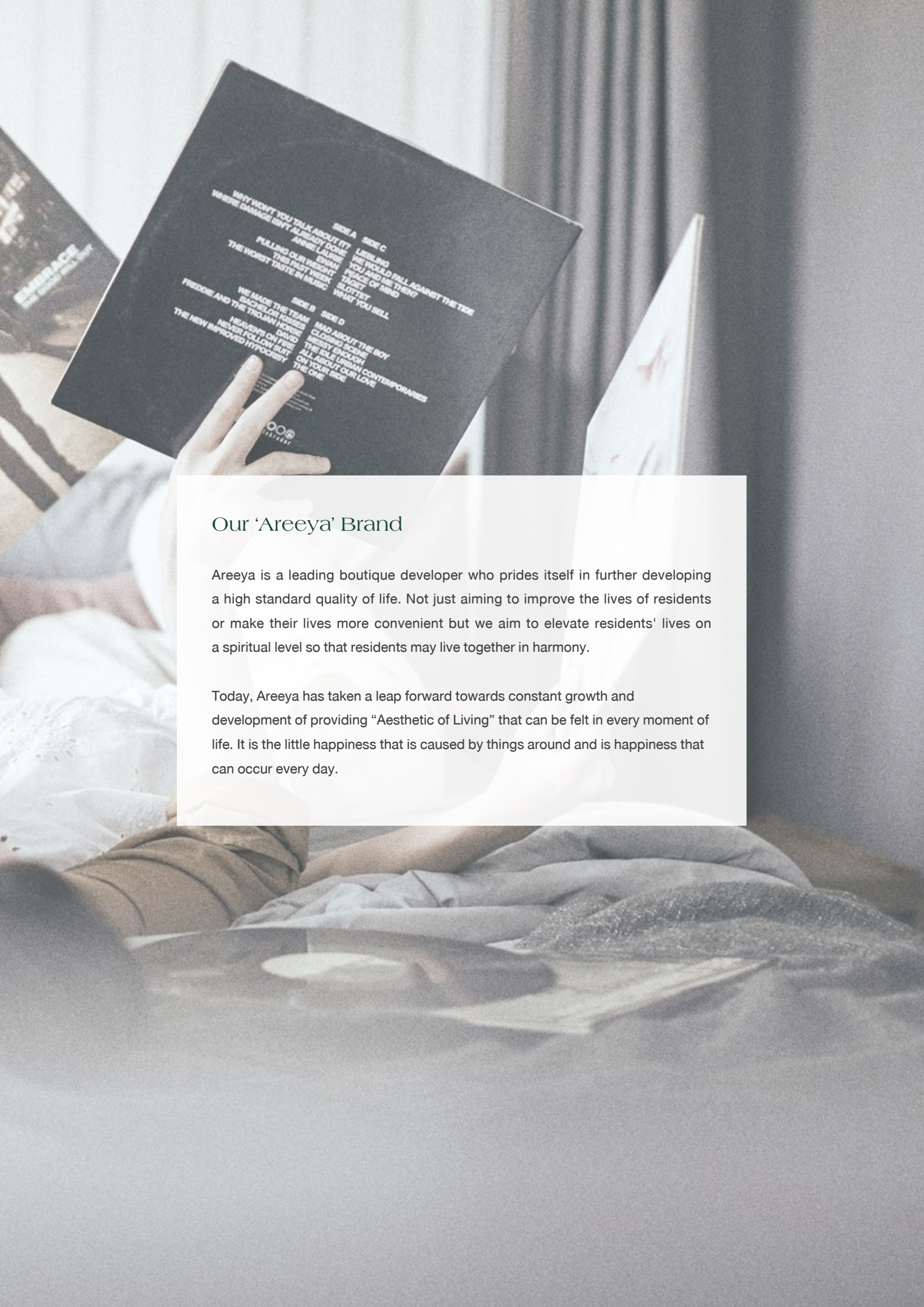
- Areeya clean living technology is an air circulation system that creates clean energy and saves more.
- Large urban green space is a large green area surrounding the project. It is a playground, a leisure pavilion or a bicycle parking space.
- Sustainable concept creates sustainable happiness.

Best In Class After Sales Services

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



"Living Without
Aesthetics Is Just Like
Living Without Any
Meaning."



Our 'Areeya' Brand

Areeya is a leading boutique developer who prides itself in further developing a high standard quality of life. Not just aiming to improve the lives of residents or make their lives more convenient but we aim to elevate residents' lives on a spiritual level so that residents may live together in harmony.

Today, Areeya has taken a leap forward towards constant growth and development of providing "Aesthetic of Living" that can be felt in every moment of life. It is the little happiness that is caused by things around and is happiness that can occur every day.

Our Product

" To Grow With Thai Consumer
Lifestyle & Modern Living "





A·EDITION

SINGLE HOME

A-EDITION

- Sukhumvit 77, Ekkamai - Ramintra
Phaholyothin - Kaset Nawamin
- A New Definition Of Fully Curated Living
- Starting at 30 MB.

AA
THE AVA
RESIDENCE

SINGLE HOME

THE AVA-RESIDENCE

- Sukhumvit 77
- The Finest Reflection Of The Finest Living
- Starting at 25 MB.



MANDARINA

TOWNHOME

MANDARINA

- Ekkamai-Ramintra
- A Statement Of Your Own
- Starting at 6.69 MB.





THE PARTI

HOME OFFICE

THE PARTI

- Kaset Nawamin
- Creative, Community, Connectivity
- Starting at 8.9 MB.

COMO

SINGLE HOME

AREEYA COMO

- Ladkrabang-Suvarnabhumi
- Blissfully Design
- Starting at 6.69 MB.





COMO

BIANCA

SINGLE HOME

AREEYA COMO BIANCA

- Bangna-Wongwaen
- Minimal Eco Living
- Starting at 6.69 MB.



COMO PRIMO

SINGLE HOME

AREEYA COMO PRIMO

- Bangna-Wongwaen
- Tropical Luxe Living
- Starting at 6.69 MB.

BUSABA

SINGLE HOME

AREEYA BUSABA

- Ladprao-Serithai
- Space For Family Connection
- Starting at 11.9 MB.

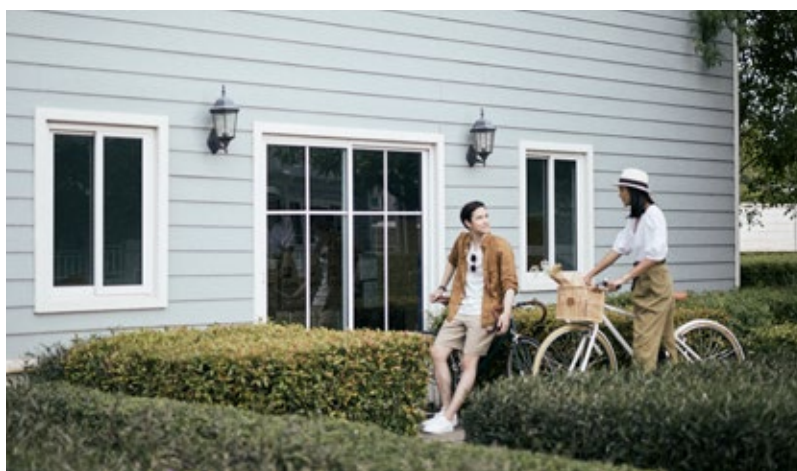


*The*Village

VILLAGE TOWN

THE VILLAGE

- Bangna-Wongwaen, Rangsit-Wongwaen
Hathairat-Wongwaen, Kanjanapisek-Ratchapruk
- Modern Colonial Style
- Starting at 2.79 MB.





TOWNHOME

THE COLORS

- Ramintha-Hathairat, Kanjanapisek-Ratchapruek
Bangna-Wongwaen, Wongwaen-Ratchapruek
Rangsit-Wongwaen
- Color Up Your Life
- Starting at 2.79 MB.



THE PLACE

TOWNHOME

THE PLACE

- Kanjanapisek-Ratchapruerk
- The Place To Call Home
- Starting at 1.59 MB.

a space mega

CONDOMINIUM

A SPACE MEGA

- Bangna (Mega City Bangna)
- Let You Live Life Creatively.
- Starting at 1.69 MB.



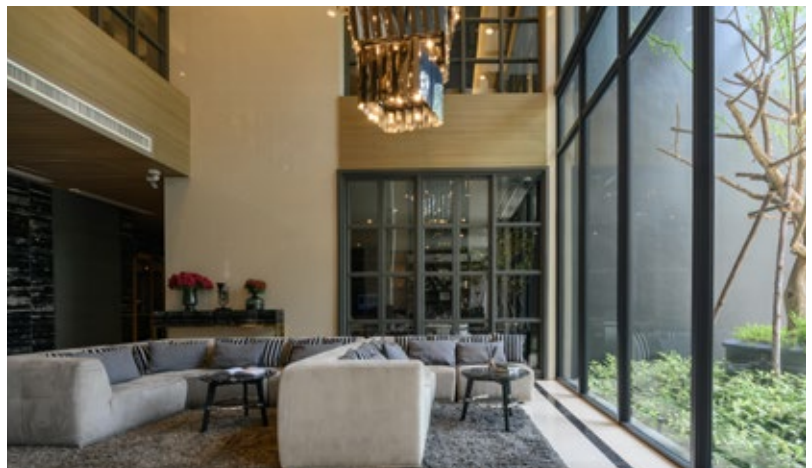


CONDOMINIUM

CHALERMNIT ART DE MAISON

- Sukhumvit 53
- The Novel Perspectives Of Luxurious Japanese - Inspired Residence
- Starting at 7.9 MB.





a space | $\frac{1}{D}$

CONDOMINIUM

A SPACE ID

- Asoke-Ratchada
- Be "More" You
- Starting at 3.69 MB.

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

Corporate Sustainability Policy



Organization's Sustainable Policy

Regarding the establishment and appointment of the Executive Sustainable Development Committee

Areeya Property Public Company Limited has appointed a board of directors to manage and oversee sustainable development as well as to drive sustainable policies. Through power management strategies, the organization aims to continuously push for energy conservation and management. This strategy will be implemented with strict measures and will be both effective within office buildings and the company's operating areas. As a result, there will be a positive impact upon the governance, society and environment.

The Board Members are as follows:

Viwat Lauhapoonrungsi	Director	Chairman of the Board
Archawan Eiampaiboonphan	Director	Senior First Exclusive Vice President and Director
Jirarote Wonglerttanakit	Assistant Managing Director	Exclusive Vice President
Varidda Voraakom	Senior Marketing and Communications Director and Corporate Image	Board Member
Sumet Chunsomsarit	Business Development Director	Board Member
Veerayooth Bodharamik	Director of Government Relations	Board Member
Amnat Chanthanaphong	Assistant Information Director	Board Member

Authority of Board Members and Responsibilities are as follows

Set policies and goals to drive action towards the policies and be able to successfully measure progress

1. Appoint a working group that consists of the following: 1.) Managing Director who will act as Chairman 2.) Director of the related committee who is also a board member 3.) Relevant Department Managers and their working groups 4.) Staff involved in the relevant working groups 5.) The Manager of Sustainable Development who will act as a secretary
2. Manage and Cooperate with one another in order to comply with the sustainable development policy as well as the organizations energy conservation and energy management strategies.
3. Create proposals for senior directors and managers in order to determine what goals need to be met. Create a corporate sustainable development plan, energy conservation strategies, training plans and

activities that will keep employees aware of the policies.

4. Execute decisions according to established goals. Establish what the sustainable development plan is and what are the energy conservation strategies. Consistently provide training sessions for employees in order to raise awareness and educate employees to comply with the organizations policies.
5. Consistently supervise and monitor progress of employees in compliance with the established goals and policies. As well as monitor, supervise and evaluate operations. This also includes reviewing, analyzing and correcting any operational defects. These measures should be carried at least once a year, during a time that is deemed appropriate.
6. Communicate the goals, plans for sustainable development, energy management methods, performance rewards, meeting results and results from conducting reviews, analysis and corrections of operation defects thoroughly and clearly to employees.
7. Provide suggestions for establishing more policies or reviewing existing sustainable development policies and strategies for energy conservation for senior managers to consider on an annual basis.
8. Manage other operations according to what has been assigned.

Sustainable Development Policy

1. The organization will develop and establish an appropriate management system by including energy conservation and power management as an integral part of the organization. This will be carried out in accordance with other laws and requirements of the organization that are related to the management of power and the conservation of energy that will aid in driving sustainable development policies.
2. The organization will specify its goals and plans for the purpose of energy conservation and will convey this directly on an annual basis to its employees so that employees can comply accordingly.
3. The organization will implement evaluating and analysis processes for energy management and conservation. This includes reviews, analysis, and ways in which to correct operational defects. These processes will be carried out at least once a year during a time that is deemed appropriate. The purpose of this is to ensure that the organization's operations are consistent and in compliance with relevant laws and regulations.
4. The company strongly believes that all managers and employees need to have a strong sense of responsibility towards energy conservation and power management. Managers and employees alike need to cooperate and be vigilant in tracking progress and reporting to the energy management sector.
5. The organization will support the necessary resources needed for the purpose of making energy conservation and power management more efficient. This includes supporting personnel, supporting work times, and implementing training sessions. As well as supporting and encouraging employees to participate and offer their suggestions for energy conservation and power management strategies that will be beneficial for the overall organization.
6. Executive Directors and the sustainable development group will review and modify the policy, goals and plans for energy conservation and power management on an annual basis.

Energy Conservation Policy for within the Office

1. The organization will sustain and develop appropriate energy management systems by implementing the concept of energy conservation as a key part of the organization's operations.
2. The organization will carry out methods to improve efficiency when it comes to energy use and focus on using methods that are appropriate towards the business, as well as using technology and innovative thinking to better carry out operations.

Distribution of energy conservation policies into actual practices

1. Advocating for policies, communicating guidelines to employees for energy conservation operations will be done by creating awareness and informing employees in the organization for the purpose of achieving the same goal. As well as encouraging employees to participate in advocating for policies to achieve efficiency.
2. Setting goals to reduce energy use and promoting environmentally friendly business tactics will be carried out by managing different operation processes in order to increase efficiency as well aiming to reduce greenhouse gas emissions. Additionally, the organization aims to raise awareness amongst its employees for the purpose of environmental protection.

Organization and Energy Conservation Team

An energy conservation committee was established in the year 2016, and is still an integral part of the organization today. As of present, the committee consists of a Chairman who is also a part of the board, a deputy managing director, an overall director, a director for the division of promotion and development and a managing director who takes on the role of a secretary. The committee also includes working groups comprising managers who act as representatives from various departments and areas of the organization.

The committee was created for the purpose of establishing conservation policies, creating goals and plans that will assist the organization in accomplishing its energy conservation target.

Promotion of Energy Conservation Operations

1. The introduction of digital technology in meetings has assisted in helping the organization to manage waste better by reducing the amount of paper that is used per meeting. Committee members have switched to using tablets across various meetings.
2. The introduction of Microsoft Dynamic AX (ERP) as a way to digitize operations of the organization have made it easier for individuals to be able to search for information, and reduce the amount of paper used on a daily basis.
3. In turn, this has led to a decrease in overall costs for the organization and has promoted the use of data storage through scanning customer information and other important documents instead of hard copies.
4. Promote the use of electronic mailing systems to reduce the amount of paper used throughout the organization.
5. Promote the use of products that are environmentally friendly and promote environmentally conscious thinking.
6. Campaigns to cut down on electricity and water usage within the office.

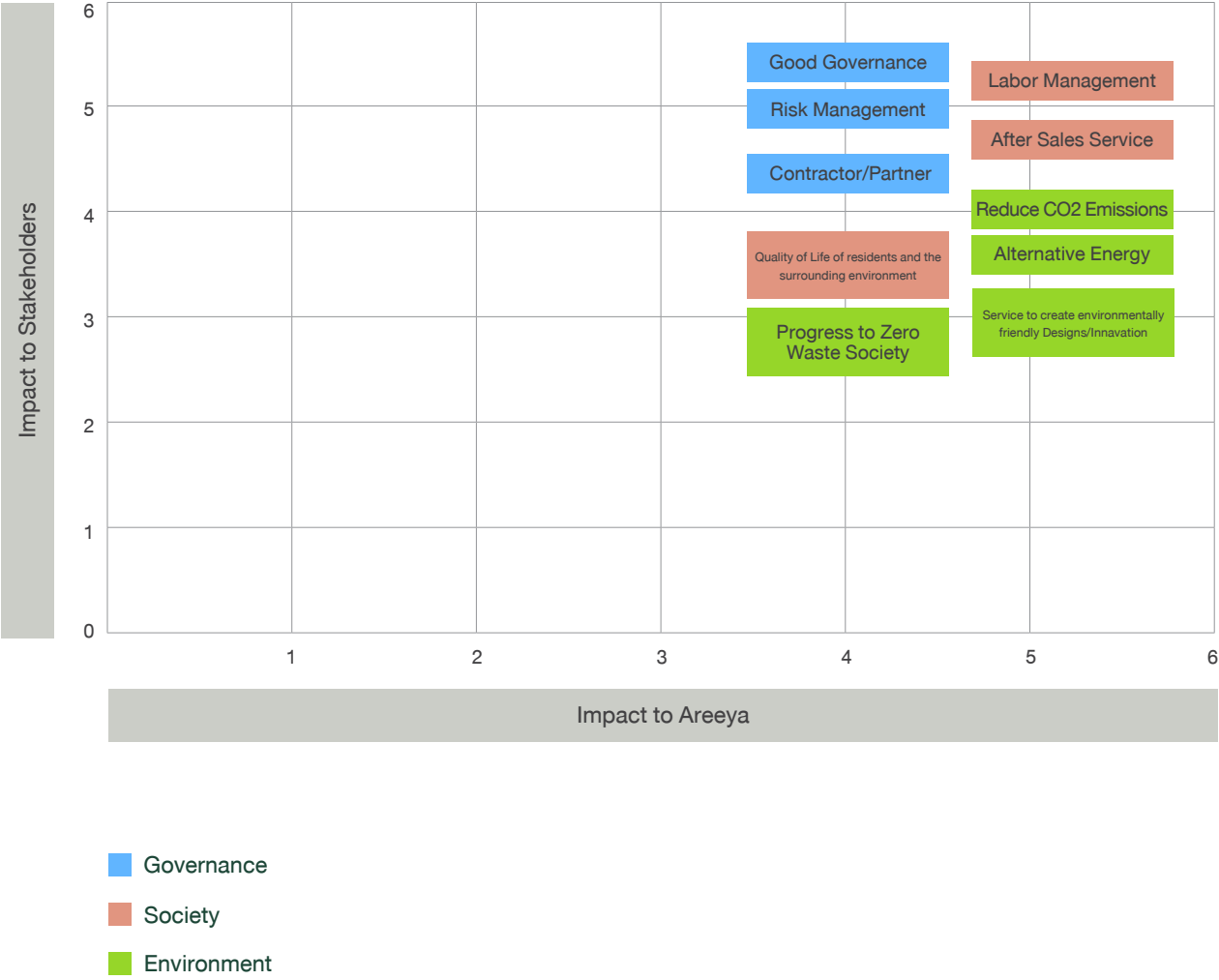
Motivate/Raise Awareness/Establish Role Models for Employees

An initiative to drive energy conservation is through using various tools. The tools assist in Key Performance Indicators (KPI) by communicating strategies clearly and creating harmony amongst the workforce as well as using methods of evaluating the organizations energy goals as a driver for achieving success. Or the organization can use plans that reward employees for participation, by linking rewards and employee participation to different actions undertaken by each employee. For instance, rewarding employees who help to reduce the overall water consumption of the organization or rewarding employees for using less paper which reduces the overall costs for the organization.

Provide and educate employees of ways in which they themselves can start making better decisions towards energy conservation. For example, educate employees on how using more energy ultimately is not beneficial for them as it would result in a decrease in company profits which results in a decrease in wages. Thus, by making employees aware of this it would drive cooperation from the employees and push employees to wanting to make environmentally conscious decisions such as using appliances only when necessary and always switching off appliances when they are not being used.

" Progress according to the sustainable development policy, ensuring that it is effective both within the office building and the company's operating areas. "

Evaluation of Key Issues



Sustainable Development issues presented in this report

The Issue	Topics presented in the report
Labor Management	Happiness of Builders : Employees or Laborers • Develop their well-being • Fair employment with welfare • Develop skills • Child friendly space
	Happiness of hosts : The Staff • Orientation and Staff training • Arrange good work area with good working atmosphere • Create motivation and support staff • Create activities for staff
After Sales Service	Happiness of Residents : Consumers or Residents • Community Service
	Relationship building activities that promote sustainable living
Contractor/Partner	Happiness of Neighbors • Construction Site Standards • A Subcontract • A Supplier Online System • Safety • Supplier ABC
Quality of Life of Residents and the Community	Happiness Society : Society and neighboring communities • Organic Vegetable Gardens
Innovative Designs that are environmentally friendly	Happiness of the society : Society and neighboring communities • Solar Cell • Wastewater treatment system to recycle water • Exercise areas • Recycling management system
Progress to Zero Waste Society	Happiness of the environment : everyone in the society • Waste management
Good Governance	• Corporate Governance
Risk Management	• Consider all risk factors that may occur and affect operations

Being proactive and responsive towards shareholders

Material issues that concern shareholders and operations of the organization are deemed as being critical for the organization trying to achieve its goals. There are several factors that make up these issues, however importance is given to main issues that were implemented in the previous year. These issues are divided into the following groups:

Stakeholder Groups		Process	Expectation	Company response	Result
Customers	Buyers of Houses or Apartment Units	• visit houses/ apartments • survey • evaluate service satisfaction. • add several different communication channels and systems	• good quality house or apartment unit • clean project • ensure a standard of safety • efficient and fast after sales service that is up to standard	• a system that monitors that construction of projects are done according to a standard • system to evaluate suppliers, to monitor gardening projects and keeping cleanliness standards • provide 100% control and evaluation of satisfaction of after sales services • an efficient database and call center - provide benefits to customers through the Areeya and You Card • create a database of residents and customers in a Masterplan system	• Zero defect • use a security company whose security guards and safety measures are up to standard and trustworthy • The evaluation results will continue to have an impact towards gardening, cleanliness and overall development of the project • The result of satisfaction evaluation should be no less than 90% • provide constant support to residents by offering maintenance/ repairs and providing information according to standard. • Have a database of residents and customers and inform customers / residents of issues on a real time basis. As well as taking suggestions from residents / customers which can then be used to further improve/develop future projects.

Stakeholder Groups		Process	Expectation	Company response	Result
Customers	General Consumer	Market Survey	- the product meets the consumers requirements - have promotions that motivate the customer to want to purchase a house or apartment - provide access to information easily and provide clear information	- Develop projects to be diverse in order to include a range of consumer preferences - Determine price and promotion according to demand and willingness to purchase of consumers - cooperate or create alliances with banks so that consumers may easily take out a loan when purchasing a house/apartment - create innovative communication channels using modern technology	- there are a range of factors to influence consumers such as price, location and project type - reduce marketing costs by implementing modern marketing strategies such as marketing through social media
Partner	- Contracting Company - Supplier	- have regular formal or large group meetings - evaluate scores from individuals who are relevant towards the work process - survey importance for the purpose of database logs and work system logs	- clearly state the job specification in the contract - Define contract period and payment methods clearly. Be consistent with payments according to the agreement set forth in the contract. - Reduce billing processes - Have a data tracking system	- Develop new systems that will reduce the use of paper documents and instead promote the use of a digital system to store, share and process information - develop a system for billing for A-Supplier/ A-Subcontractor that will support online billings - A system that will support Alien labor force in compliance with labor laws and a system that will support child care	- Payments are done in a timely manner in accordance with the agreement - Increased satisfaction of contracting companies and suppliers thus, we are delighted to accept more work. - reduce the issue of slow bill processing so that there is no immediate impact upon contractors and suppliers. - Have an Alien labor force that complies with labor laws and does not get suspended by the law. Nor received complaints of a lack of labor force. - Child safety has increased and risks have been mitigated within the construction areas due to the implementation of child safety centers. These centers act as educational centers which provide schooling and daycare systems for children of construction workers. The center also develops the child's educational level so that they may go on to study further in a government school.

Stakeholder Groups		Process	Expectation	Company response	Result
Partner	• Banks • Financial Institutions	• Meet Senior Policy Manager • A project that will allow for individuals to visit Areeya properties projects during the construction period and after a project has been completed	• The company has the potential for development and growth and is able to make profits according to set targets and goals and in a timely manner. • The company has a stable financial status and overall good financial outcome • Have the ability to compete with competitors on both short term and long term	• Consistently proves to be a good and stable partner • Continuously creates better financial results	• Has a continuous business growth rate
Shareholders /Investors		• Annual General Meeting • An online system/ database in which shareholders and investors can follow news regarding the company	• Good performance will result in continuous growth • Pay higher dividends on a regular basis • Create potential and opportunities for more competition in the future	• Have regular meetings that are informative and provide full transparency of the company's operations and the company's quarterly results. • Dividends will be paid in consistence with the company's financial result and paid on a satisfactory level • Provide several different channels in which shareholders and investors can be informed of future developments	• Increase trust and increase in satisfaction • Increase in interests from investors
Community /Society	• Original Land Owner • Neighboring Communities	• Abide by the agreed terms and conditions	• Recieve benefits according to the terms and conditions set forth in the agreement/contract • The development of the project will not impact the livelihood of neighboring communities but instead will prove to be beneficial for the community.	• Abide by the contract and complete the contractual agreement. • Develop the project from the first step to construction to the completion of the project with uttermost care and with proper safety procedures. • Focus on completing projects with safety as a key component in order to reduce risks. • Open various channels for communication such as a Call Center	• There is no objection from neighboring communities that will hinder the development of the project. • Creates indirect income for surrounding communities through rental of lands, creation of shops and collaborations between the company and small business owners in the community • Can reduce overall transport costs and time by ordering products that are located in close proximity as opposed to ordering products that are located far from the project. • Be proactive with dealing with suggestions and complaints and act in a manner that is not negligent. • Add partners/create partners from neighboring communities and surroundings

Stakeholder Groups		Process	Expectation	Company response	Result
Executive /staff	• Board of Directors • Senior Management • Executives • Staff/ Employees	• Meeting of Board of Directors • Meeting of Senior Managers • Workshops • Needs Assessment • KPI : evaluation goals and indicators of success • Progress, Training and Recruitment	• Result of accomplishing goals • Good Performance that provides satisfaction and performance result that increases each business quarter • Have potential for competitiveness and growth • Create more business opportunities and create a stable and long lasting business • Executives and Staff at all levels have the potential for progress and are motivated to want to develop their work further. • Create chance for growth and development for all involved for the purpose of expanding the company and completing targets according to the goals set • Create a workforce that is made up of Areeya DNA	• Adapt and change the internal management structure and manage a balanced workforce to increase efficiency in the workplace • Decentralize administration and budget management as well as increase mechanisms to monitor progress and to achieve goals. • Implement workshops for the purpose of brainstorming ideas and consistently finding innovative and new ways to solve problems in the workplace • Use technology and a strong database system to replace using paper. Use technology to manage important documents and prepare reports quickly and concisely. • research and explore opportunities for growth for the future • Establish goals and indicators to achieve those goals as well as constantly follow up with progress by evaluating employee work habits and results through a rewards system such as bonuses and annual satisfaction rewards • Increase measures and methods in which all individuals at all levels can recruit strong minded and dedicated individuals to join the company and the workforce • Provide a range of courses and training methods to continuously enhance and build upon employees skills (non-stop training)	• The number of problems and the timeframe to solve these problems has decreased significantly which in turn increases operational efficiency • There is information that is relevant and useful in the policy making processes, evaluation of information and reports to senior management levels. • New and Innovative procedures that create flexibility in the workplace and create efficiency amongst employees. This results in reduced coordination time and a reduction in the amount of paper used. Furthermore, it reduces the risks of important documents getting lost or misplaced and reduces any miscommunications that might have occurred earlier. • Increase salary and wages according to position and according to ability of employees. This is all done according to a set standard that is deemed to be fair and lawful.

" Remain Committed Towards
Business Development And
Innovation That Creates
Happiness."

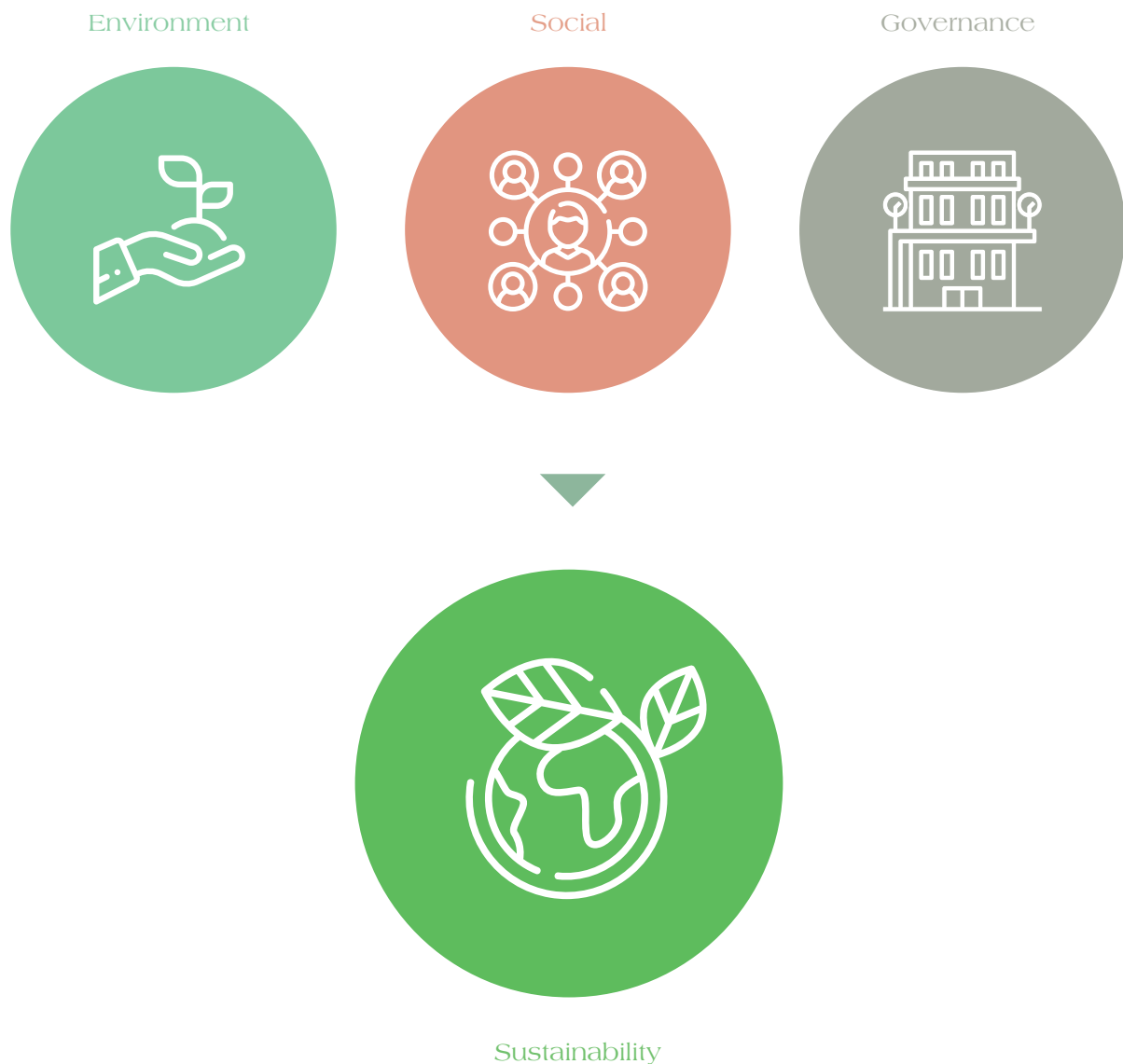


Responsibility Towards Society

Areeya Property Public Company Limited are still committed towards business development and innovative thinking to manufacture satisfaction. The company achieves this by taking into account their responsibility towards society, the environment, the community and stakeholders. Areeya Property consistently adheres to a framework of sustainable development and according to ISO 26000 for the purpose of achieving international targets set forth by SDGs.

The Operating Framework

The company takes into consideration its social responsibilities across several different dimensions in an effort to sustain fair treatment and fair benefits for all its stakeholders from 2018 to present. Areeya uses this framework for sustainability and the ISO 26000 as a standard for achieving corporate social responsibility. The framework ensures that the company can complete its sustainable operations in accordance with international standards and ensure that the operations cover the three main dimension. These dimensions are environmental aspects, social and corporate governance.



ISO 26000

Measures

1. Organization Governance Board of Directors, Shareholders and Stakeholders, where all parties involved can observe all operations of the organization. The company provides full transparency which means that they are open to inspection and clarify with the parties involved.

- An annual general meeting is held in order to display transparency about the companies operations.
- The company has a distinct organizational chart to display good corporate governance.
- There are policies and regulations in place to protect against infringement of intellectual property and anti-corruption, both internally and externally.

2. Human Rights These are the basic rights all employees are entitled to. These rights include the right to hold citizenship, political rights, economic, social and cultural rights as governed by the rules of International Law.

- Employee welfare and employee benefits are regulated under Labor Laws as well as beyond the law.
- Employment is fair and legal in accordance with the law.

3. Labor Practice The company has a realization towards its employees where the company has to understand that laborers are not products. Thus, employees should never be treated as a means towards production process, should have equal rights and legitimate labor organization.

- Employment is fair and legal in accordance with the law.
- There are standards established in order to look after the welfare and wellbeing of employees by focusing on cleanliness and safety above all else.
- The company provides educational facilities for the children on construction site.

4. Environment Organizations need to considerate the principle of sustainable consumption in order to reduce their pollution impact on the environment and how to use resources efficiently in the process and service.

- The company's policy "Sustainable Happiness: happiness and a sustainable environment" is a policy designed with the environment being its key focus. The policy focuses on ways to reduce environmental impacts through reducing energy consumption of residents in the future as well promoting environmental and health of living.
- A committee is established to monitor and implement sustainable development

5. Fair Operating As per standard business operating procedures, it is normal for the organization to operate on a fair and competitive nature. This will help promote efficiency within the organization and reduce production and service costs. As well as drive innovation for product development, promote long term economic growth and standard of living.

- Build an effective procurement strategy, determining fair and reasonable pricing.

6. Consume Issues The organization must provide channels in which customers can attain information and service, also has a responsibility developing products and services that are beneficial to society by taking into consideration consumer health and safety. In addition, if a product has been found to have not met specific production or service criteria, creating a product recall plan. In order to proceed, the company should keep in mind consumer laws and strictly practice.

- The organization has an after sales policy. The policy provides support through call center channels as well as through at home services and product warranties. Each sector operates under a basic standard of operation.

7. Community Involvement and Development

The organization must concentrate on communities and society by establishing events for the purpose of building a solid relationship between the community and the organization. That provide learning opportunities for the creative life and well-being, achieving sustainable Development.

- Relationship Building Activities take place between member of residents that support and convey the policy of "Sustainable Happiness".

Environment

Strictly abide with legal policies and regulations, including participating in studies and research to solve pre-existing and ongoing environmental problems. Find ways to prevent further environmental damage, and find ways to create projects that are environmentally friendly both in the short term and the long term.

Social

Take into consideration the social impact project development area would have on communities.

While Areeya's projects that improve quality of life and quality of society.

Governance

efficiency, transparency and ethical culture to all parties involved. Business development by mainly taking into consideration the opinions of stakeholders and provide more job opportunities. Additionally, the organization needs to increase its level of success by leaps and bounds and support the economic growth of all its partners as well as supporting the domestic economy.



Operational Goals

As the company is a real estate developer, the company has to consistently develop work with social responsibility. In 2019, the organization has a goal to achieve sustainability in accordance with the international standards set forth by the “Sustainable Development Goals – SDGs” 10 of the 17 sustainable the company aims to accomplish and comprehensive stakeholder are as follows:





Credit Images : United Nations

<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

1. No poverty: poverty eradication

Action

- Provide welfare for employees in accordance with labor laws as well as going beyond the law
- Provide fair and legal employment
- The more skillful a laborer is the higher their salary
- Provide a clean and safe standard for employee Accommodations

3. Health and Well-being : Universal health coverage, Research FundingSupport, Invented the vaccine

Action

- There is a standard when constructing employee accommodations. Focus on health and safety as a priority

2. Zero hunger eliminate starvation and build food security

Action

- Change the landscape of the garden from being flowers to including trees that can bear fruit
- Provide the ability for each community to grow their own vegetables, thus encouraging them to consume organically. In order to do this sustainably, encourage members of communities to help one another out

4. Quality Education : Advanced learning opportunities

Action

- Provide training and educational sessions to employees in relation to their operational fields
- Provide learning center for children of employees in construction areas
- encourage and assist foreign workers so that their children can attend government schools



8. Decent Jobs and Economic Growth : Supporting Sustainable Economic Growth

11. Sustainable Cities and Communities :
Building Safer Cities

13. Climate Action :
Solutions to global warming,
Accelerate progress against
climate change

Action

- A Sustainable Policy known as “Sustainable Happiness” and a Sustainable Environment”
- Innovative designs that are environmentally friendly
- Use alternative sources of energy such as solar energy
- Encourage residents to separate waste by providing them with tools such as “recycling time” application, Selling recycling products in the front of the house.

9. Industry Innovation and Infrastructure :
Promoting sustainable
industry and innovation

Action

- Create innovative designs that are environmentally friendly
- Innovate after sales model



16. Peace and Justice, Strong Institution : Promoting peace and equal access to justice

Action

- Provide a policy protecting against copyright infringement and anti-corruption both within the organization and externally
- For procurement, Using fair Price Comparison
- Procurement and payment of supplies and products through a system in order to prevent fraud

17. Partnership for the Goals : International cooperation for sustainable development

Action

- Collaborate with UNICEF for the purpose of researching children's welfare in construction Area under the Children's House Network Foundation. As well as comply with UNICEF's Child Friendly Space program.

Credit Images : United Nations

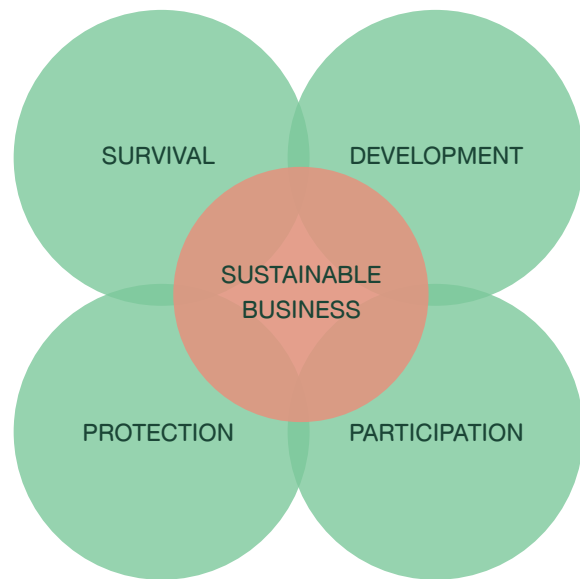
<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Aside from achieving sustainability according to the three dimensions mentioned above, the organization also places a strong importance on Children's rights and Business Principles CRBP which has been supported for and sponsored by UNICEF, Thailand Sustainable Business Development Institute (SBDI) and The Stock Exchange of Thailand (SET).



Credit Images : United Nations

<https://childrenandbusiness.org/>



SURVIVAL

Focusing on children's health will have great benefits towards child development and child welfare. The organization build a clubhouse for children that include playground as well as a basketball court and a bicycle lane.

DEVELOPMENT

Education is at the forefront of development. Thus the organization aims to provide opportunities for children of foreign workers to be able to study in government schools. In order to achieve this, the organization has established the "Child Friendly Space" within construction sites, partnered with the Labour Rights Promotion Network Foundation where is a program that provides education to children include learning skills activity, multilingual communication skills, both a science and an art, build self-discipline and sanitary programs.

PROTECTION

The security of children's resident and children's foreign workers are significant. The organization has established protection amongst the construction area and residence to avoid risks and dangers.

PARTICIPATION

The various activities for the purpose of creative thinking & Imagination for child development.such as A Green Market aim to teach children to grow vegetables sustainably and recycling for sustainability. Additionally, the organization hosts regular activities according to special occasions.

We intentionally develop and build our organization on the principles of taking responsibility towards society, communities and the environment, The heart of the policy of

“ Sustainable
Happiness ”

6 Aspects Of Sustainable Happiness

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

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



1. Happiness of Builders

The happiness of property builders who are our essential workforce



2. Happiness of Proprietors

The happiness of dedicated Areeya employees



3. Happiness of Residents

The happiness of Areeya's sustainable and heartfelt family



4. Happiness of Neighbors

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



5. Happiness of Environment

The happiness of utilizing alternative energies for the greener society



6. Happiness of Society

The happiness that apprehends society and communities

The organization conducts the business on the basis of committing to corporate social responsibility and focuses on quality of life and quality of society, Living in harmony with generous community. Where the organization believes that good health, an eco-friendly environment is a key to creating “Sustainable Happiness”



We intentionally develop and build our organization on the principles of taking responsibility towards society, communities and the environment, The heart of the policy of “Sustainable Happiness” by creating happiness and sustainable environment. We need to take into consideration the happiness of the target group and stakeholder therefore happiness is divided into 6 key groups are as follows :



1 Happiness of Construction Workers or Laborers

To take care of the happiness of workers, is to provide happiness across every aspect. In order to create sustainable happiness both mentally and physically for the workers, we operate and develop happiness and quality of life across all dimensions including:

- **Develop living standard**

Provide the standards of accommodation for laborers as well as develop a safe space for children while encouraging education System.

- **Fair employment and welfare development**

Employ labors fairly and according to legal regulations. Pay wages on time, and ensure that laborers are receiving all their rights in accordance with labor laws.

- **Develop Education for Workers**

Provide training and classes for laborers according to their operational fields for the purpose of achieving quality standard of work and for future benefits.

- **Develop a safe space for children**

Design learning centre in the construction area, An effective safe environment for children of labors. Which children can play, learn and stay in order to minimize accidents in the workplace, reduce anxiety about their child.

Child Friendly Space Learning Centre For Children was established in 2015 with the purpose of putting child welfare as a priority. A visionary leader give importance to quality of Labor Life. The center was created in order to provide a safe space for children of construction workers in order to minimize accidents in construction areas. Each space is equipped with a learning building that is fully enclosed thus providing maximum safety. The center is looked after and maintained on a daily basis.



Since the establishment of the Child Friendly Space in 2015, there have been a total of 6 centers. These areas include : Sai Noi, Bang Bua Thong, Bangna, Hatairat, Rangsit Khlong 44 and Rangsit Khlong 5. The centers are open from Monday to Friday with each center having a caretaker to look after the children. The person has the responsibility to educate the children by focusing on improving child's reading and writing skills, as well as teaching children the basics of financial planning and saving.

Additionally, the center provides health check ups for all children on a monthly basis. These check ups include keeping a record of a child growth and other basic check ups. The center is also extremely proactive in keeping parents informed about their child's development by hosting regular meetings with parents, as well as special learning sessions for parents and children in order to teach families about different religions, cultures and societies. This is done because most of the labors come from Cambodia and Myanmar. The center uses Thai as their primary language as most families are able to understand or comprehend basic Thai. However, there are some families that do not understand basic Thai and thus the center uses the assistance of older children to act as interpreters.

As a result of the MOU rules and restrictions that limit the number of workers per site, it has led to the organization being forced to shut 4 of the 6 centers and leave only two operational. These two centers are located in Sai Noi and Bangna. Additionally, the centers have had to adapt and change their program to now becoming centers that teach materials based on current situations. However, the centers still aim to put child right as their key focus and prioritize education at government schools. In 2019, 26 children were accepted to the following government schools:

Sai Noi Area:

15 children received admission to Khlong Kwang School (Charoonchon Ratbamrung)

Bangna Region:

11 children received admission to Khlong Plad Priang School.



2 Home Owners Happiness : Labors

In order to ensure that homeowners were satisfied, the company organized training sessions and educational classes for labors in order to increase a workers motivation and work efficiency and productivity. Additionally, incentives have been constantly offered in order to further boost employee potential.

Areeya Property believe that employees are a vital part of a stable and functioning organization. We have a policy that focuses on human resource management to support and ensure that employees are motivated, want to develop their own working potential and are aware that they play an important role in the overall development of the organization. From having new employee orientations to workplace and accommodation management, discussing employee benefits and creating activities to motivate morale, Growth in the field, Evaluate the performance. We have made sure to support our employees from the very first steps is as follows:



New Employee Orientation

New Employee Orientation is seen as being a crucial component in welcoming new employees to our organization. The objective is to enhance readiness for new employees that are considering joining the organization. New Employee Orientation occurs regularly, with orientations happening twice every month or according to the calendar start date for new employees. This is beneficial for all new employees across all sectors as it provides a chance to learn more about each other before starting work. New Employee Orientation is beneficial in any successful business because it helps to create strong employee relations, and gives employers an understanding about future employees as well as creating an understanding relationship. It also provides an opportunity for employees to share their opinions and thoughts with each other, in a friendly space.

Staff Training

In the last year, the organization has developed knowledge and skills of its employees. The policy is to hold regular staff training sessions by using a training roadmap as a method to develop employee skills for the long term.

The organization has given importance towards the development of employee skills across all sectors from developing operational staff skills to developing managerial staff skills. By introducing the training sessions to employees with full transparency.

Workplace arrangement and creating a Healthy Environment

The company has developed and improved their work layout to have a sustainable and a positive work environment. The organization has aimed to create a happy atmosphere both within the office and outside of the office. Areeya has aimed to do this in order to motivate employees to constantly work happily. The workplace is decorated in a way that is conducive to boosting employee morale and creativity, has also been adjusted to provide employees with a sense of both a formal and an informal area in order to reduce the impact of stress in the workplace.



In addition, the organization also encourages employees to participate in joint activities with members of all sectors by providing spaces that can be utilized for various activities such as a lively dining area with food offered at affordable prices, a space to play table tennis during break hours in order to encourage employees to feel relaxed and also strengthen relationships amongst all departments.

Creating Motivation

In order to create motivation for employees and ensure that employees do a great job, incentives are provided across sales and construction departments on a quarterly basis. Additionally, annual promotional bonuses to all employees based on the company's performance, each department's results and individual employee results.

In addition, the company also places value and importance on employees who have been dedicated to their work. Employees who have been a part of the company for a long time will be awarded gold at the company's annual new year party. To promote employee morale, so that the next tentative year employees aim to do better than the previous year.

Employee Benefits

Employees are seen as being an important resource for Areeya companies business operations and towards the company's long term success. Therefore, in addition to providing employees with compensation, welfare and benefits on a yearly basis, the company also has a responsibility to review these benefits for additional employees in accordance with constant changing economic conditions.

Benefits that assist cost of living

- Providing financial support such as assisting with wedding ceremonies etc.
- Assisting with funeral payments in the event an employees father, mother, spouse or child has passed
- Providing uniforms for employees
- Providing employees with accomodation
- Providing employees with daily lunch

Benefits to support and encourage employees savings

- Provident Fund
- Social Security Fund
- Compensation Fund

Welfare that assist employees family

- Life Insurance for Employees
- Assistance with medical and hospital bills
- Providing Maternity care



Welfare that promotes stability for the future

- Providing T-Loans
- Housing Loans
- Long Service Award for employees who have been working with the organization for a long period of time

Welfare that promotes good hygiene practices

- Health care that covers out-patients as well as in-patients
- Organizing visits for families to meet employees in case of sickness
- Annual Health Check Up
- Providing regular health education
- Providing first aid and nursing room
- Providing employees with influenza vaccinations

Leave Rights

In addition to the aforementioned welfare rights, the company also provided all employees leave in accordance with labor laws. Leave can be in the form of vacation, sick leave, maternity leave, ordination leave, military service leave, sterilization leave and training leave.

Staff Activities

Employee Relation activities are considered to be crucial in establishing good relationships amongst all employees in the company. The activities promote inspiration and collaboration between departments. In order to create more efficiency and improve employee relations, various activities throughout the year such as New Year's activities and annual merit making activities.

3 Home Owners Happiness : Consumers or Residents

We have tried to create happiness for all residents through innovation, we started creating happiness by designing products that will reflect a sustainable lifestyle by considering the impact each project would have on the environment, the quality of life it would be creating for community and trying to reduce the burden of expense that will occur in the future. We have tried to do this through various operations as follows:

Community Service

Our after sales service includes activities to develop the community in accordance with insurance policies, provide the community with an information center, provide a juristic within the community with the ultimate goal being to provide the best quality service in order to establish a good quality of life and satisfaction for Areeya residents. In turn, this would lead to residents spreading information through word of mouth, referring friends through the "Friends get Friends project" and to build trust for existing and future consumers in the long run according to "Best in Class After Sale Service" Policy.

Community Management

We began to develop our community management from basic services such as creating a safe, clean and livable environment as a main standard. Areeya has done this by using the framework of ISO or quality management system in accordance with international standards. We also have quality procedures with

specific work instructions and documents to verify each step of the process in order for there to be a clear standard of work. Work is also verified and monitored each month to ensure quality.

In addition, the work is constantly being developed and improved upon in order to create the best possible system for community. We ensure there is constant security maintenance and collaboration with various security companies and security guards. Provide tools and modern equipment in order to assist communities with the best standard of safety. Members of the communities are able to check safety information of the project at any given time using real time data through an application on their mobile phones.

After Sales Service

This is another component of our work that has received development and innovation on all aspects. Aside from having a call center for customer relations, we have also developed an application called "Areeya family" that provides another channel in which customers can be informed about updates and changes to any projects. The application has been functioning since 2016 till present. We have also developed the application to function as a tracking system that allows individuals to provide real time feedback. This new future was deemed to provide a level of satisfaction across all fronts where it received a satisfaction rating of 94.02%.





Call Center

Acts as a service for members of the community which provides critical information, services and improvements of all projects. There are various ways in which members can attain information, the channels are as follows:

Each channel inform such as providing product information, location, transport options or notifying home repairs as well as receiving any complaints residents. The channels monitor services 100% and is available for members to use by displaying real time data. A survey was conducted to rate consumer satisfaction and opinions about the company's call service system and found that in the year 2019 95.64% of users were very satisfied with the services they were being provided.

1 Callcenter : 1797 and 02-7989800

2 Application Areeya Family

3 www.facebook.com/areeyahome

Fund Management and Project Delivery

Fund Management and Project Delivery in each commitment relates to the funds specialized for committees of Housing Estate Juristic Person, and condominium juristic person committee. This is a very crucial job, after sales service development. The company aims to provide the best in after sales service in order to achieve customer satisfaction. Therefore the fund was created to display transparency. The juristic in charge of managing funds focuses on managing funds to maximize benefits for the residents. Corporate committees are established within the company that process the funds and make sure projects are completed on time, and that all utilities and communities remain in good condition. In the year 2019, the company was able to establish juristic bodies across 6 different projects.





4 Happy Neighbors : contractors and construction materials partners

Areeya doesn't take into account only the interest of stakeholders and focus only on trying to make a profit, we also focuses on the responsibility the organization has towards the society, community and the environment. In order to strive for excellence in the construction business, Areeya aims to build houses with happiness being a key focus from the starting point. Areeya accomplish this with the following:

1. Construction Site Standards

The company aims to create a clean and safe environment. There are policies put in place to monitor safety standards across all sectors and every process. Both during construction and after completion of a project.

2. A Subcontract

The construction process is conducted in such a way where the company hires outside professionals under a subcontract system. In order to achieve greatness in the construction industry, Areeya focuses on creating high quality construction projects. The key factor here is that the company aims to minimize risks and overall time and cost it would take for a project to be completed.

3. A Supplier Online System

Areeya Property Public Limited and all its sub companies have a system of conducting businesses with vendors. The company does this by establishing a system in which vendors are able to purchase products via A Supplier Online System. The system acts like an online PO system that provides ease for all of Areeya's customers because the customers and vendors are able to keep track of all products and services, and the system aims to minimize any mistakes when ordering products.

4. Safety

“A Model for Better Life” is another key policy for Areeya that allows for the company to fully take responsibility and care for all its employees across different sectors. Solutions to manufacturing skilled labor shortage. The aim of this model is to focus on ways to mitigate problems by creating motivation for employees. Towards achieving sustainable happiness and constructing a safe conducive environment for employees and their families. We believe in rewarding our employees who complete tasks, Stimulate employees to do better in the future. The more likely they are to dedicate effort and time into completing tasks.

5. Supplier ABC

The company has established a system in which we outsource employees on both a small and a large scale. The outsourcing is done according to specific standards that benefits the company's financial plan and allows for the employees to assist in developing the construction industry further. In the past couple of years, Areeya Property have outsourced their own employees to other companies in order to ensure that other companies in the industry are able to complete projects. We believe that by outsourcing, it will minimize risks in the industry and create a safe standard for all involved.

Additionally, the company has been established for a while which means that the company has a big team of specialists and employees available to outsource without it affecting the company's own numbers. However, outsourcing can also take a toll on the company depending on the current economic situation of the nation during the time the company chooses to outsource. In the event of economic changes, the company must adhere to these changes and set prices that are fair and prices that won't ultimately affect or cause the company to go into a loss.

Quality and standard of work in the construction industry is what we believe to be the most crucial factors in the business that will help to develop and further improve our company. In order to achieve success in this industry, the goal for Areeya is to be stringent on creating projects that are of a good standard, complete projects in a timely fashion and set costs/prices that are appropriate. Areeya will comply with ISO standards in the construction, which will greatly benefit the company by making sure that the company is using resources sustainably. Another key component to achieve success is the company's QC team which has the responsibility of checking the quality of work done on each project. Aside from having quality checks,

the company also has a team that consistently checks for weaknesses and uses those weaknesses to further develop the company's potential. However, there are external factors that influence the development of the construction such as lack of workers, increase in labor wages, increase in supplier costs. Therefore, the company have implemented various strategies to combat these risks such as building houses before selling in order to successfully create plans for the future.



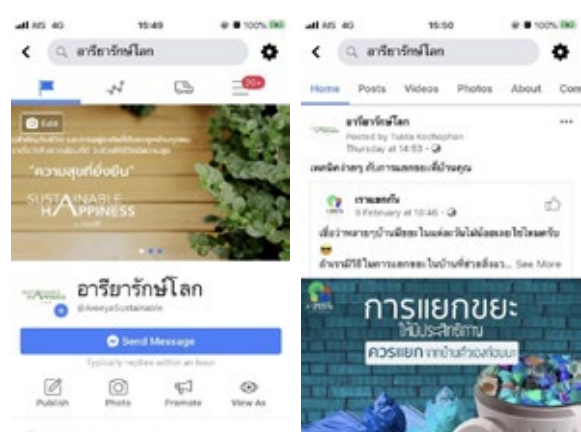
5 Happy Environment : Everyone in Society

Areeya commits to having a social and corporate responsibility towards the environment at all times and aims to consistently real estate developer that operates on a sustainable basis. In order to accomplish this, we surveyed recycling practices of our community and encourage to residents more proactive when it comes to recycling. By introducing an application called Recycle Time as a tool that would assist residents to recycle. This was implemented across 6 areas in May 2019, covering 35 different Areeya projects. These areas include Bangna, Rangsit, Hatairat, Latplakao, Sai Noi and Bang Bua Thong.



From statistics calculated on 27th December, 2019. We managed to recycle 53,240 kilograms of products. The top three products that were recycled were glass bottles and pieces (45%), cardboard boxes and paper (18%), and PET plastic bottles (14%). These recycling efforts to reduce the community's carbon footprint by 73,966.90 KgCO₂, which can be compared to planting 8,219 trees or owning a piece of land that is 164 rai.

The recycling Project that Areeya gives importance to, we implement recycling practices across every step of the way in order to constantly keep members of the community involved and informed.



There is a waste separation campaign manual that can be accessible via a smartphone application. The campaign is called “Who says the world has garbage?” and aims to tell the story of how to separate waste at home, for the purpose of reuse, reduction and recycle. Aside from the application. Residents also stay informed of Areeya’s recycling projects through the company’s facebook fanpage at (<https://www.facebook.com/AreeyaSustainable/>)

6

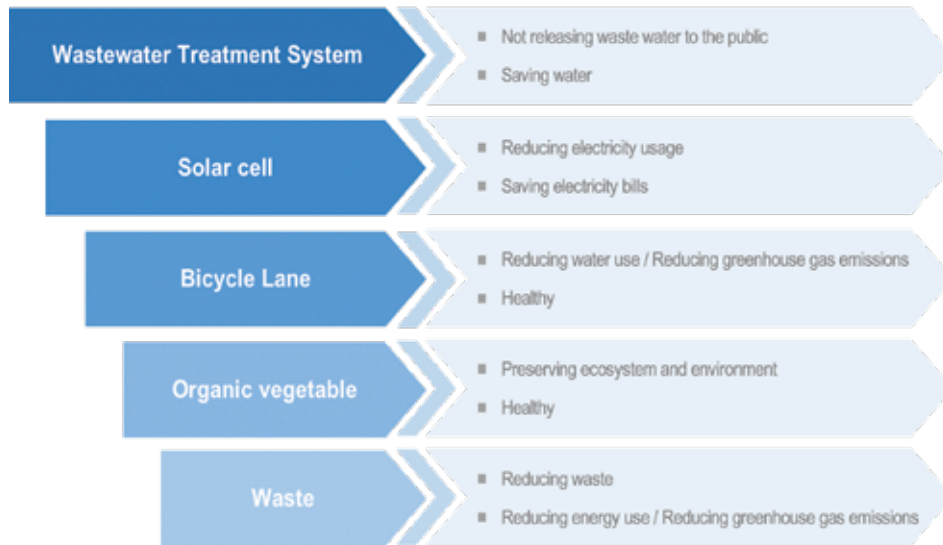
Happy Society: society and communities

Creating happiness for residents and community of Areeya projects is a key focus for the company from the very beginning. We believe that members of the community should live in harmony and have strong relations. Therefore, we aim to create a strong sense of business for community across the following two parts:

Part 1: Communities in Areeya Projects

We develop community under our policy of “Sustainable Happiness”, In the concept of “love the world love themselves”. Staying on-track to realize the the environment issues and sustainable development





Organic Vegetable Plot:

“Project to plant vegetables, plant love”

Organized the common area for organic vegetable plot.

The aim of engaging community participation to work together in harmony. The project started since 2016 have assisted in building a healthy relationship and strong resident’s network.



Electricity through a solar cell system

Organized the common area where electricity is sustainable.

There are lights illuminated by solar cells. This is done to ensure that resources are used sustainably and that the resources are being used in way that is cost efficient. A solar cell system will be greatly beneficial towards the community and residents in the future.



Saving electricity costs in the garden	18,000 baht / year / project
Saving electricity system	5,700 baht / project

Corporate Social Responsibility



Activity To Create Happiness In 2019 Under The Sustainable Happiness Policy

Creating Sustainable Happiness is another key policy of the organization. The organization aims to develop and create happiness and excellent real estate. Areeya operates on the principle of accepting responsibility towards society, community and the good environment. We always believe that good quality of life comes from unity and harmony within community. Having a strong and stable environment also impacts the way in which communities co-exist and interact with one another. therefore it is our responsibility to provide a sustainable environment by taking responsibility across all dimensions of our operations and by ensuring sustainable happiness through the implementation of various activities across various community

Child Friendly Space

The Child Friendly Space which was established in construction sites by the organization with the aim of providing quality of life labors. The policy was created in order to ensure this goal will be met. The learning center as a result of laborers bringing their children to the work site, which was deemed as being not safe for the welfare of both the labors and the children. The policy for safe space was created in 2015 till present.

In 2019, the two centers are located in Sai Noi and Bangna. Areeya aimed to provide happiness on children's day to children and families of labors by hosting activities that showcased the talents of the children and provided prizes, gift exchanges, free meals and drinks for all involved. This recent activity showed the increase in each child's learning developing from their improvements across learning languages, and showed a willingness of each child to come forward and dare to participate. The most important outlook from this event was the smiles on each child's face, and the happiness each individual who attended the event felt.





The success of hosting activities to create sustainable quality of life for both workers and children has garnered attention from several organizations and schools across the nation. The Ministry of Education, along with 4 major media agencies including Bangkok Business, Bangkok Post, Thai PBS and BBC News have all contacted the organization and constantly followed up with Areeya's progress to provide quality of life and quality of education for children. These various organizations have also supported Areeya's sustainable happiness program and commend Child Friendly Space in Bangna. Aside from commending the organization, the Ministry of Education and the news agencies have also closely monitored the progress of each child who received admission to Khlong Plad Priang School.



Plant Vegetables, Plant Love

An activity to build relationships amongst residents of the community known as Plant Vegetables, the organization converted public spaces in community from being gardens to becoming public vegetable gardens. The goal is to ensure that residents can work together in harmony and encourage the community to live sustainably and organically. The garden contains only organically grown vegetables which can sustainably provide for the community for the whole year. The project was successful in 2019 due to the unprecedented support from all residents. People banded together to cooperatively create a sustainable environment which will ultimately lead to creating sustainable happiness for all residents. The Plant Vegetables, Plant Love project was established in these areas in 2019 : The Village Kanchanaphisek - Ratchaphruek 2 and The Colors Bangna- WongWaen 2.

Recycle Time

Areeya gives important towards the principle of recycling. We initially started to introduce recycling to community by firstly surveying each community member's current recycling practices. What was deduced was that the ratio between items that were thrown were far higher than items that were recycled. Areeya formulated a plan to improve recycling practices within the community. The plan included methods to sort trash through an application called Recycle Time, is an application that allows individuals to sell their recycled products at a cost. In order to encourage people to utilize this application and start recycling. Areeya organized a parade around community showcasing features of the application, Stimulate people to use the application more. This event took place across 5 communities which are as follows: Areeya Como Bangna WongWaen- Bangna, The Village Bangna - WongWaen 3, The Color Bangna-WongWaen, The Color Bangna-Wongwaen 2.



" The Goal To Create A Livabel
Society And Sustainable
Happiness "



Award And Achievements



Awards And Recognitions Of Achievements

- 2019 Best Condominium Interior Design Bangkok ; From Chalermnit Art De Maison on Sukhumvit 53 road at the Dot Property Thailand Awards 2019 Event which won Best Condominium Interior Design Bangkok. The award was selected by the project with the concept of interior design is different and unique including quality and facility this project. Chalermnit Art De Maison, The remarkable story of the creation of residential areas by the design combines the use of all functions seamlessly within the concept of "New Luxurious Japanese Inspired Residences".
- 2019 BCI Asia Top 10 Developers Awards 2019 - Environmental consciousness
Real estate in today's operators will give priority to the design of projects to increase sales, but to also increase the responsibility of the environmental impact to a probability is known as one of the selling points in this one.
- There are many institutions that promote and give priority to these issues and presented the award to sample regional awards from **BCI Asia Top 10 Developers Awards**, a major architectural award that is preferred by architects in Asia.
- BCI Asia Awards are held annually in seven countries, including Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Vietnam, etc. Thailand
- For the project to be awarded to 4 projects: The Colors Perti Bangna-Wongwaeng, The Colors Kanchanaphisek Ratchapruek2 , The Colors Perti Wongwaeng Ratchapruek, and A Space Mega2.
- 2018 BCI Asia TOP 10 Developer Awards 2018 This was a very important award for Areeya as it was an award for outstanding architects who displayed outstanding work and influence over the development of the construction industry. Areeya was 1 in 10 companies to have received this award.
- 2018 Property Export Award Thailand 2018
- 2017 The Best Brand Performance in the real estate industry at the Thailand Social Awards
- 2017 Was a year in which the organization used Social Media exceedingly well in marketing the companies various projects that ended up having a positive impact upon the organization
- 2017 This was also a year where the organization received recognition from the Institute for Population and Social Research, Mahidol University under the program for the development of sustainable happiness for the nation

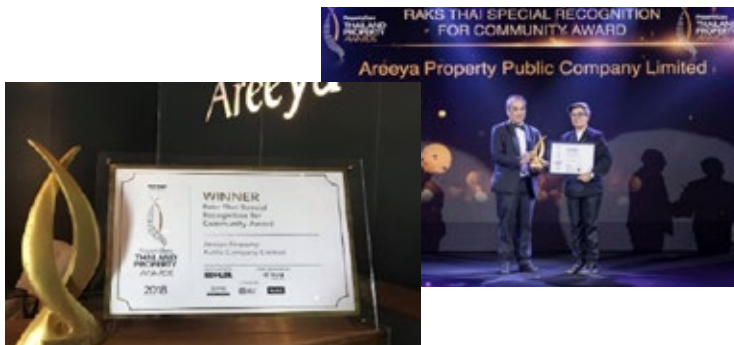


2017	received ISO 9001: 2015 certification in the scope of corporate administration for high rise buildings.(The certification is valid from 2017 to 2020)
2014	received ISO 9001: 2008 certification in the scope of corporate administration for high rise buildings. (The certification is valid from 2014 to 2017)
2011	received ISO 9001: 2008 certification in the scope of construction process
2008	received ISO 9001: 2000 certification in the scope of construction process

Awards that commend corporate social responsibility



2017	Asia Responsible Enterprise Awards 2018 in the sector of Investment in people
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2018	Thailand Property Awards (2 rewards)
	• Developer Award : The Special Recognition in CSR • Special Awards : Rakthai Special Recognition for Community Project Award

- 2017 Participated in the Building Futures in Thailand : Support to Children Living in Construction Site Camps event hosted by UNICEF and the Baan Dek Foundation which took place on the 29th of March. The event was also published and showcased to the public across various outlets.
- 2016 Received the Honor shield from the National Committee on Aging and the Ministry of Social Development and Human Security which is a private organization that supports the day-to-day operations and living of the elderly National Elderly Day
- 2016 Received a certificate of Honor from the Department of Older Persons as and the Thaipat Institution for participation in the Elderly-Friendly Business (Age-Friendly Business)





Supporting Social Activities

- 2017 Funded and participated in the project to restore and rehabilitate oceans and to restore Bangkok to returning to having a balanced ecosystem under the program “Plant trees in the heart of people in accordance with the science of the King”

- 2017 Provided funding after cuts from expenses from the rama 9 exhibition as well as selling souvenirs such as t-shirts to commemorate the late king. The funds were used in order to construct the Navamintharaphit 84th Anniversary Siriraj Building Foundation for Underprivileged Patients.

- 2017 The management team, together with staff and residents of various Areeya communities donated funds to build the new Nawamintr Building in Siriraj Hospital in honor of Sriraj’s 84th Anniversary.

- 2017 Donated money towards the air force housewives associate in order to raise funds to support the Poppies Sale Project. This is a fund that focuses on helping veterans. Therefore a portion of the proceeds will go to help the families of veterans under the patronage of HRH the Princess Mother.

- 2015 Provide funds to support education at Ratkanalai Kindergarten in Huai Thalaeng District in Nakhon Ratchasima Province.

- 2015 Donated E-Books to Huai Thalaeng Phitthayakhom School in Nakhon Ratchasima Province.

Annual Report 2019



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" Achieving
Sustainable
Growth "



Message From Chairman

During the past year, Thailand was still facing the problem of economic slowdown caused by several factors, comprising a significant appreciation of Thai baht and trade wars that resulted in declining exports and foreign purchasing power, drought crises that affected the production in the agricultural industry, delays in budget approvals, and lacks of economic policies to stimulate domestic purchasing power and production capacity, which had a great impact on the confidence of consumers. When domestic and foreign purchasing power declined, many business sectors, including real estate, were inevitably affected.

Due to the economic slowdown mentioned above, it is essential for each business sector to develop readiness and possess adaptability to situational changes in order to sustain business operations. Thus, the Company has carefully revised its business plans and decided to delay the launch of new projects. As a result, only 5 new projects were launched in 2019. The Company has also planned to develop current projects by strictly adhering to the 4 key strategic pillars¹ in order to release outstanding products, both condominium and low-rise projects, that are well received by customers. In 2020, the Company will continue to conduct its business according to economic conditions and surrounding factors in a concise and thoughtful manner.

Lastly, on behalf of Areeya Property Public Company Limited, I would like to express gratitude to the shareholders, investors, financial institutions, business partners, customers, and stakeholders for their continuous trust and support. My sincere appreciation is also conveyed to all management and staff members for their effort and contribution throughout the year. I would like to assure that the Company will continue to operate based on the principles of good corporate governance and social responsibility in order to make steady progress and achieve sustainable growth in the long run.



Mr. Wisit Laohapoonrungsee
Chairman and Chief Executive Officer

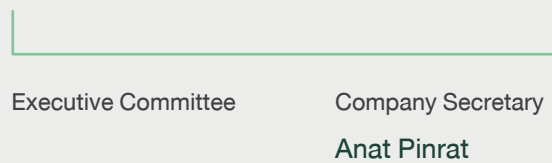
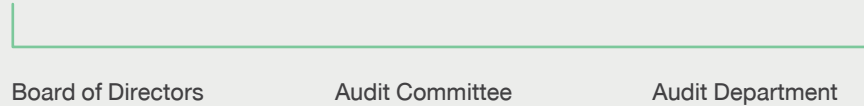
¹Aesthetic Of Living

- Aesthetic Design And Premium Quality
- Sustainable Happiness
- Innovative Living
- Best in Class After Sales Service

Organization Structure

Chairman

Wisit Laohapoonrungsee



CEO
Wisit Laohapoonrungsee

Office of the Secretary



Accounting & Finance Division

Accounting & Operating
Finance Department

Post Finance Department

Corporate Finance
Committee

Finance Department

Support Division

Jiraroj Wonglerttanakij
(EVP)

Legal Department

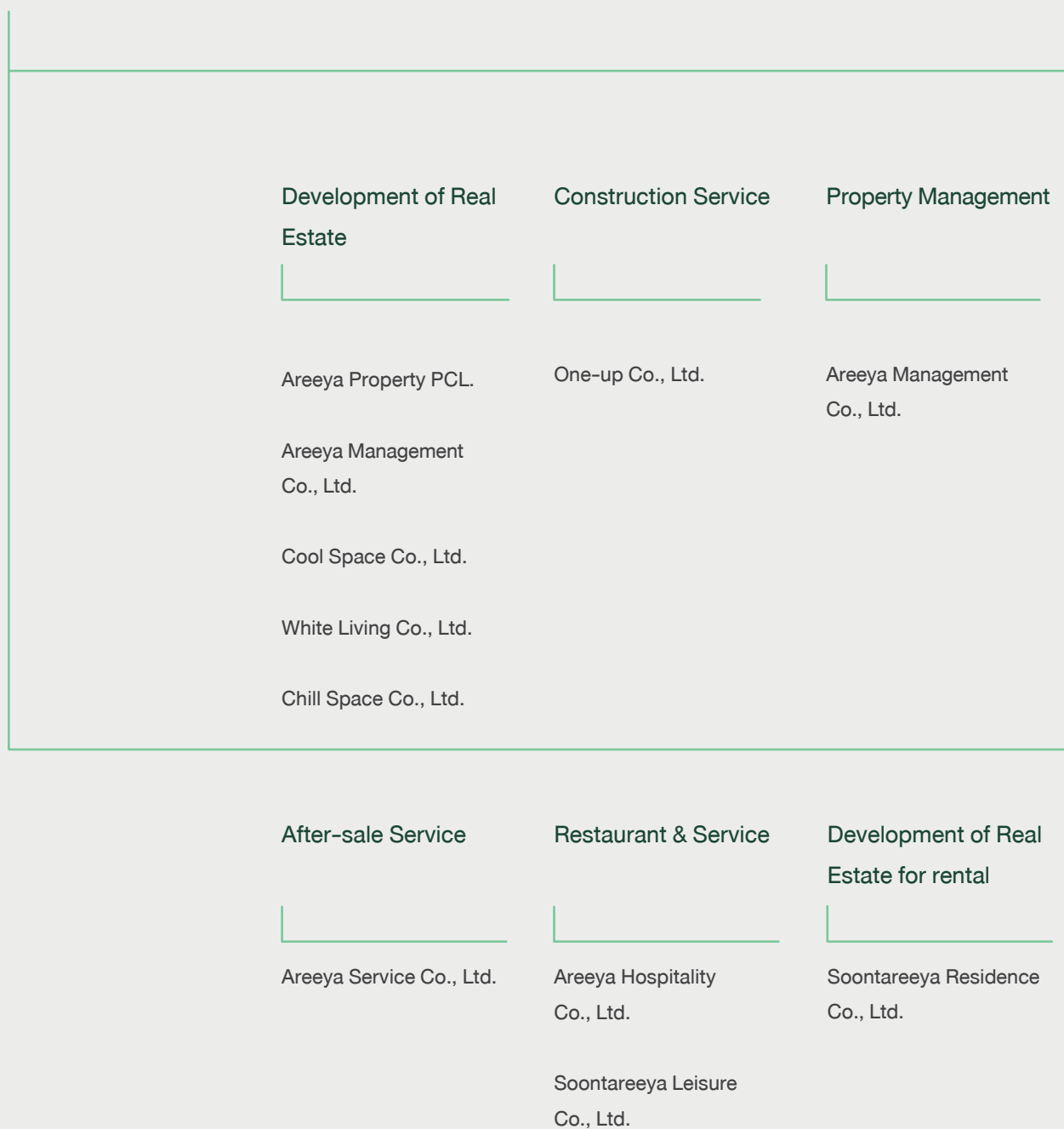
Low Rise Community
Management DepartmentHuman Resources
DepartmentBusiness Efficiency
Development for Sustainable
Department

Call Center Department

Government Liaison
DepartmentDigital & Innovation
Department

Administration Department

Group Structure



Board of Director

Mr. Wisit

Laohapoonrungrsee

Chairman and Chief
Executive Officer
Age : 53
Year of Appointment
as a Director : 2004



Education

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

Training

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

Work Experiences During the Past Five Years

Listed companies

Listed companies -None-

Non-Listed companies

- Daily By Areeya Co., Ltd.
- A Attitude Co., Ltd.
- At Home Development Co., Ltd.
- The Colors Co., Ltd.
- Progressive Opulent Holding (Singapore) Pte., Ltd.

Any other positions which may cause conflict of interest
with the company -None-

Government sector -None-

Work Experiences in the Past

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

Criminal records during the past 10 years -None-

Shareholding in the Company (Including spouse)

- As of 1 January 2019 : 320,897,000 shares
32.7% of the total issued shares
- As of 31 December 2019 : 320,897,000 shares
32.7% of the total issued shares
- Change (+/-) -

Mr. Viwat

Lauhapoonrungrsi

Director
Age : 59
Year of Appointment
as a Director : 2013



Education

- BA. Economics major econometrics and treasury, Thammasat University

Training

- National Defence College Certificate, 2005
- Capital Market Academy Certificate no.11
- Executives Certificate "Thammasat for society" no.1, Thammasat University
- Certification Program executives of trade and commerce (TEPCoT) no.8
- Certificate in Tourism Management for Executives no.1
- Directors Certification Program (DCP) no.125/2009
- Certification Program executives Leader Thai-Chinese No.1
- Certification Program executives management - Energy Sciences no.13

Work Experiences During the Past Five Years

Listed companies -None-

Non-Listed companies

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

Any other positions which may cause conflict of interest
with the company -None-

Government sector -None-

Work Experiences in the Past

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

Criminal records during the past 10 years -None-

Shareholding in the Company (Including spouse)

- As of 1 January 2019 : 237,553,596 shares
24.2% of the total issued shares
- As of 31 December 2019 : 323,890,196 shares
33.1% of the total issued shares
- Change (+/-) 86,336,600 Shares

**Mrs. Niphapat
Romerattanaphun**

Director
Age : 61
Year of Appointment
as a Director : 2004



Education

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

Training

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

Work Experiences During the Past Five Years

Listed companies -None-

Non-Listed companies

- Director, SAPP888 Co., Ltd.
- Director , Daily by Areeya Co., Ltd.
- Director , TF 24 Co., Ltd.

Any other positions which may cause conflict of interest
with the company -None-

Government sector -None-

Work Experiences in the Past

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

Criminal records during the past 10 years -None-

Shareholding in the Company (Including spouse)

- As of 1 January 2019 : 19,400,000 shares
2.0% of the total issued shares
- As of 31 December 2019 : 19,400,000 shares
2.0% of the total issued shares
- Change (+/-) -

**Mr. Thun
Thiansuwan**

Director
Age : 88
Year of Appointment
as a Director : 2004



Education

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

Training

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

Work Experiences During the Past Five Years

Listed companies -None-

Non-Listed companies -None-

Any other positions which may cause conflict of interest
with the company -None-

Government sector -None-

Work Experiences in the Past

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

Criminal records during the past 10 years -None-

Shareholding in the Company (Including spouse)

- As of 1 January 2019 : -None-
- As of 31 December 2019 : -None-
- Change (+/-) -

Board of Director

**Mr. Archawan
Eiampaiboonphan**

Director
Age : 48
Year of Appointment
as a Director : 2018



Education

- Bachelor's degree in engineering, Chulalongkorn University

Training -None-

Work Experiences During the Past Five Years

Listed companies -None-

Non-Listed companies -None-

Any other positions which may cause conflict of interest
with the company -None-

Government sector -None-

Work Experiences in the Past

- Director, One up Co., Ltd.

Criminal records during the past 10 years -None-

Shareholding in the Company (Including spouse)

- As of 1 January 2019 : 2,365,000 shares
0.2% of the total issued shares
- As of 31 December 2019 : 2,365,000 shares
0.2% of the total issued shares
- Change (+/-) -

**Mr. Wanchai
Tantikul**

Independent Director and
Chairman of Audit Committee
Age : 70
Year of Appointment
as a Director : 2004



Education

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

Training

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

Work Experiences During the Past Five Years

Listed companies

- Audit Committee, DCON Products Public Company Limited.

Non-Listed companies

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

Any other positions which may cause conflict of interest
with the company -None-

Government sector -None-

Work Experiences in the Past

- Director, Thep Co., Ltd.

Criminal records during the past 10 years -None-

Shareholding in the Company (Including spouse)

- As of 1 January 2019 : -None-
- As of 31 December 2019 : -None-
- Change (+/-) -

**Mr. Preecha
Boonyakida**

Independent Director
and Audit Committee

Age : 57

Year of Appointment
as a Director : 2004



Education

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

Training

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

Work Experiences During the Past Five Years

Listed companies

- Audit Committee, JNK Global media Public Company Limited.

Non-Listed companies

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

Any other positions which may cause conflict of interest
with the company -None-

Government sector -None-

Work Experiences in the Past

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

Criminal records during the past 10 years -None-

Shareholding in the Company (Including spouse)

- As of 1 January 2019 : -None-
- As of 31 December 2019 : -None-
- Change (+/-) -

**Mr. Sompol
Thiensuvan**

Independent Director
and Audit Committee

Age : 62

Year of Appointment
as a Director : 2011



Education

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

Training

- Special Instructor, Bachelor of Laws, Ramkhamhaeng University

Work Experiences During the Past Five Years

Listed companies

- Year 2018 ; Legal Advisor, Amarin Printing and Publishing Public Company Limited
- Present -None-

Non-Listed companies

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

Any other positions which may cause conflict of interest
with the company -None-

Government sector -None-

Work Experiences in the Past

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

Criminal records during the past 10 years -None-

Shareholding in the Company (Including spouse)

- As of 1 January 2019 : -None-
- As of 31 December 2019 : -None-
- Change (+/-) -

Achieving Sustainable Growth

Company objectives and goals

Short-term

- Strive for achievement in accordance with the annual business plan.
- Persuade our commitment to create sustainable happiness and to make distinction in unique design, quality of construction and services for our customers, communities and society.

We have mainly implemented and applied our 4 core values in day-to-day business operation:

1. Aesthetic Design & Premium Quality; The unique design and premium quality.
2. Sustainable Happiness; deliver sustainable happiness to all related parties and environment.
3. Innovative Living ; Create, seek and implement innovations into individual lifestyle.
4. Best in Class After Sale Services; Taking Care of our customers and community before and after sales with care.

Mid-term

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

Long-term

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

Summary of Operational Performance in 2019

In the year 2019, the real estate sector is on the challenge of negative factors. This year is quite a challenge for operators to adapt to the negative factors that come into effect especially for the housing market in terms of housing and condominium markets. In addition, the internal and external economic overview is in a slowdown. Both Purchasing power both in Thailand and overseas is slowing down, as well as after the Loan to the housing loan (to the Value: LTV) was announced on 1 April, 2019. Trade and economic tensions from war of the United States and China are still waged. Including the value of a strong Thai baht, which the baht has a huge impact on the baht appreciation underscores the "Thai export competitiveness" is a negative factor that is very relevant to the property sector business in the year 2019. It is considered the golden years of the buyers who are really ready to buy a property in falling prices for both of the projects completed were available, including the release of new operators was not brave to justify the price increasing. As a result, if the high sales price is set to be difficult, the competitive market may result in non-accessible purchases. Although the project is located in a preferred location.

Areeya Property Public Company Limited is one of the real estate companies who study and research the impact on the business, where the company has adjusted strategies for sales to the economic conditions by focusing on the middle and lower-level markets by sorting the events as follows;

1. Grand Opening The Colors Bangna Wongwaen 3	Jan'2019
2. Grand Opening Mandarina Eakkamai-Ramintra	Jan'2019
3. Grand Opening The Parti by Areeya	Jan'2019
4. Grand Opening The Colors Bangna Wongwaen 4	Apr'2019
5. Grand Opening The Colors Ramintra – Hathairath	Oct'2019
6. Grand Opening Application "RecycleTime"	Nov'2019



Summary of Financial Information

Asset Unit : MB

	2019	2018	2017	2016	2015
Real estate projects under development	11,834.4	11,488.1	10,716.9	11,396.0	10,930.7
Investment properties	419.9	451.7	454.2	494.2	535.2
Leasehold rights	1,375.5	902.5	757.3	-	-
Total Assets	15,279.3	14,297.3	13,509.8	13,515.8	12,861.2

Liabilities & Shareholders' Equity Unit : MB

	2019	2018	2017	2016	2015
Short-term Loan	4,514.5	4,124.1	2,101.1	5,149.3	3,923.4
Long-term Loan	4,780.8	5,215.1	6,976.7	4,203.3	4,929.2
Total Liabilities	11,876.1	10,965.2	10,169.3	10,201.3	9,770.9
Issued and paid-up share capital	980.0	980.0	980.0	980.0	980.0
Shareholders' Equity	3,403.2	3,332.1	3,340.5	3,314.5	3,090.3

Performance Unit : MB

	2019	2018	2017	2016	2015
Revenue from sale of real estate	2,868.5	3,929.4	4,958.1	4,643.3	5,398.0
Total Revenue	2,988.6	4,032.2	5,057.1	4,725.0	5,427.8
Cost of sale of real estate	2,049.0	2,649.9	3,438.9	3,056.2	4,016.7
Gross Profit	819.5	1,461.3	1,279.5	1,587.1	1,381.3
Net Profit (Loss)	(280.6)	30.8	97.7	263.4	216.7

Financial Ratio Unit : MB

	2019	2018	2017	2016	2015
BVPS (B./Share) **	3.28	3.46	3.42	3.38	3.15
BASIC EARNINGS PER SHARE (B./Share) **	(0.29)	0.03	0.10	0.27	0.22
Net profit per revenue (%)	(9.39)	0.76	1.93	5.57	3.99
ROE (%)	(8.33)	0.92	2.94	8.22	7.27
ROA (%)	(0.07)	2.11	2.98	4.38	3.53
Dividend per share (B./Share)	-		0.04	0.05	0.04

** Calculation from Weighted No. of share

Remark : 1. Data from Consolidation Financial Statement
2. Calculation of financial ratios using the criteria of the Securities and Exchange Commission in the industry group

Balance Sheet 2019

Unit : MB

Total Asset 15,279.3	Liabilities 11,876.1	Shareholders' Equity 3,403.2
2015  12,861.2	2015  9,770.9	2015  3,090.3
2016  13,515.8	2016  10,201.3	2016  3,314.5
2017  13,509.8	2017  10,169.3	2017  3,340.5
2018  14,279.3	2018  10,965.2	2018  3,332.1
2019  15,279.3	2019  11,876.1	2019  3,403.2

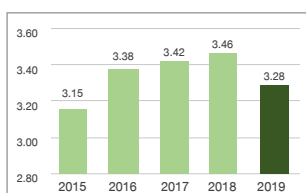
Profit & Loss 2019

Unit : MB

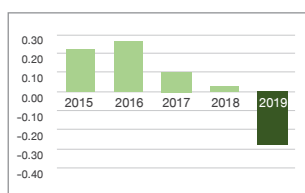
Total Revenue 2,988.6	Revenue from sale of real estate 2,868.5	Gross Profit 819.5	Net Profit -280.6
2015  5,427.8	2015  5,398.0	2015  1,381.3	2015  216.7
2016  4,725.0	2016  4,643.3	2016  1,587.1	2016  263.4
2017  5,057.1	2017  4,958.1	2017  1,656.5	2017  97.7
2018  4,032.2	2018  3,929.4	2018  1,461.3	2018  30.8
2019  2,988.6	2019  2,868.5	2019  819.5	2019  -280.6

Financial Ratio 2019

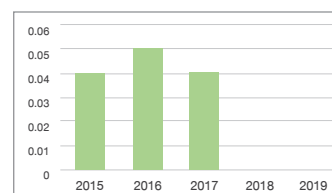
BVPS (B/Share)** 3.28



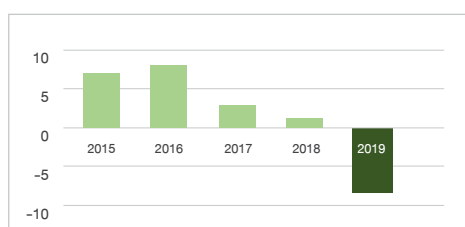
Basic Earnings Pershare (B/Share** - 0.29



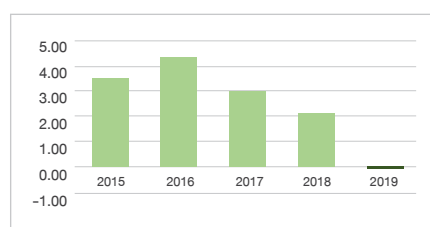
Dividend pershare** -



ROE (%) -8.33



ROA (%) - 0.07



" Taking A Steady Step Forward "

Investment

Investment Policy in Subsidiary Companies

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

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

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

As of the end of 2019, the shareholding structure in the subsidiary companies is as follows:

Company Name	Type of Business	Authorized Share Capital		Shareholding Percentage (%)
Areeya Service Co., Ltd.	After sale service for property and agent	Number of Common shares Par Value Total share capital	1,000,000 shares Baht 10 per share Baht 10,000,000	99.99
One Up Co., Ltd.	Construction Service	Number of Common shares Par Value Total share capital	10,000,000 shares Baht 10 per share Baht 100,000,000	99.99
Areeya Management Co., Ltd.	Development of real estate projects and property management	Number of Common shares Par Value Total share capital	6,500,000 shares Baht 10 per share Baht 65,000,000	99.99
Cool Space Co., Ltd.	Development of real estate projects	Number of Common shares Par Value Total share capital	6,000,000 shares Baht 10 per share Baht 60,000,000	99.99
White Living Co., Ltd.	Development of real estate projects	Number of Common shares Par Value Total share capital	6,500,000 shares 10 Baht per share Baht 65,000,000	99.99
Chill Space Co., Ltd.	Development of real estate projects	Number of Common shares Par Value Total share capital	100,000 shares 10 Baht per share Baht 1,000,000	99.99
Areeya Hospitality Co., Ltd (Former "Areeya Convenience Store Co., Ltd.)	Restaurant and service businesses	Number of Common shares Par Value Total share capital	100,000 shares Baht 100 per share Baht 10,000,000	99.99
Soontareeya Residence Co., Ltd	Leasehold	Number of Common shares Par Value Total share capital	10,000 shares 100 Baht per share Baht 1,000,000	99.97
Soontareeya Leisure Co., Ltd	Hotels and other services	Number of Common shares Par Value Total share capital	10,000 shares 100 Baht per share Baht 1,000,000	99.97

Investment Structure of the Company

Company Name	Paid-up Capital (Million THB)	Shareholding Percentage (%)	Investment Cost (Million THB)
Areeya Service Co., Ltd.	10.00	99.99	10.00
One Up Co., Ltd.	100.00	99.99	100.00
Areeya Management Co., Ltd.	65.00	99.99	65.00
Cool Space Co., Ltd.	60.00	99.99	60.00
White Living Co., Ltd.	65.00	99.99	65.00
Chill Space Co., Ltd.	1.00	99.99	1.00
Areeya Hospitality Co., Ltd (Former "Areeya Convenience Store Co., Ltd.)	10.00	99.99	10.00
Soontareeya Residence Co., Ltd	1.00	99.97	1.00
Soontareeya Leisure Co., Ltd	1.00	99.97	1.00

Securities and Shareholding Information

Registered Capital and Paid-Up Capital

As of December 31, 2019, the Company is registered in the Stock Exchange of Thailand and the registered capital is Bath 1,200,000 which is a paid-up capital of Baht 980,000,000. All shares are ordinary shares with Baht 1 par value.

Shareholders

As of December 31, 2019, 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 2019 still hold 980,000,000 shares) are as follows:

No.	Name	No. of shares	%
1	Laohapoonrungsee Family*	452,928,096	46.2
2	Porncharoenchaisilp Family	191,859,200	19.6
3	PROGRESSIVE OPULENT HOLDING (SINGAPORE) PTE. .LTD.	60,000,000	6.1
4	Ms. Thitiporn Assawa	48,835,000	5.0
5	Ms. Kanlaya Srisamer	48,868,900	5.0
6	Mrs. Patcharanun Pinyochaianun	46,350,000	4.7
7	Mr. Thakorn Nitipanyawut	27,450,000	2.8
8	Mr. Amnard Chantanupong	21,179,000	2.2
9	Mr. Veerasak Kunpin	20,000,000	2.0
10	Mrs. Niphapat Romerattanaphun	19,400,000	2.0
Total		936,870,196	95.6

*Laohapoonrungsee Family consists of

- (1) Mr. Wisit Laohapoonrungsee hold 320,897,000 shares, 32.7% of the paid-up capital
- (2) Mr. Viwat Lauhapoonrunsi hold 132,301,096 shares, 13.5% of the paid-up capital.

Issuance of Other Securities

1. Debentures

As of December 31, 2019 there was Baht 6,351 outstanding which can be divided as follows

Debenture Name	Issue Date	Tenor	Interest Rate (per year)	Maturity Date	Value as of the Issue Date (MillionTHB)
Debentures of Areeya Property Public Company Limited No. 2/2016	5 October 2016	3 years 11 months 26 days	5.40	1 October 2020 or early redemption	1,000
Debentures of Areeya Property Public Company Limited No. 1/2017	31 January 2017	3 years	5.25	31 January 2020	654
Secures bond of Areeya Property Public Company Limited No. 2/2017	5 April 2017	3 years	5.95	5 April 2020 or early redemption	1,500
Amortizing debentures of Areeya Property Public Company Limited No. 3/2017	31 October 2017	3 years 5 months 30 days	5.95	2 November 2020	31
• No.3				30 April 2021	749
• No.4					
Debentures of Areeya Property Public Company Limited No. 1/2018	No.3	3 years	5.95	19 October 2021	250
Debentures of Areeya Property Public Company Limited No. 2/2018	No.4	3 years 3 months	6.05	22 February 2022	167
Debentures of Areeya Property Public Company Limited No. 1/2019	1 April 2019	2 years 6 months 7 days	6.75	8 October 2021 or early redemption	2,000
Balance for the Next Issuance					6,351

2. Short-term bill of exchange

As at December 31, 2019, the Company and subsidiaries possess an undue short-term bill of exchange equivalent to Baht 62 million and promissory note equivalent to Baht 200 million.

Dividend Policy

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

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

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

Business Revenue

Revenue Classified by Core Business of the Company and Subsidiary Companies

Revenue Categorized by Products	2019 Revenue		2018 Revenue		2017 Revenue	
	Million THB	%	Million THB	%	Million THB	%
1) Revenue from sales of real estate						
Low-rise project	2,442	81.70	2,929	72.69	3,387	66.98
High-rise project	398	13.32	980	24.26	1,569	31.02
Land	29	0.97	20	0.50	2	0.04
Total sales of real estate	2,869	95.99	3,929	97.45	4,958	98.04
2) Service income from house construction and sales of construction material	-	-	-	-	-	-
3) Reversal of provision for litigation	-	-	-	-	12	0.24
4) Other Income	120	4.01	103	2.55	87	1.72
Total revenues	2,989	100.00	4,032	100.00	5,057	100.00

Notices :

1. Sales of construction material are less proportion when compared to the total revenue
2. The other income consists of the real estate management service income and interest income

Revenue Structure

Revenue structure of the business in which the Company holds shares (as of 31 December 2019-2017)

Operated by	Type of Business	% Shareholding of the company	2019 Revenue		2018 Revenue		2017 Revenue	
			Million THB	%	Million THB	%	Million THB	%
Areeya Property Public Company Limited	Development of real estate projects	-	2,012	67.31	3,195	79.24	4,091	80.90
Areeya Service Co., Ltd.	After sale service for property and agent	99.99	5	0.17	-	-	1	0.02
One Up Co., Ltd.	Construction Service	99.99	-	-	9	0.22	4	0.08
Areeya Management Co., Ltd.	Development of real estate projects and property management	99.99	427	14.29	379	9.40	462	9.13
Cool Space Co., Ltd.	Development of real estate projects	99.99	130	4.35	12	0.30	35	0.69
White Living Co., Ltd.	Development of real estate projects	99.99	402	13.45	381	9.45	283	5.60
Chill Space Co., Ltd.	Development of real estate projects	99.99	13	0.43	56	1.39	181	3.58
Areeya Hospitality Co., Ltd (Former "Areeya Convenience Store Co., Ltd.)	Restaurant and service businesses	99.99	-	-	-	-	-	-
Total			2,989	100.00	4,032	100.00	5,057	100.00

Summary of Real Estate Business Situation in 2019

In 2019, real estate business sector was faced with the challenge of regulatory measures

The proportion of loan-to-value assets (Loan to Value: LTV) of the Bank of Thailand to take effect on April 1, 2019. These measures will allow second home buyers a mortgage for more than 3 years after the first touchdown, a 10 percent deposit required. In the case of second home buyers a mortgage less than 3 years must place down payment at 20 percent from the previous limit of not more than of 10 percent. While purchasing a third home or higher, the price must be placed at a minimum of 30% of down payment.

Such measures directly impact the real estate sector, both condominium and residential project makes its debut in the year 2019, down from the previous year. In this case, at the end of 2019, the Thai Ministry of Finance announced two major real estate stimulus measures.

The first measure

is to reduce the transferred fee from 2 percent to 0.01 percent and real estate patent fees from 1 percent to 0.01 percent for homebuyers whose price is not over 3 million baht, effective from November 2, 2019 to December 24, 2020.

The second measure

is the down payment measure for homebuyers under the "Bann Dee Mee Down" project, effective from November 27, 2019 – March 31, 2020, for homebuyers with incomes up to 100,000 baht per month or 1.2 Million baht per year, which has been approved by financial institutions, will receive a down payment of 50,000 baht per customer regardless of house price. The target is 100,000 homebuyers.

Both measures have helped to stimulate the purchase and transfer of ownership for completed, ready-to-sell housing and ownership transfer during the last 2 months of year 2019 and has continued in the first quarter of 2020, but has not been able to boost sales and transferred in 2019 to come back positive due to the impact of the mortgage supervision measures, the purchasing power from foreign markets has decreased by more than 50 percent, reduced domestic purchasing power as a result of the economic slowdown, and the reduced ability to create debt still influences the purchasing power of the housing in the middle-lower level.

Under the above situation Resulting in the year 2019, both real estate companies registered in the Stock Exchange of Thailand And real estate companies that are not listed on the Stock Exchange of Thailand must revise the plans for launching new housing projects in the year 2019, reduced from the original plan. In order to reduce the amount of products to suit the overall market conditions Especially postponing the plan to launch condominium projects in certain locations And turned to pay more attention to low-rise projects to increase sales and ownership transfers after each 9-month period of 2019 for each real estate company that has decreased compared to the same period of year 2018. In addition, the company postponed 2 projects, Areeya Como Bangna Wongwean 3 and Metro Kaset 2.

" Upholding Operational Transparency "

Report on Responsibility of the Board of Directors on Financial Reports

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

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

With regard to this matter, the Board of Directors has appointed an Audit Committee which comprises Independent Directors as of 31 December 2019, three Audit Committee, Mr. Wanchai Tantikul, Mr. Preecha Boonyakida and Mr. Sompol Thiensuvan, by Mr. Preecha Boonyakida, whom have the knowledge and experiences in accounting and finance, to review the accounting policy and the quality of the financial report and the internal control system. The comments of the Audit Committee on this matter appear in the Audit Committee's report which is shown in Form 56-1 and in the Annual Report 2019.

The Board of Directors opines that the overall internal control system of the company is at the satisfactory level and able to reasonably build confidence on the reliability of the financial statements of the company and subsidiary companies as of 31 December 2019.



Mr. Wisit Laohapoonrungsee
Chairman and Chief Executive Officer

Independent Auditor's Report

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

Opinion

I have audited the consolidated financial statements of Areeya Property Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Areeya Property Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Areeya Property Public Company Limited and its subsidiaries as at December 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Areeya Property Public Company Limited as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

1. Value of real estate projects under development

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

According to the consolidated financial statements, the Group has real estate projects under development in the amount of Baht 11,834.38 million. Therefore, I considered this matter to be a significant area of focus in my audit.

Risk response

My audit approach on such matter includes inquiry, understanding and assessing the process of the net realisable value evaluation process of real estate projects under development of the management, testing internal control of cost estimates preparation and actual cost incurred to date and necessary project cost estimate of completion with related documentation, including verifying the calculation, observing real estate projects under development during the year end and considering the reasonableness of significant assumptions of the appraised value from an independent

valuer engaged by the Group, assessing net realisable value against the appraised value from an independent valuer by comparing the carrying amount of real estate projects under development, comparing real estate sale transactions before and after the financial statement date and assessing the adequacy of the information disclosure in accordance with Financial Reporting Standards.

2. Investment properties

The Group has investment properties in the consolidated financial statements in the amount of Baht 419.88 million in accordance with Note 12 in the notes to the financial statements and accounting policy No. 4.6 Investment properties are measured at cost on initial recognition and subsequently at fair value. The key item is lease space within the major shopping mall and management is required to apply judgement in the fair value estimation by engaging an independent valuer to assist in valuing the investment properties using the income approach to consider cash flow income and discounted to present value. Such approach requires various assumptions and needs management judgment such as income estimate, expense estimate, revenue growth, interest rate used in discounting cash flow and the estimation of the terminal value. The accuracy of the fair value measurement using such approach depends on the reasonableness of the assumptions used in the calculation. The evaluation of the correctness and appropriateness of assumptions is significant in the audit because it is a future matter which may involve some uncertainty. Therefore, it is a significant area in my audit.

Risk response

My audit approach on such matter includes inquiry, understanding and assessing the process of the net realisable value evaluation process of real estate projects under development of the management, testing internal control of cost estimates preparation and actual cost

incurred to date and necessary project cost estimate of completion with related documentation, including verifying the calculation, observing real estate projects under development during the year end and considering the reasonableness of significant assumptions of the appraised value from an independent valuer engaged by the Group, assessing net realisable value against the appraised value from an independent valuer by comparing the carrying amount of real estate projects under development, comparing real estate sale transactions before and after the financial statement date and assessing the adequacy of the information disclosure in accordance with Financial Reporting Standards.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be

communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Miss Wannisa Ngambuathong

Certified Public Accountant

Registration No. 6838

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 28, 2020

Areeya property public company limited and its subsidiaries

Statement of financial position

As at december 31, 2019

In Baht

Assets	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
CURRENT ASSETS					
Cash and cash equivalents	6	65,927,785	85,918,113	42,486,127	60,966,204
Current investment	7	85,210	84,138	85,210	84,138
Trade and other receivables	8	265,972,782	235,650,547	1,109,618,297	1,025,242,112
Real estate projects under development	9, 10	11,834,384,977	11,488,062,414	8,712,081,553	8,554,629,510
Deposits for land	41	277,200,000	280,900,000	277,200,000	280,900,000
Short-term loans to related parties	5	-	-	1,228,245,371	1,148,329,740
Other current assets		33,062,231	9,503,705	20,442,686	1,848,851
Total current assets		12,476,632,985	12,100,118,917	11,390,159,244	11,072,000,555
Non-current assets					
Deposits at banks used as collateral	10	300,018,273	194,843,762	294,008,517	188,667,144
Investments in subsidiaries	11	-	-	312,998,639	310,999,239
Investment properties	10, 12	419,880,283	451,650,283	375,610,283	412,040,283
Property, plant and equipment	13	411,897,361	341,761,637	370,194,042	308,362,496
Prepaid rental expenses	14	119,227,588	127,773,293	119,227,588	127,773,293
Leasehold rights	15	1,375,504,865	902,548,891	1,375,504,865	902,548,891
Intangible assets	16	13,964,581	18,675,308	11,810,941	16,405,989
Deferred tax assets	17	71,764,051	49,894,085	30,776,510	6,090,997
Rental deposit	5	60,000,000	60,000,000	60,000,000	60,000,000
Other non-current assets	18	30,432,021	50,038,655	22,824,369	39,892,291
Total non-current assets		2,802,689,023	2,197,185,914	2,972,955,754	2,372,780,623
Total assets		15,279,322,008	14,297,304,831	14,363,114,998	13,444,781,178

Areeya property public company limited and its subsidiaries

Statement of financial position (cont.)

As at december 31, 2019

In Baht

Liabilities and shareholder' equity	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	19.1	270,179,951	417,156,304	270,179,951	407,337,134
Trade and other payables	20	931,300,749	401,155,915	1,201,495,973	790,562,660
Current portion of long-term loans					
from financial institutions	19.3	1,058,556,523	1,564,230,801	765,993,174	1,224,236,761
Short-term loans from related parties	5	-	-	19,545,235	2,800,000
Current portion of long-term loans					
from other parties	19.2	-	111,493,133	-	111,493,133
Current portion of debentures	19.6	3,185,715,000	2,031,215,000	3,185,715,000	2,031,215,000
Current portion of financial lease liabilities	19.7	10,049,162	90,281,194	9,565,739	89,544,916
Construction retentions		172,069,902	165,879,240	141,790,874	138,409,156
Unrecognised income on installments due		1,032,550,315	627,210,674	1,028,705,412	624,376,654
Income tax payable		-	3,074,911	-	-
Other current liabilities	21	109,914,307	71,048,168	25,552,420	26,249,800
Total current liabilities		6,770,335,909	5,482,745,340	6,648,543,778	5,446,225,214

Areeya property public company limited and its subsidiaries

Statement of financial position (cont.)

As at december 31, 2019

In Baht

Liabilities and shareholder' equity	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Non-current liabilities					
Long-term loans from financial institutions	19.3	1,171,794,074	878,191,084	646,983,282	409,602,478
Long-term loans from other company	19.4	480,000,000	-	480,000,000	-
Long-term loans from related party	5	-	-	9,700,000	9,700,000
Debentures	19.6	3,128,980,004	4,336,922,298	3,128,980,004	4,336,922,298
Financial lease liabilities	19.7	12,896,798	23,188,348	10,407,803	20,215,931
Utilities guarantees		680,215	1,053,342	680,215	1,053,342
Employee benefit obligations	22	103,946,336	56,768,722	47,065,461	24,002,022
Long-term lease agreement obligation	23	112,923,359	87,355,806	112,923,359	87,355,806
Other non-current liabilities	24	94,597,476	99,020,549	65,585,058	69,424,745
Total non-current liabilities		5,105,818,262	5,482,500,149	4,502,325,182	4,958,276,622
Total liabilities		11,876,154,171	10,965,245,489	11,150,868,960	10,404,501,836
Shareholders' equity	25				
Authorised share capital		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Issued and paid-up share capital		980,000,000	980,000,000	980,000,000	980,000,000
Premium on ordinary shares	26	669,209,894	669,209,894	669,209,894	669,209,894
Subordinated perpetual					
Debentures	27	300,000,000	-	300,000,000	-
Retained earnings					
Appropriated					
Legal reserve	28	88,293,600	88,293,600	88,293,600	88,293,600
Unappropriated		1,306,547,661	1,594,555,848	1,115,625,862	1,302,775,848
Other components of shareholders'equity	13	59,116,682	-	59,116,682	-
Total shareholders' equity		3,403,167,837	3,332,059,342	3,212,246,038	3,040,279,342
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		15,279,322,008	14,297,304,831	14,363,114,998	13,444,781,178

Areeya property public company limited and its subsidiaries

Statement of comprehensive income

As at december 31, 2019

In Baht

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
Income					
Revenue from sale of real estate	5	2,868,503,092	3,929,369,508	1,883,298,182	3,201,037,079
Interest income	5	4,929,160	2,712,532	86,015,850	75,280,766
Other income	5, 31	115,133,973	100,117,953	120,821,292	136,005,212
Total income		2,988,566,225	4,032,199,993	2,090,135,324	3,412,323,057
Expenses					
Cost of sale of real estate		2,049,026,292	2,649,890,764	1,323,078,308	2,134,600,360
Selling expenses	32	262,647,932	384,750,476	197,964,218	315,306,288
Special business tax and transferred fee		113,273,078	150,097,516	74,477,920	122,351,444
Administrative expenses	5, 33	542,272,562	551,995,903	389,243,149	418,455,413
Unrealised losses on fair value of investment properties	12	31,770,000	2,340,000	36,430,000	4,350,000
Finance costs	5, 36	301,576,714	226,898,826	289,461,900	223,424,616
Total expenses		3,300,566,578	3,965,973,485	2,310,655,495	3,218,488,121
Profit (loss) before income tax expense		(312,000,353)	66,226,508	(220,520,171)	193,834,936
Income tax (revenue) expense	37	(31,394,908)	35,441,196	(38,383,866)	45,543,285
Profit (loss) for the year		(280,605,445)	30,785,312	(182,136,305)	148,291,651
Other comprehensive income :					
Items that will not be reclassified to profit or loss					
Gain on land revaluation – net of income tax	13	59,116,682	-	59,116,682	-
Actuarial losses – net of income tax	22	(6,712,331)	-	(4,323,270)	-
Other comprehensive income (loss) for the year		52,404,351	-	54,793,412	-
Total comprehensive income (loss) for the year		(228,201,094)	30,785,312	(127,342,893)	148,291,651

Areeya property public company limited and its subsidiaries

Statement of comprehensive income (cont.)

For the year ended december 31, 2019

In Baht

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
Profit (loss) attributable to					
Shareholders' equity of the parent company		(280,605,445)	30,785,312	(182,136,305)	148,291,651
Non-controlling interests		-	-	-	-
		(280,605,445)	30,785,312	(182,136,305)	148,291,651
Total comprehensive income (loss) attributable to					
Shareholders' equity of the parent company		(228,201,094)	30,785,312	(127,342,893)	148,291,651
Non-controlling interests		-	-	-	-
		(228,201,094)	30,785,312	(127,342,893)	148,291,651
Basic earning (loss) per share					
Basic earnings per share of the parent company	38	(0.29)	0.03	(0.19)	0.15

Areeya property public company limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended december 31, 2019

In Baht

	Note	Consolidated financial statements						
		Issued and Paid-up Share Capital	Premium on Ordinary Shares	Subordinated perpetual debentures	Retained Earnings		Other Components of shareholders' equity Surplus from asset revaluation-land net of income tax	Total Shareholders' Equity'
					Legal Reserve	Unappropriated		
Balance as at January 1, 2018		980,000,000	669,209,894	-	80,873,600	1,610,388,136	-	3,340,471,630
Dividend	29	-	-	-	-	(39,197,600)	-	(39,197,600)
Comprehensive income for the year								
Profit (loss) for the year		-	-	-	-	30,785,312	-	30,785,312
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	30,785,312	-	30,785,312
Transfer to legal reserve		-	-	-	7,420,000	(7,420,000)	-	-
Balance as at December 31, 2018		980,000,000	669,209,894	-	88,293,600	1,594,555,848	-	3,332,059,342
Issuance of subordinated perpetual debentures	27	-	-	300,000,000	-	-	-	300,000,000
Comprehensive income for the year								
Profit (loss) for the year		-	-	-	-	(280,605,445)	-	(280,605,445)
Other comprehensive income (loss) for the year		-	-	-	-	(6,712,331)	59,116,682	52,404,351
Total comprehensive income for the year		-	-	-	-	(287,317,776)	59,116,682	(228,201,094)
Interest payment on subordinated perpetua ldebentures	27	-	-	-	-	(690,411)	-	(690,411)
Balance as at December 31, 2019		980,000,000	669,209,894	300,000,000	88,293,600	1,306,547,661	59,116,682	3,403,167,837

Areeya property public company limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended december 31, 2019

		Separate Financial Statements							In Baht
	Note	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Subordinated perpetual debentures	Retained Earnings		Other Components of shareholders' equity Surplus from asset revaluation-land net of income tax	Total Shareholders' Equity'	
					Legal Reserve	Unappropriated			
Balance as at January 1, 2018		980,000,000	669,209,894	-	80,873,600	1,201,101,797	-	2,931,185,291	
Dividend	29	-	-	-	-	(39,197,600)	-	(39,197,600)	
Comprehensive income for the year									
Profit (loss) for the year		-	-	-	-	148,291,651	-	148,291,651	
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-	
Total comprehensive income for the year		-	-	-	-	148,291,651	-	148,291,651	
Transfer to legal reserve		-	-	-	7,420,000	(7,420,000)	-	-	
Balance as at December 31, 2018		980,000,000	669,209,894	-	88,293,600	1,302,775,848	-	3,040,279,342	
Issuance of subordinated perpetual debentures	27	-	-	300,000,000	-	-	-	300,000,000	
Comprehensive income for the year									
Profit (loss) for the year		-	-	-	-	(182,136,305)	-	(182,136,305)	
Other comprehensive income (loss) for the year		-	-	-	-	(4,323,270)	59,116,682	54,793,412	
Total comprehensive income for the year		-	-	-	-	(186,459,575)	59,116,682	(127,342,893)	
Interest payment on subordinated perpetual debentures	27	-	-	-	-	(690,411)	-	(690,411)	
Balance as at December 31, 2019		980,000,000	669,209,894	300,000,000	88,293,600	1,115,625,862	59,116,682	3,212,246,038	

Areeya property public company limited and its subsidiaries

Statement of cash flows

For the year ended december 31, 2019

In Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) for the year	(280,605,445)	30,785,312	(182,136,305)	148,291,651
Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) from operating activities				
Unrealised gain on current investment	(1,072)	(640)	(1,072)	(640)
Doubtful debt (Reverse)	29,137,765	(97,842)	29,121,509	100,475
Bad debt	2,610	-	2,610	-
Allowance for decline in value of real estate projects under development (Reverse)	(395,958)	(12,505,049)	(395,958)	(5,986,633)
Unrealised losses on fair valun of investment properties	31,770,000	2,340,000	36,430,000	4,350,000
Depreceiation and amortization	49,364,998	66,014,010	42,947,141	61,870,154
Loss (gain) on disposal of equipment	(5,347,661)	(827,099)	(1,992,525)	(593,455)
Loss of written off assets	-	5,004,673	-	5,004,673
Loss of written off intangible asset	694,986	-	694,986	-
Amortisation of premium on debentures	20,572,706	8,916,229	20,572,706	8,916,229
Homecare warranty and housing estate juristic person expenses	8,274,972	6,804,149	4,997,977	5,231,962
Estimated loss from house construction	1,837,019	-	-	-
Employee benefit obligations	38,787,199	6,222,845	17,659,352	2,921,398
Gain from written off construction retentions	(13,058,773)	(8,215,293)	(9,530,035)	-
Finance cost	301,576,714	226,898,826	289,461,900	223,424,616
Income tax expense (revenue)	(31,394,908)	35,441,196	(38,383,866)	45,543,285
Interest income	(4,929,160)	(2,712,532)	(86,015,850)	(75,280,765)

Areeya property public company limited and its subsidiaries

Statement of cash flows (cont.)

For the year ended december 31, 2019

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Profit (loss) from operations before changes in operating assets and liabilities	146,285,992	364,068,785	t 123,432,570	423,792,950
Decrease (increase) in operating assets and liabilities				
Trade and other receivables	(59,462,610)	(55,895,386)	(32,153,233)	(306,702,712)
Real estate projects under development	(79,614,558)	(438,236,070)	71,625,235	294,767,115
Deposits for land	3,700,000	10,699,980	3,700,000	10,699,980
Other current assets	(1,586,890)	(3,516,770)	-	-
Other non-current assets	19,606,634	5,526,141	17,067,922	7,590,693
Trade and other payables	471,309,191	90,883,695	351,654,824	94,973,104
Construction retentions	19,249,435	(3,816,013)	12,911,753	(8,383,394)
Unrecognised income on installments due	329,319,101	397,647,419	328,308,218	395,150,400
Other current liabilities	33,342,709	4,838,427	(3,302,291)	1,286,285
Utilities guarantee	(373,127)	(1,431,438)	(373,127)	(1,431,438)
Other non-current liabilities	(9,702,045)	(33,615,229)	(6,923,164)	(31,567,024)
Cash from operating activities	872,073,832	337,153,541	865,948,707	880,175,959
Income tax paid	(28,622,691)	(64,534,971)	(18,593,835)	(54,120,502)
Net cash provided by (used in) operating activities	843,451,141	272,618,570	847,354,872	826,055,457

Areeya property public company limited and its subsidiaries

Statement of cash flows (cont.)

For the year ended december 31, 2019

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Interest received	4,929,160	2,712,532	4,668,779	2,428,967
(Increase) decrease in deposits at banks used as collateral	(105,174,511)	34,185,304	(105,341,373)	40,361,922
(Increase) in short - term loans from related parties	-	-	(488,060,010)	(523,766,972)
Decrease in short - term loans from related parties	-	-	408,144,379	679,240,895
Investment in subsidiary	-	-	(1,999,400)	(9,000,000)
Purchase of equipment	(12,518,902)	(29,740,080)	(4,739,720)	(6,826,575)
Received from disposal of equipment	6,718,561	827,103	3,363,421	593,458
Purchase of intangible assets	(395,112)	(2,785,371)	(395,112)	(916,188)
Leasehold rights	(407,916,744)	(124,471,513)	(407,916,744)	(124,471,513)
Net cash provided by (used in) investing activities	(514,357,548)	(119,272,025)	(592,275,780)	57,643,994
Cash flows from financing activities				
Finance costs paid	(605,347,684)	(553,871,073)	(548,332,119)	(513,951,557)
Dividend paid	-	(39,197,600)	-	(39,197,600)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(146,976,353)	70,139,763	(137,157,183)	60,320,593
Increase in short-term loans from related parties	-	-	16,745,235	208,807,217
(Decrease) in short - term loans form related parties	-	-	-	(288,245,647)
Proceed from long-term loans from financial institutions	1,291,443,762	3,040,741,130	803,438,682	2,112,927,057
Repayment of long-term loans from financial institutions	(1,503,515,050)	(2,241,518,749)	(1,024,301,465)	(1,943,736,016)
Procesds from long - term loans from other company	480,000,000	-	480,000,000	-
Proceeds from debentures	2,000,000,000	416,600,000	2,000,000,000	416,600,000
Repayment of debentures	(2,031,215,000)	(1,031,215,000)	(2,031,215,000)	(1,031,215,000)
Transaction cost from issue of debenture	(42,800,000)	(2,228,810)	(42,800,000)	(2,228,810)

Areeya property public company limited and its subsidiaries

Statement of cash flows (cont.)

For the year ended december 31, 2019

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Repayment of finance lease liabilities	(90,673,596)	(18,595,427)	(89,937,319)	(17,478,571)
Proceeds from issuance of subordinated perpetual debentures	300,000,000	-	300,000,000	-
Net cash provided by (used in) financing activities	(349,083,921)	(359,145,766)	(273,559,169)	(1,037,398,334)
Net increase (decrease) in cash and cash equivalents	(19,990,328)	(205,799,221)	(18,480,077)	(153,698,883)
Cash and cash equivalents as at December 1,	85,918,113	291,717,334	60,966,204	214,665,087
Cash and cash equivalents as at December 31,	65,927,785	85,918,113	42,486,127	60,966,204

Non-cash transactions

A part of real estate under development cost under finance lease	-	75,627,600	-	75,627,600
Acquisition of equipment under finance leases	150,014	15,833,185	150,014	12,280,585
Account payable for purchase intangible assets	392,998	-	-	-
Transfer property, plant and equipment to cost of real estate				
project plant development	5,118,170	-	5,118,170	-
Transfer cost of real estate project under development to property, under and equipment	45,903,663	93,403,668	34,104,148	93,403,668
Depreciation expense which include real estate project under development	19,828,195	19,173,605	14,462,860	16,253,948
Borrowing costs which is included as a part of real estate under development cost	277,265,222	276,231,927	240,246,146	252,152,290
Expenses under contracts which is included as a part of leasehold rights	25,567,553	20,733,445	25,567,553	20,733,445
Borrowing costs which is included as a part of construction in process of leasehold rights	39,471,677	23,059,131	39,471,677	23,059,131
Transfer long-term loans from other parties to trade and other payables	35,472,593	-	35,472,593	-
Transfer long-term loans from other parties to unrecognised income on installments due	76,020,540	-	76,020,540	-

Areeya property public company limited and its subsidiaries

Notes to financial statements

For the year ended december 31, 2019

1. The operations and other information of the company

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

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

The Company’s major shareholders during the financial period were Laohapoonrungsee (46.22%) and Porncharoenchaisilp (19.58%) family shareholdings.

The principal business of the Company is the development of real estate projects.

Details of the subsidiaries as at December 31, 2019 and 2018 are given in notes 5 and 11.

2. Basis for preparation of the consolidated financial statements

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

Percentage of shareholdings				
Name	Business type	Country of registration	As at December 31, 2019	As at December 31, 2018
Subsidiaries				
Areeya Service Co., Ltd.	After sales services for property	Thailand	99.99	99.99
One Up Co., Ltd.	Construction service	Thailand	99.99	99.99
Areeya Management Co., Ltd.	Development of real estate projects and property management	Thailand	99.99	99.99
Cool Space Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
White Living Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
Chill Space Co., Ltd.	Development of real estate projects	Thailand	99.99	99.99
Areeya Hospitality Co., Ltd.	Restaurant	Thailand	99.99	99.99
Soontareeya Residence Co., Ltd.	Development of real estate projects	Thailand	99.97	-
Soontareeya Leisure Co., Ltd.	Hotel	Thailand	99.97	-

2.2 Basis of consolidation asis 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.

Areeya property public company limited and its subsidiaries

Notes to financial statements (cont.)

For the year ended december 31, 2019

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

	Percentage of total assets included in consolidated the statements of financial position as at December 31,		Percentage of total revenues included in consolidated the statements of comprehensive income for the year ended December 31,	
	2019	2018	2019	2018
Subsidiaries				
Areeya Service Co., Ltd.	0.34	0.11	0.10	0.05
One Up Co., Ltd.	2.91	3.14	0.06	0.21
Areeya Management Co., Ltd.	6.50	9.46	18.11	9.39
Cool Space Co., Ltd.	6.97	5.67	4.82	0.30
White Living Co., Ltd.	6.90	5.88	14.09	9.43
Chill Space Co., Ltd.	3.34	3.73	2.35	1.38
Areeya Hospitality Co., Ltd.	0.14	0.16	(0.03)	(0.05)
Soontareeya Residence Co., Ltd.	-	-	-	-
Soontareeya Leisure Co., Ltd.	-	-	-	-

2.4 Outstanding balances between the Group, significant intercompany transactions, investment balance in the Company's books and share capital of the subsidiaries are eliminated from the consolidated financial statements.

2.5 Subsidiaries are fully consolidated in the consolidated financial statement as from the date of acquisition, being the date on which the Company obtains control in the subsidiary until the end of such control.

2.6 The accounting policies of the subsidiaries for similar accounting transactions are the same as the Company.

2.7 Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the shareholders' equity of the parent company.

3. Basis for the preparation of financial statements

3.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543. The financial statement have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies. The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

3.2 Financial reporting standards that became effective in the current year

During the year, the Group have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Group financial statements. (Except for the adoption of TFRS 15 "Revenue from Contracts with Customers")

This standard has no effect on profit or loss of the group, it only has effect on the classification in the comprehensive statement of income for the year ended December 31, 2018 as follows

2018 (Thousand Baht)

Comprehensive income	Consolidated financial statements			Separate financial statements		
	Former financial reporting standards	Increase (Decrease)	Financial reporting standards No.15	Former financial reporting standards	Increase (Decrease)	Financial reporting standards No.15
Profit (loss) for the year						
Revenue from sale	3,936,048	(6,678)	3,929,370	3,205,663	(4,626)	3,201,037
Cost of sale of real estate	2,474,783	175,108	2,649,891	1,988,901	145,699	2,134,600
Selling expense	566,536	(181,786)	384,750	465,631	(150,325)	315,306
	6,977,367	(13,356)	6,964,011	5,660,195	(9,252)	5,650,943

3.3 The financial reporting standards are effective in the current year

During the year, the Federation of Accounting Professions issued a number of the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

3.4 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 4.14
Land under property, plant and equipment	Fair value

3.5 Functional and presentation currency

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

3.6 Use of judgements and estimates

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

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

Assumptions and estimation uncertainties

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

Note 9	Measurement of real estate projects under development: net realisable value;
Note 13	Measurement of property plant and equipment net realisable value
Note 17	Recognition of deferred tax assets: future taxable profit against which tax losses carried forward can be used;
Note 22	Measurement of defined benefit obligations: key actuarial assumptions;

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 13	Property, plant and equipment
Note 39	Financial instruments.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Except for change in accounting policies as follow.

Changing in accounting policy of Land revaluation

The Group has changed the land measurement from cost method to revaluation method since November 11, 2019 for effect the fair value of land. The Company revalued land with fair value and recognised surplus from revaluation. Differences arising from the land revaluation are recorded in other comprehensive income and the cumulative increase is recognised in shareholders' equity under the heading of "Revaluation surplus".

4.1 Cash and cash equivalents

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

4.2 Trade and other accounts receivable

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

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

4.3 Inventories

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

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

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

4.4 Real estate development projects

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

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

4.5 Investments in subsidiaries

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

4.6 Investment properties

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

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

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

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

4.7 Property, plant and equipment

Recognition and measurement

Land is stated at the revalued amount which is based on the price estimation of an independent appraiser. Land is initially recorded at cost on the acquisition date, and the Company has subsequently revalued by an independent appraiser and recorded such assets at the revalued amount. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period.

Differences arising from the land revaluation are recorded in other comprehensive income and the cumulative increase is recognised in shareholders' equity under the heading of "Revaluation surplus".

Owned assets

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

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

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

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

Leased assets

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

Subsequent costs

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

Depreciation

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

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

The estimated useful lives are as follows:

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

No depreciation is provided on land or assets under construction for the group.

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

4.8 Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

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

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

4.9 Impairment

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

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

4.10 Prepaid rental expense

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

4.11 Leasehold rights

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

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

4.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

4.13 Trade and other payables

Trade and other accounts payable are stated at cost.

4.14 Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Other long-term employee benefits (Defined benefit plan)

The Group has obligations in respect of the severance payments that pay to the employees work for a long time. The obligation under of other long-term employment benefits is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method, in order to determine present value of the obligation at the end of the reporting period. Actuarial gains and losses are immediately recognized in the statement of income.

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

Short-term employee benefits

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

4.15 Provision for after-sale maintenance expense

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

4.16 Provisions

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

4.17 Subordinated debenture similar nature with equity

Subordinated debenture similar nature with equity, the debenture issuer will repay the principal only once when closing down company or when the debenture issuer exercises the right to redeem the debentures. The debenture issuer extends the interest payment along with accumulating interest paid to make payment on any day to the debenture holder without time restriction and number of times based solely on the judgment of the debenture issuer. Subordinated debenture has no guarantee, not convertible, has no debenture holder representative and the interest payment depends on judgment of the company. Therefore, the interest payment is regarded as dividend payment and is recognized directly in shareholder's equity. When an interest payment obligation arises, interest payment is recognized in the statement of cash flow in similar nature with the payment of dividend to the common shareholders.

4.18 Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

4.19 Revenue

Revenue from sale of real estate

Revenue from sale of real estate is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of land and houses or residential condominium units. Revenue is measured at the amount of the consideration received or receivable of goods supplied after deducting discounts to customers.

The installment payment collected before transferring the significant risks and rewards of ownership to the buyer is recorded as unrealized income.

Consideration paid to customers

The Group have paid expenses on behalf of customer such as transferring expenses, electricity meter, water bills, and centralised fee to the juristic of real estate project. Under TAS 18, the Group recognised the payment as distribution costs. Under TFRS 15, it is required for the Group to consider whether the Group receive distinct goods or services from the customer. If so, the Group recognise such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue.

Construction income

Revenue from construction contract is recognised as income on the basis of percentage of completion which is estimated by the proportion that contract costs incurred up to date bear to the estimated total costs.

Provision for anticipated loss from construction contracts will be made in the accounts as soon as the possibility of such loss is ascertained.

Cost to obtain a contract

The Group has determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition under the agreement.

Cost of sale of real estate

Cost of sales of real estate are based on the estimated cost of real estate project. However, cost of sales will be adjusted to be close to the actual cost in the event that the factors of the actual cost are significantly changed. In determining the cost of land, land and houses and cost of condominiums, the total development costs are attributed to units sold on the basis of the salable area.

Cost of construction

Cost of construction comprises the costs of materials, labour, subcontractors' charges, other services and overheads, which are recognised on the percentage of completion method.

Cost of construction represents cost on construction projects of a subsidiary providing to the Group, which has been eliminated from the consolidated financial statements.

Rental income and service

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 on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Sales of foods

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

The Group has recognized other revenues on accrual basis.

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

4.20 Finance costs

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

4.21 Operation lease

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

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

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

4.22 Income tax

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

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

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

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

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

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

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

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

4.23 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 Group by the weighted average number of ordinary shares outstanding during the year.

4.24 Segment reporting

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

5. Related party transactions

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

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

Relationships with related parties were as follows:

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

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

Transactions	Pricing policies
Revenue from sale of real estate	Market price
Interest income	5.45% - 6.75% per annum
Purchase the land	At cost
Management income / Management fee	Agreed price
Finance costs	5.45% - 6.75% per annum
Land rental	Contractually agreed rates

Significant transactions for the years ended December 31, 2019 and 2018 with related parties were as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2019	2018	2019	2018
Subsidiaries:				
Interest income	-	-	81,347	72,852
Management income	-	-	40,631	72,035
Purchase the land (under real estate project in development)			101,716	-
Management fee	-	-	17,950	44,320
Finance costs	-	-	443	2,944
Related parties :				
Land rental	1,100	1,100	1,100	1,100
Key management personnel compensation:				
Short-term benefits	69,297	79,536	35,731	40,391
Post-employment benefits	3,175	1,742	1,423	723
Total	72,472	81,278	37,154	41,114

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

The significant outstanding balances with related parties as at December 31, 2019 and 2018 are as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Trade and other receivables - related parties				
Subsidiaries	-	-	567,299	590,459
Key management	37	37	37	37
	37	37	567,336	590,496
Interest receivable - related parties (included in trade and other receivables)				
Subsidiaries	-	-	306,276	224,929
Borrowing costs - related parties (included in real estate projects under development)				
Subsidiaries	-	-	852	462
Rental deposit				
Key management	60,000	60,000	60,000	60,000
Trade and other payables - related parties				
Subsidiaries			386,794	436,796
Accrued interest expense - related parties (included in trade and other payables)				
Subsidiaries			26,043	25,210
Unrecognised income on installments due				
Subsidiaries	70	-	70	-
Key management	8,303	5,093	8,303	5,093
	8,373	5,093	8,373	5,093
Construction retentions - related party				
Subsidiaries	-	-	5,012	5,012

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Short-term loans to related parties				
Subsidiaries				
Chill Space Co., Ltd.	-	-	355,672	300,543
One Up Co., Ltd.	-	-	194,421	193,000
White Living Co., Ltd.	-	-	160,440	69,718
Areeya Management Co., Ltd.	-	-	137,529	326,222
Cool Space Co., Ltd	-	-	359,165	242,847
Areeya Hospitality Co.,Ltd	-	-	21,018	16,000
Total			1,228,245	1,148,330

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

Movements during for the years ended December 31, 2019 and 2018 of short-term loans to related parties were as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Short-term loans to related parties				
Subsidiaries				
Beginning balance	-	-	1,148,330	1,303,804
Increase	-	-	488,060	523,767
Decrease	-	-	(408,145)	(679,241)
Ending balance	-	-	1,228,245	1,148,330

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Short-term loans from related parties				
Subsidiaries				
Areeya Service Co.,Ltd.			19,545	2,800

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

Movements during for the years ended December 31, 2019 and 2018 of short-term loans from related parties were as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Short-term loans from related parties				
Subsidiaries				
Beginning balance	-	-	2,800	82,238
Increase	-	-	16,745	208,807
Decrease	-	-	-	(288,245)
Ending balance	-	-	19,545	2,800

In Thousand Baht

	Interest rate (% per annum)		Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Long-term loans from related party						
Subsidiary						
Areeya Service Co.,Ltd.	4.75	4.75	-	-	9,700	9,700

Long-term loans from related party are due at call. However, the subsidiary will not recall loan within 12 months since December 31, 2019.

Due to the requirements of the Land Development Act B.E. 2543, during 2003 to 2012 the Company transferred the title on certain parcels of land used for entrance ways, road and utilities with a cumulative value at December 31, 2019 of Baht 57.4 million (December 31, 2018 : Baht 57.4 million) to a director and its subsidiaries for nil consideration so that the director and its subsidiaries could hold the title of the land on behalf of the Company as a representative for the purposes of entering into any contract in relation to the land. As specified in the agreement, the director and its subsidiaries may not perform any activities on the land. In addition, the director and its subsidiaries have registered the land subject to servitudes and restrictions to the projects of the Company for construction of utilities for the projects without any compensation and with no time limit.

In 2009, a subsidiary also transferred the title of certain parcels of land used as site entrance roads of development projects with a cumulative value at December 31, 2019 of Baht 0.4 million (December 31, 2018 : Baht 0.4 million) to a subsidiary, without any compensation for the subsidiary to hold title to such land on behalf of the subsidiary as a representative for the purposes of entering into any contract in relation to the land. In addition, the subsidiary has registered the land subject to servitudes and restrictions to the projects of the subsidiary for construction of the utilities of the projects without any compensation and with no time limit.

Contracts with related parties

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

As at December 31, 2019, the Company had commitment up to the end of lease agreement amounting to Baht 4.96 million (December 31, 2018 : Baht 6.06 million). The Company paid rental deposit to the lessor amounting to Baht 60 million to guarantee that the leased asset would not be foreclosed by the financial institution since the lessor agreed to mortgage the leased asset under a credit facility agreement with the financial institution to finance the construction of the office building. The said deposit will be repaid to lessee at the end of the lease on December 31, 2023. Upon the expiration of the lease term of this agreement or expired lease to be extended, no matter how many times to renew or the lease agreement was terminated by the fault of the lessee, the lessee has to manage the leased asset condition as before the rental and demolish all the building on leased asset. If the expiration of the lease period. However, management have considered that the Company does not demolish, the Company agrees to obtain the right in building to the lessor's part of land and leased asset without any charge. If lessor does not require the building, the lessee is responsible for any charge such as demolition of building as specified in the memorandum. The Company recognised the construction in prepaid rental expense.

Other

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

6. Cash and cash equivalents

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Cash on hand	1,283	1,057	1,128	927
Cash at banks - current accounts	4,855	732	1,581	510
Cash at banks - saving accounts	59,609	67,290	39,690	46,191
Highly liquid short-term investments	2	392	2	392
Cheque in transit	179	16,447	85	12,946
Total	65,928	85,918	42,486	60,966

Cash and cash equivalents of the Group as at December 31, 2019 and 2018 were denominated entirely in Thai Baht.

7. Current investments

In Thousand Baht

	Consolidated Financial Statements / Separate Financial Statements			
	As at December 31, 2019		As at December 31, 2018	
	Cost	Fair value	Cost	Fair value
Unit trusts	80	85	80	84

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

Short-term investment of the Group as at December 31, 2019 and 2018 were denominated entirely in Thai Baht.

8. Trade and other receivables

In Thousand Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Trade accounts receivable					
Related parties	5	-	-	-	-
Other parties		13,032	10,247	10,605	9,472
Total		13,032	10,247	10,605	9,472
<u>Less</u> allowance for doubtful accounts		(5,577)	(5,515)	(5,412)	(5,397)
Net		7,455	4,732	5,193	4,075
Other receivables					
Related parties	5	37	37	873,612	815,425
Short-term other receivables		48,300	44,628	43,693	39,591
Advance payment for goods		37,905	7,735	37,886	6,968
Advance payment to contractors		19,465	41,528	19,465	41,528
Cost to obtain contract		122,299	90,280	117,785	86,549
Other prepaid expenses		19,932	17,948	18,482	14,543
Other		46,515	35,622	28,687	22,641
Total		294,453	237,778	1,139,610	1,027,245
<u>Less</u> allowance for doubtful short-term accounts receivable		(35,936)	(6,860)	(35,185)	(6,078)
Net		258,517	230,918	1,104,425	1,021,167
Total trade and other receivables - net		265,972	235,650	1,109,618	1,025,242

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

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Allowance for doubtful debts - beginning	(12,375)	(12,473)	(11,475)	(11,373)
Add Additional allowances	(29,174)	(347)	(29,127)	(224)
<u>Less</u> Reversing of allowances	33	445	2	122
Bad debts	3	-	3	-
Allowance for doubtful debts - ending	(41,513)	(12,375)	(40,597)	(11,475)

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Increase doubtful debts	29,174	347	29,127	224
Doubtful debts (Reversal)	(36)	(445)	(5)	(122)

Aging analyses for trade accounts receivable were as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Trade accounts receivable				
Related party				
Overdue:				
Over 12 months	-	-	-	-
	-	-	-	-
Other parties				
Within credit term	1,973	596	314	369
Overdue:				
Less than 3 months	1,767	802	1,449	665
3 - 6 months	982	643	881	618
6 - 12 months	226	134	171	76
Over 12 months	8,084	8,072	7,790	7,744
	13,032	10,247	10,605	9,472
Less allowance for doubtful accounts	(5,577)	(5,515)	(5,412)	(5,397)
Trade accounts receivable - net	7,455	4,732	5,193	4,075
Other receivables - net	258,517	230,918	1,104,425	1,021,167
Total trade and other receivables - net	265,972	235,650	1,109,618	1,025,242

The receivables, overdue over 12 months, had the retention and deposit. The Company did not record the allowance for doubtful accounts. The normal credit term granted by the Group ranges 30 days.

9. Real estate projects under development

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Cost of projects under development	35,512,277	30,143,968	27,722,960	23,906,169
Land held for development	3,000,970	5,321,916	2,248,791	3,925,407
Sample houses	246,768	259,704	200,125	222,352
House and condominium for sale	2,694,769	3,444,692	2,003,200	2,699,268
Construction materials	3,107	3,023	3,035	3,014
Total	41,457,891	39,173,303	32,178,111	30,756,210
<u>Less</u> Portion transferred to cost of sales	(29,587,811)	(27,683,253)	(23,430,554)	(22,199,814)
Portion transferred to property, plant and equipment	(34,104)	-	(34,104)	-
	11,835,976	11,490,050	8,713,453	8,556,396
<u>Less</u> Allowance for decline in value of house and condominium for sale	(1,592)	(1,988)	(1,371)	(1,767)
Net	11,834,384	11,488,062	8,712,082	8,554,629

In year 2019, the Group and the Company had decreased in the allowance for decline in value of real estate projects by Baht 0.40 million due to the sale during the year.

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Finance costs capitalised during the year	277,265	276,232	240,246	252,152
Rates of interest capitalized (% per annum)	4.75 - 10.00	1.00 - 6.25	4.75 - 10.00	1.00 - 6.25
Real estate projects under development recognised as an expense in 'cost of sales of real estate project':				
- Cost of sale	1,913,443	2,487,288	1,233,738	1,994,888
- Net realizable value adjustment	(396)	(12,505)	(396)	(5,987)
Total	1,913,047	2,474,783	1,233,342	1,988,901

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

10. Assets used as collateral

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Saving accounts	139,249	35,474	133,239	29,297
Fix deposit 12 months	160,769	159,370	160,770	159,370
	300,018	194,844	294,009	188,667
Real estate projects under development	10,644,156	8,016,857	8,028,806	6,337,603
Investment properties	342,320	378,750	342,320	378,750
	10,986,476	8,395,607	8,371,126	6,716,353

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

The Group had guaranteed the saving deposits and fixed deposits for the letter of guarantee from bank. And as at December 31, 2019, the Group had the bank deposits with restrictions on use amounted Baht 294.01 million that was in accordance with the terms and conditions regarding the rights and duties of debenture issuers and debenture holders. The Group, as the guaranteed debenture issuer, had mortgaged the land and buildings and some parts of the Company's empty land as the guarantee agreement for the issuance of debenture. It was under the condition that the Group can redeem or release the mortgage of such land and buildings and the empty land. If the value of the property that was insured under the guarantee agreement was lower than specified, the debenture issuer had to change the guarantee or seek for replacement assets to guarantee the repayment of additional debentures within the specified period in order to maintain the guarantee value under the rights of debenture holders.

11. Investments in subsidiaries

Investments in subsidiaries as at December 31, 2019 and 2018, and dividend income from those investments for the years ended December 31, 2019 and 2018, were as follows:

Separate Financial Statements															
Ownership interest (%)			Paid-up capital		Cost method		Impairment		At cost-net		Dividend income				
Direct subsidiaries	Type of business	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	For the years ended December 31, 2019	2018		
		Areeya Service Co., Ltd.	After sales services for property	99.99	99.99	10,000	10,000	10,000	10,000	-	-	10,000	10,000	-	-
		One Up Co., Ltd.	Construction service	99.99	99.99	100,000	100,000	100,000	100,000	-	-	100,000	100,000	-	-
		Areeya Management Co., Ltd.	Development of real estate projects and property management	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-
		Cool Space Co., Ltd.	Development of real estate projects	99.99	99.99	60,000	60,000	60,000	60,000	-	-	60,000	60,000	-	-
White Living Co., Ltd.	Development of real estate projects	99.99	99.99	65,000	65,000	65,000	65,000	-	-	65,000	65,000	-	-		
Chill Space Co., Ltd.	Development of real estate projects	99.99	99.99	1,000	1,000	1,000	1,000	-	-	1,000	1,000	-	-		
Areeya Hospitality Co., Ltd.	Restaurant	99.99	99.99	10,000	10,000	10,000	10,000	-	-	10,000	10,000	-	-		
Soontareeya Residence Co., Ltd	Development of real estate projects	99.97	-	1,000	-	1,000	-	-	-	1,000	-	-	-		
Soontareeya Leisure Co., Ltd.	Hotel	99.97	-	1,000	-	1,000	-	-	-	1,000	-	-	-		
Total				313,000	311,000	313,000	311,000	-	-	313,000	311,000	-	-		

There was no dividend declared by subsidiaries during the years 2019 and 2018.

On May 17, 2019, Areeya property Public Company Limited has established a new subsidiary named Soontareeya Residence Company Limited to engage in real estate development business and Soontareeya Leisure Company Limited to engage in hotel business. The Company holds 99.97% of the shares. The registered ordinary shares consisted of 10,000 shares at the par value of Baht 100, totalling registered share capital of Baht 1 million.

12. Investment properties

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Beginning balance	451,650	454,183	412,040	416,583
Additions	-	-	-	-
Transfer	-	(193)	-	(193)
<u>Less</u> Unrealised loss from a fair value adjustment	(31,770)	(2,340)	(36,430)	(4,350)
Ending balance	419,880	451,650	375,610	412,040

Investment properties were revalued as at December 31, 2019 and 2018 by a firm of independent valuers, using the income approach.

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

As at December 31, 2019 and 2018, the Group mortgaged certain investment properties as collateral to secure the loan and credit facilities granted by the financial institutions.

Measurement of fair valueFair value hierarchy

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

The fair value measurement for investment properties of the Group and the Company as at December 31, 2019 amount of Baht 386.59 million and Baht 342.32 million, respectively, and as at December 31, 2018 amount of Baht 418.36 million and Baht 378.75 million, respectively, have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Fair value method Level 3

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

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019 (For the year)	2018 (For the year)	2019 (For the year)	2018 (For the year)
Balance at January 1,	418,360	420,700	378,750	383,100
Unrealised change in fair value	(31,770)	(2,340)	(36,430)	(4,350)
Balance at December 31,	386,590	418,360	342,320	378,750

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.	• Expected market rental growth (5% to 10%). • Occupancy rate (52% to 95%). • Risk-adjusted discount rates (8% and 9%). • Rental fee rate around Baht 439 – 1,317 per square meter per month.	The estimated fair value increase (decrease) if: • Expected market rental growth were higher (lower); • The occupancy rate were higher (lower); • The risk-adjusted discount rate were lower (higher). • Rental fee rate increase (decrease)

13. Property, plant and equipment

In Thousand Baht

Consolidated Financial Statements						
	Balance as at December 31, 2018	Change in during the year			Surplus from asset revaluation	Balance as at December 31, 2019
		Additions	Deduction	Transfer in (out)		
<u>Cost</u>						
Land*	-	-	-	34,104	73,896	108,000
Land of clubhouse	169,879	-	-	11,800	-	181,679
Buildings and system	46,824	-	-	1,129	-	47,953
Leasehold improvement	2,727	-	-	2,761	-	5,488
Clubhouse and temporary building	28,523	-	-	-	-	28,523
Furniture, fixtures and office equipment	170,120	4,904	-	-	-	175,024
Machineries and construction equipment	233,413	3,867	(27,500)	(40,498)	-	169,282
Vehicles	118,909	-	(20,518)	-	-	98,391
Assets under construction	1,129	3,898	-	(4,643)	-	384
Total	771,524	12,669	(48,018)	4,653	73,896	814,724
<u>Less Accumulated depreciation</u>						
Buildings and system	(18,181)	(3,873)	-	-	-	(22,054)
Leasehold improvement	(1,956)	(545)	-	(2,761)	-	(5,262)
Clubhouse and temporary building	(18,755)	(1,426)	-	-	-	(20,181)
Furniture, fixtures and office equipment	(111,537)	(17,981)	-	-	-	(129,518)
Machineries and construction equipment	(189,962)	(22,068)	26,129	38,893	-	(147,008)
Vehicles	(89,371)	(9,951)	20,518	-	-	(78,804)
Total	(429,762)	(55,844)	46,647	36,132	-	(402,827)
Net	341,762					411,897

*stated at the revalued amount

In Thousand Baht

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

In Thousand Baht

Consolidated Financial Statements						
	Balance as at December 31, 2018	Change in during the year			Surplus from asset revaluation	Balance as at December 31, 2019
		Additions	Deduction	Transfer in (out)		
<u>Cost</u>						
Land*	-	-	-	34,104	73,896	108,000
Land of clubhouse	169,879	-	-	-	-	169,879
Buildings and system	46,824	-	-	1,129	-	47,953
Leasehold improvement	2,727	-	-	2,761	-	5,488
Clubhouse and temporary building	28,523	-	-	-	-	28,523
Furniture, fixtures and office equipment	146,053	711	-	-	-	146,764
Machineries and construction equipment	171,930	281	(27,500)	(40,498)	-	104,213
Vehicles	96,990	-	(8,612)	-	-	88,378
Assets under construction	1,129	3,899	-	(4,643)	-	385
Total	664,055	4,891	(36,112)	(7,147)	73,896	699,583
<u>Less Accumulated depreciation</u>						
Buildings and system	(18,181)	(3,873)	-	-	-	(22,054)
Leasehold improvement	(1,956)	(545)	-	(2,761)	-	(5,262)
Clubhouse and temporary building	(18,755)	(1,426)	-	-	-	(20,181)
Furniture, fixtures and office equipment	(101,718)	(13,330)	-	-	-	(115,048)
Machineries and construction equipment	(143,988)	(16,204)	26,129	38,894	-	(95,169)
Vehicles	(71,095)	(9,192)	8,612	-	-	(71,675)
Total	(355,693)	(44,570)	34,741	36,133	-	(329,389)
Net	308,362					370,194

*stated at the revalued amount

In Thousand Baht

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

13.1 Classification of land pending development to property, plant and equipment

As at December 31, 2019, the Company has classified land pending development at cost for Baht 34.10 million to land for use in company management to conform with the objective of the actual usage and to the maximum benefit of the company. Also, appropriate financial report is classified (to non-current assets). Moreover, such assets reflect the actual value of assets.

The management selected using the accounting policy in measuring the value of such land using the reappraisal method to respond to the needs of the financial statement users. With such report, the Company was approved from the responsible person in accordance with the minutes of the managing director's meeting No. 11/2019 as at November 22, 2019.

As at December 31, 2019, the Company has assessed the asset price of land for use in management by an independent appraiser using the Market Approach.

Details of land are presented by the reappraisal price as follows:

In Thousand Baht		
	Consolidated / Separate	
	As at December 31, 2019	As at December 31, 2018
At cost	34,104	-
Capital surplus from asset appraisal	73,896	-
Reappraisal price	108,000	-

Fair value measurement: -

Fair value hierarchy

The fair value of land is assessed by an independent external asset appraiser who is qualified in the profession with experience in asset price assessment of such type.

The fair value measurement of the Company's land as at December 31, 2019 in the amount of Baht 108 million is ranked in level 3 of the fair value hierarchy from the information used in the fair value assessment technique.

Fair value level 3

This table below presents the effects of balances carried forward and brought forward for fair value level 3.

In Thousand Baht	
	Consolidated / Separate
	2019
Balance brought forward as at January 1	-
Change in unrealized fair value	108,000
Balance as at December 31	108,000

Value assessment technique of information that cannot significantly be observed

Technique of value assessment and information that cannot be observed significantly in measuring fair value of the Group's land is shown in the table as follows:

Value assessment technique	Significant unobservable information	Relationship of significant unobservable information and fair value measurement
Market price of asset with selling/buying price comparison from similar asset	• Land appraisal : square wah (65,000 – 200,000)	Fair value estimate will increase (decrease) • Land appraisal increase (decrease)

13.2 Other disclosure

The asset price of the Group before deducting the accumulated depreciation of building and equipment fully depreciated but still in use until December 31, 2019 and 2018 amounted Baht 233.17 million and Baht 164.01 million, respectively (Company only: as at December 31, 2019 and 2018 for Baht 192.64 million and Baht 119.49 million, respectively).

The Group entered into a financial lease agreement to secure vehicle and equipment. Such agreement will gradually end in 2023 under the conditions of such lease agreement. The Group and subsidiary have to comply with certain conditions of the agreement.

Depreciation charged for the year

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Recognised in:				
Real estate projects under development	19,828	19,173	14,464	16,254
Administrative expenses	36,016	52,284	30,106	48,393
Total	55,844	71,457	44,570	64,647

14. Prepaid rental expenses

In Thousand Baht

Consolidated / Separate Financial Statements				
	Balance as at December 31, 2018	Change in during the year		Balance as at December 31, 2019
		Increase	Decrease	
Cost - Prepaid rental expenses	170,914	-	-	170,914
<u>Less</u> Amortization	(43,141)	(8,546)	-	(51,687)
Net	127,773			119,227

In Thousand Baht

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

In Thousand Baht

Consolidated / Separate Financial Statements			
For the years ended December 31,			
	2019	2018	
Statement of Comprehensive Income			
Amortization expense for the year			
- Administrative expenses	8,546	8,546	

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

15. Leasehold rights

Movements of the leasehold rights during the years ended December 31, 2019 and 2018 were as follows:

In Thousand Baht

	Consolidated / Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Beginning balance	902,549	757,344
Add Increase	472,956	145,205
Less Decrease	-	-
Ending balance	1,375,505	902,549

In Thousand Baht

	Consolidated / Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Leasehold rights consist of :		
Expense under contracts	554,190	494,900
Construction in process	821,315	407,649
	1,375,505	902,549

In Thousand Baht

	Consolidated/Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018
Finance costs capitalized construction in process	39,472	23,059

Leasehold rights arise from the Company entered into the lease agreements with third parties for developing and constructing projects of residential and hotel (see Note 41.2).

16. Intangible assets

In Thousand Baht

Consolidated Financial Statements				
	Balance as at December 31, 2018	Change in during the year		Balance as at December 31, 2019
		Increase	Decrease	
Cost - Software	50,838	788	(695)	50,931
<u>Less</u> Amortization	(32,163)	(4,803)	-	(36,966)
Net	18,675			13,965

In Thousand Baht

Consolidated Financial Statements				
	Balance as at December 31, 2017	Change in during the year		Balance as at December 31, 2018
		Increase	Decrease	
Cost - Software	48,052	2,786	-	50,838
<u>Less</u> Amortization	(26,978)	(5,185)	-	(32,163)
Net	21,074			18,675

In Thousand Baht

Separate Financial Statements				
	Balance as at December 31, 2018	Change in during the year		Balance as at December 31, 2019
		Increase	Decrease	
Cost - Software	47,408	394	(695)	47,107
<u>Less</u> Amortization	(31,002)	(4,294)	-	(35,296)
Net	16,406			11,811

In Thousand Baht

Separate Financial Statements				
	Balance as at December 31, 2017	Change in during the year		Balance as at December 31, 2018
		Increase	Decrease	
Cost - Software	46,492	916	-	47,408
<u>Less</u> Amortization	(26,070)	(4,932)	-	(31,002)
Net	20,422			16,406

17. Deferred tax

17.1 Deferred tax assets and liabilities as at December 31, 2019 and 2018 as follows:-

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Deferred tax assets	101,562	63,315	60,574	18,672
Deferred tax liabilities	(29,798)	(13,421)	(29,797)	(12,581)
Net	71,764	49,894	30,777	6,091

17.2 Changes in deferred tax assets and liabilities for the years ended December 31, 2019 and 2018 are summarized as follows:

In Thousand Baht

Consolidated Financial Statements				
	Balance as at Dec. 31, 2018	Revenue (expenses) during the year		Balance as at Dec. 31, 2019
		In profit or loss	In other comprehensive income	
Deferred tax assets				
Allowance for doubtful account	2,475	5,828	-	8,303
Allowance for decline in value of real estate projects under development	398	(80)	-	318
A fair value adjustment of investment properties	8,508	6,354	-	14,862
Unrecognised income on installment due	1,174	-	-	1,174
Employee benefit obligations	11,354	7,757	1,678	20,789
Loss carry forward	38,889	16,555	-	55,444
Provision for liabilities	517	155	-	672
Total	63,315	36,569	1,678	101,562
Deferred tax liabilities				
Surplus from land revaluation	-	-	(14,779)	(14,779)
Accumulated depreciation - investment properties	(13,317)	(1,635)	-	(14,952)
Others	(104)	37	-	(67)
Total	(13,421)	(1,598)	(14,779)	(29,798)
Net	49,894	34,971	(13,101)	71,764

In Thousand Baht

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

In Thousand Baht

Separate Financial Statements				
	Balance as at Dec. 31, 2018	Revenue (expenses) during the year		Balance as at Dec. 31, 2019
		In profit or loss	In other comprehensive income	
Deferred tax assets				
Allowance for doubtful account	2,295	5,824	-	8,119
Allowance for decline in value of real estate projects under development	353	(79)	-	274
A fair value adjustment of investment properties	9,639	7,286	-	16,925
Unrecognised income on installment due	1,174	-	-	1,174
Employee benefit obligations	4,801	3,531	1,081	9,413
<u>Loss</u> carry forward	-	24,466	-	24,466
Provision for liabilities	410	(207)	-	203
Total	18,672	40,821	1,081	60,574
Deferred tax liabilities				
Surplus on land revaluation	-	-	(14,779)	(14,779)
Accumulated depreciation - investment properties	(12,478)	(2,474)	-	(14,952)
Others	(103)	37	-	(66)
Total	(12,581)	(2,437)	(14,779)	(29,797)
Net	6,091	38,384	(13,698)	30,777

In Thousand Baht

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

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

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended December 31,		For the years ended December 31,	
	2019	2018	2019	2018
Loss carry forward	35,820	14,377	-	-

The tax losses expire in 2020 to 2024, 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.

18. Other non-current assets

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Withholding tax	11,528	31,042	4,602	21,363
Deposits	18,576	18,479	17,894	18,015
Others	328	518	328	514
Total	30,432	50,039	22,824	39,892

19. Interest-bearing liabilities

19.1 Bank overdrafts and short-term loans from financial institutions

	Credit Facilities (Million Baht)				Interest rate (% per annum)				In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements		As at December 31, 2019		As at December 31, 2018		Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Bank overdrafts	39	40	39	30	MOR, saving bank account + fixed number	MOR, saving bank account + fixed number	9,985	39,060	9,985	9,985	29,241	
Promissory notes	540	297	540	297	MLR - fixed number	MLR - fixed number	200,000	247,000	200,000	200,000	247,000	
Bills of exchange	62	2,000	62	2,000	Government bond yield + credit spread	Government bond yield + credit spread	62,000	136,000	62,000	62,000	136,000	
	641	2,337	641	2,327								
<u>Less prepaid interest</u>							(1,805)	(4,904)	(1,805)	(4,904)	(4,904)	
Bills of exchange - net							60,195	131,096	60,195	60,195	131,096	
Total							270,180	417,156	270,180	270,180	407,337	

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

19.2 Loans from other parties

Movements of loans during for the years ended December 31, 2019 and 2018 were as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Beginning balance	111,493	111,493	111,493	111,493
Increase	-	-	-	-
Decrease	-	-	-	-
Transfer out trade and other payables	(35,473)	-	(35,473)	-
Transfer out unrecognized income on installments due	(76,020)	-	(76,020)	-
Ending balance	-	111,493	-	111,493

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

19.3 Long-term loans from financial institutions

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Current				
Current portion	1,058,557	1,564,231	765,993	1,224,237
Non-current				
Long-term loans from financial institutions	1,171,794	878,191	646,983	409,602
Total	2,230,351	2,442,422	1,412,976	1,633,839

Movements of long-term loans from financial institutions during for the years ended December 31, 2019 and 2018 were as follows :

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Beginning balance	2,442,422	1,643,200	1,633,839	1,464,648
Increase	1,291,444	3,040,741	803,438	2,112,927
Decrease	(1,503,515)	(2,241,519)	(1,024,301)	(1,943,736)
Ending balance	2,230,351	2,442,422	1,412,976	1,633,839

Long-term loans agreement details as at December 31, 2019 and 2018 were as follows:

In Thousand Baht

Agreements	Balance as at December 31,		Repayment
	2019	2018	
The Company			
Group 1	932	777	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2021.
Group 2	367	621	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.
Group 3	26	117	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.
Group 4	88	119	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.
Subsidiaries			
Group 1	66	92	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2023.
Group 2	115	182	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.
Group 3	368	534	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.
Group 4	154	-	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2023.
Group 5	114	-	Payments of principal are to be made at a percentage of the value of property transferred to customers. The full payment is to be made within 2022.

Long-term loans from financial institutions of the Group carry interest at the rate of MLR minus fixed rate per annum. The loan agreements also stipulated that loan repayments are to be made proportionately when properties are sold and transferred the right to customers and full payment is to be made within 2023.

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

As at December 31, 2019, in order to comply with the term and conditions stipulated in some loan agreements, certain amounts of loans have been presented as current liabilities in the statement of financial position.

Long-term loans from financial institutions are secured by the mortgage of land and office buildings in each project. Some loans from financial institutions are also guaranteed by the subsidiaries, certain directors and the mortgage of land of certain directors.

19.4 Long-term loans from other parties

Movements of long-term loans from other parties during for the years ended December 31, 2019 and 2018 were as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Beginning balance	-	-	-	-
Increase	480,000	-	480,000	-
Decrease	-	-	-	-
Ending balance	480,000	-	480,000	-

Long-term loans from other parties carries interest at the fixed rate and the principal has to be fully repaid within 2021.

Long-term loans from other parties is by the mortgage of land with construction that combined existing and future land construction.

19.5 Unutilised credit facilities

As at December 31, 2019, the credit facilities of the Group and the Company which have not yet been drawn down amounted to Baht 2,769.37 million and Baht 1,564.93 million, respectively (December 31, 2018 : Baht 3,528.80 million and Baht 2,182.83 million, respectively).

19.6 Debentures

As at December 31, 2019 and 2018, the debentures of the Company were registered, unsubordinated, unsecured, secured without a debenture holders' representative, interest is payable quarterly, with the face value of Baht 1,000 per unit as follows :

In Thousand Bant												
Debenture	Units (Thousand units)	Issuance date	Term	Maturity date	Interest rate (% per annum)	Consolidated/Separate Financial Statements						Total
						Current portion		Non-current				
						As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018	
No. 1/2016	1,353.2	1 April 2016	3 years	1 April 2019	5.45	-	1,353,200	-	-	-	-	1,353,200
No. 2/2016	1,000	5 October 2016	3 years 11 months 26 days	1 October 2020 or early redemption	5.40	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
No. 3/2016	646.8	20 October 2016	2 years 9 months	20 July 2019	5.00	-	646,800	-	-	-	-	646,800
No. 1/2017	654.5	31 January 2017	3 years	31 January 2020	5.25	654,500	-	-	654,500	654,500	-	654,500
No. 2/2017 *	1,500	5 April 2017	3 years	5 April 2020 or early redemption	5.95	1,500,000	-	-	1,500,000	1,500,000	-	1,500,000
No. 3/2017	842.3	31 October 2017	3 years 5 months	31 October 2019	5.95	-	31,215	-	-	-	-	31,215
			30 days	2 November 2020		31,215	-	-	31,215	31,215	-	31,215
				30 April 2021		-	-	748,655	748,655	748,655	-	748,655
No. 1/2018	250	18 October 2018	3 years	19 October 2021	6.05	-	-	250,000	250,000	250,000	-	250,000
No. 2/2018	166.6	22 November 2018	3 years 3 months	22 February 2022	6.05	-	-	166,600	166,600	166,600	-	166,600
No. 1/2019 *	2,000	1 April 2019	2 years 6 months 7 days	8 October 2021 or redeem before due date	6.75	-	-	2,000,000	-	2,000,000	-	-
Total debentures, at face value						3,185,715	2,031,215	3,165,255	4,350,970	6,350,970	6,382,185	
Less deferred transaction costs from issuing of debentures						-	-	(36,275)	(14,048)	(36,275)	(14,048)	
Debentures – net						3,185,715	2,031,215	3,128,980	4,336,922	6,314,695	6,368,137	

* Secured bond

The debenture No. 2/2017 had the maturity date in 2020 and the debenture No. 1/2019 had the maturity date in 2021. The debenture issuer had the right to redeem the debenture before the maturity date. Such debenture had been guaranteed by the Company as the debenture issuer had mortgaged the land and buildings and some parts of the Company's empty land. In addition, the Company had the right to sell the land and buildings and the empty land that was a mortgage property under the guarantee agreement and be able to redeem or release the mortgage of such land and buildings and the empty land. If the value of the property that was insured under the guarantee agreement was lower than specified, the debenture issuer had to change the guarantee or seek for replacement assets to guarantee the repayment of additional debentures within the specified period.

Under the terms of the debentures, the Company had to maintain net debt to equity ratio not over 3:1 and definition in the requirements on the rights and duties of the debenture issuer and debenture holders. It had been calculated from the financial statements as at the end of the quarterly accounting period or the end of the fiscal year. The Company also had to comply with the terms and conditions regarding the rights and duties of debenture issuers and debenture holders.

19.7 Finance lease liabilities

Finance lease liabilities as at December 31, 2019 and 2018 were payable as follows:

In Thousand Baht

Consolidated Financial Statements						
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	10,882	(833)	10,049	93,053	(2,772)	90,281
After one year but within five years	13,525	(628)	12,897	24,647	(1,458)	23,189
Total	24,407	(1,461)	22,946	117,700	(4,230)	113,470

In Thousand Baht

Separate Financial Statements						
	2019			2018		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	10,299	(733)	9,566	92,197	(2,652)	89,545
After one year but within five years	10,855	(447)	10,408	21,394	(1,178)	20,216
Total	21,154	(1,180)	19,974	113,591	(3,830)	109,761

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

Interest-bearing liabilities of the Group as at December 31, 2019 and 2018 was denominated entirely in Thai Baht.

20.Trade and other payables

In Thousand Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Related parties	5	-	-	412,837	462,006
Other parties		931,301	401,156	788,659	328,557
Total		931,301	401,156	1,201,496	790,563

Trade and other payables of the Group as at December 31, 2019 and 2018 was denominated entirely in Thai Baht.

21.Other current liabilities

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Value added tax suspense	63,306	55,546	16,713	13,968
Withholding tax deduct payable	5,613	10,008	3,407	7,571
Advance received	726	557	726	557
Others	40,269	4,937	4,706	4,154
Total	109,914	71,048	25,552	26,250

22. Employee benefit obligations

22.1 Movement of employee benefit obligations for the years ended December 31, 2019 and 2018 shown as follow:-

In Thousand Baht

The statements of financial position	Consolidated Financial Statements		Separate Financial Statements	
	2019 (For the year)	2018 (For the year)	2019 (For the year)	2018 (For the year)
Employee benefit obligations, beginning	56,769	50,546	24,002	21,081
Employee benefit obligations paid	11,779	6,223	5,162	2,921
Past service cost and interest				
- Change a considered a post employment plan amendment	16,562	-	7,218	-
- Amendment in other long-term employee benefit	10,446	-	5,279	-
Loss estimation over actuarial principles	8,390	-	5,404	-
Employee benefit obligations, ending	103,946	56,769	47,065	24,002

Post-employment defined benefit plans

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

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

22.2 Revenues and expenses recognized in the statement of comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

In Thousand Baht

The statement of comprehensive income	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Recognized in profit or loss				
Cost of sale of real estate	8,496	993	2,965	430
Selling expenses	3,528	395	1,739	228
Administrative expenses	26,763	4,835	12,955	2,263
Total	38,787	6,223	17,659	2,921
Recognized in other comprehensive income				
Loss on actuarial gain loss	8,390	-	5,404	-
Total	47,177	6,223	23,063	2,921

22.3 Gain and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the year ended December 31, 2019 arise from

In Thousand Baht

Recognize in other comprehensive income	For the year ended December 31, 2019	
	Consolidated Financial Statements	Separate Financial Statements
Financial assumption	11,683	7,020
Population assumption	(2,932)	(2,691)
Improvement from experience	(361)	1,075
Total	8,390	5,404

22.4 Actuarial assumptions

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

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Discount rate	2.10 - 3.19	2.39 - 3.12	2.30 - 3.13	3.11
Inflation rate	2.75	2.75	2.75	2.75
Future salary growth rate	4.00 - 7.00	4.00 - 8.00	7.00	8.00
Employee turnover rate (depending on age)	1.91 - 45.84	1.91 - 42.98	5.73 - 34.38	5.73 - 34.38
Mortality rate	table of death B.B.2017	table of death B.B.2017	table of death B.B.2017	table of death B.B.2017

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

At December 31, 2019 and 2018, the Group has the weighted-average duration of the defined benefit obligation was 8 - 20 years.

(Separate financial statements : 16 years and 15 years, respectively).

As at December 31, 2019, the Group expects to pay Baht 71.56 million of long-term employee benefits during the next year

(Separate financial statements : Baht 1.11 million).

Sensitivity analysis

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

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation as at December 31, 2019				
Discount rate (0.5% movement)	(3,076)	3,323	(2,014)	2,172
Future salary growth rate (1% movement)	6,946	(6,053)	4,429	(3,860)
Employee turnover rate (20% movement)	(8,213)	10,248	(5,921)	7,376

In Thousand Baht

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

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.

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the comprehensive income statement.

As at December 31, 2019, long-term interest rate has significantly reduced that affected the discount rate assumed by the actuarial would be 2.10% - 3.13% to 1.25% - 1.91%. (The Company : 2.30% - 3.13% to 1.32% - 1.80%) The Group has considered to record the increase of employee benefit obligations in the amount of Baht 9.65 million (the Company: Baht 5.83 million) by recognizing in other comprehensive income in the amount of Baht 9.24 million (the Company: Baht 5.63 million) and recognize in other long-term employee benefit in other comprehensive income in the amount of Baht 0.41 million (the Company: Baht 0.21 million). For the sensitivity analysis data above, it may have some changes as stated. However, the Group are in the process of reassessing the employee benefits by the actuary.

23. Long-term lease agreement obligation

Movements of the long-term lease agreement obligation during years ended December 31, 2019 and 2018 were as follows:

In Thousand Baht

	Consolidated/Separate Financial Statement	
	As at December 31, 2019	As at December 31, 2018
Beginning balance	87,356	66,622
Add Increase during the year	25,567	20,734
Less Paid during the year	-	-
Ending balance	112,923	87,356

Long-term lease agreement obligations arise from the rental fees that must be paid accordance with the agreement of construction and land lease with the building already constructed under the straight line method from the date that the Company has the right to use the assets until as at the end of the year. It is included other expenses related to the area development for future project development by recognizing the additional liabilities as cost of leasehold rights (see Note 15).

24. Other non-current liabilities

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Advance received for common fees	62,280	68,355	39,880	43,212
Provision for compensation for housing estate juristic persons	22,242	21,583	16,464	17,946
Deposit receipt	10,075	9,083	9,241	8,266
Total	94,597	99,021	65,585	69,424

25. Share capital

In Thousand Baht

	Par value per share in Baht	Consolidated / Separate Financial Statements			
		2019		2018	
		Number (Thousand Shares)	Amount (In Thousand Baht)	Number (Thousand Shares)	Amount (In Thousand Baht)
Authorised					
At January 1,					
- ordinary shares	1	1,200,000	1,200,000	1,200,000	1,200,000
Increase of new shares	1	-	-	-	-
At December 31,					
- ordinary shares	1	1,200,000	1,200,000	1,200,000	1,200,000
Issued and paid-up					
At January 1,					
- ordinary shares	1	980,000	980,000	980,000	980,000
At December 31,					
- ordinary shares	1	980,000	980,000	980,000	980,000

26. 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.

27. Subordinated debenture similar to capital

On December 18, 2019, the Company issued debenture with holder name specified. These are subordinated debenture similar to capital, repay the principal only once when closing down the company with no guarantee, no conversion, no debenture holder representative in total Baht 300 million and the issuer of debenture redeemable before due date from the 5th year onwards or according to the debenture conditions with interest paid every 3 months. The debenture issuer is entitled to extend interest payment along with interest paid to pay on any day to the debenture holder without time period limit and number of time depends on the judgment of the sole debenture issuer.

If the company extends the interest payment, the Company will not be able to act as follows:

- (1) Announce or pay dividend
- (2) Pay interest or distribute any asset to the creditor by the same instrument level or pay or distribute assets or other benefits of the shares to the shareholder of the debenture issuer.
- (3) Pay debt or redeem, reduce, cancel, buy or buy back (with consideration) with the same instrument level or shares issued by the debenture issuer.

In the event that the debenture issuer violates this prohibition requirement, the total interest postponed available at that time is due for payment immediately on the day of violation by the debenture issuer. The debenture issuer cannot postpone interest payment and interest postponed available at that time again.

As at December 31, 2019, the debenture Baht 300 million is recognized as part of shareholder's equity in the consolidated and separate financial statements.

As at December 31, 2019, the company has not deferred any interest payments to the subordinated perpetual debentures holders. Cumulative interest for the year ended December 31, 2019 which the debentures holders have the right to receive if the interest payment was announced amounting to Baht 300 million.

As at December 31, 2019, the Company classified subordinated perpetual debentures as a part of equity in the consolidated and separate financial statements. TAS 32 Financial Instruments: Presentation, which will become effective for annual financial reporting periods beginning on or after January 1, 2020, explains the classification of perpetual debentures as financial liability. However, the Federation of Accounting Professions announced the Federation of Accounting Professions Announcement dated December 3, 2019 regarding additional transition for classification of perpetual debentures as an additional guideline during transition period. The Company expects to apply this announcement which, as at January 1, 2020, the Company will classify the subordinated perpetual debentures as a part of equity in the consolidated and separate financial statements. If as at January 1, 2020, the Company classifies the subordinated perpetual debentures as financial liability, total liabilities and equity of the company will increase and decrease by Baht 300 million.

On February 25, 2020, the Extraordinary General Meeting No.1/2020 had a resolution to approve the receiving of financial assistance from connected persons.

28. Statutory reserve

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

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

29. Dividend

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

30. Segment information

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

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

Major customers

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

31. Other income

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	2019	2018	2019	2018
Management income	-	-	40,631	72,035
Revenue from rental and rendering of services	29,342	26,690	24,973	23,106
Revenue from project management	19,602	25,552	-	920
Revenue from delay work	29,359	19,636	29,359	19,636
Others	36,831	28,240	25,858	20,308
Total	115,134	100,118	120,821	136,005

32. Selling expenses

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	2019	2018	2019	2018
Marketing expenses	164,478	290,728	125,345	269,862
Employee benefit expenses	65,609	71,789	41,845	23,467
Others	32,561	22,233	30,774	21,977
Total	262,648	384,750	197,964	315,306

33. Administrative expenses

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	2019	2018	2019	2018
Employee benefit expenses	246,875	242,935	128,620	124,101
Depreciation and amortisation	45,515	65,430	42,947	61,870
Common fee charge	56,319	43,045	47,973	36,175
Management fee	-	-	17,950	44,320
Security expenses	11,746	18,430	9,351	16,071
Utility expenses	17,860	20,218	14,975	17,384
Transportation expenses	8,182	20,145	5,132	14,255
Maintenance expenses	6,247	9,245	4,779	6,126
Others	149,529	132,548	117,516	98,153
Total	542,273	551,996	389,243	418,455

34. Employee benefit expenses

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	2019	2018	2019	2018
Wages and salaries	253,978	250,787	118,985	110,978
Contributions to provident fund	14,947	15,502	6,934	7,451
Others	52,048	49,428	30,682	29,569
Total	320,973	315,717	156,601	147,998

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

35. Expenses by nature

Significant expenses by nature are as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	2019	2018	2019	2018
Depreciation and amortisation	49,365	66,014	42,947	61,870
Marketing expenses	164,478	290,728	125,345	269,862
Employee benefit expenses	320,973	315,517	156,601	147,998

36. Finance costs

In Thousand Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
Interest expense:					
Subsidiaries	5	-	-	833	5,460
Interest bearings liabilities		579,110	521,492	529,751	488,741
Total interest expenses		579,110	521,492	530,584	494,201
Other finance costs		39,204	4,698	38,596	4,435
Total		618,314	526,190	569,180	498,636
Less amounts included in the cost of qualifying assets:					
- Real estate projects under development	5, 9	(277,265)	(276,232)	(240,246)	(252,152)
- Leasehold rights		(39,472)	(23,059)	(39,472)	(23,059)
Total		(316,737)	(299,291)	(279,718)	(275,211)
Net		301,577	226,899	289,462	223,425

37. Tax expense (income)**37.1 Major components of tax expense (income)**

For the years ended December 31, 2019 and 2018 consisted of:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Income tax expense (income) shown in profit or loss				
Current tax expense: Income tax expense for the year	3,576	48,090	-	40,857
Deferred tax expense (income):				
Changes in temporary differences relating to the original recognition and reversal	(34,971)	(12,649)	(38,384)	4,686
Total	(31,395)	35,441	(38,384)	45,543
Income tax relating to components of other				
comprehensive income :	14,779	-	14,779	-
Gain on land revaluation				
Actuarial losses	(1,678)	-	(1,081)	-
Total	13,101	-	13,698	-

37.2 A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2019 and 2018 which are summarized as follows:

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Accounting profit (loss) for the year	(312,000)	66,227	(220,520)	193,835
The applicable tax rate (%)	20%	20%	20%	20%
Tax expense (income) at the applicable tax rate	(62,400)	13,245	(44,104)	38,767
Reconciliation items:				
Tax effect of expenses that are not deductible in				
- determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	9,952	13,111	5,823	7,460
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable income	-	(44)	-	(44)
- Additional expense deductions allowed	(114)	(711)	(103)	(640)
- Current year losses for which no deferred tax asset was recognized	20,041	1,831	-	-
- Eliminate income	1,126	8,009	-	-
Total reconciliation items	31,005	22,196	5,720	6,776
Total tax expense (income)	(31,395)	35,441	(38,384)	45,543

37.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2019 and 2018 are summarized as follows:

Consolidated Financial Statements				
	2019	2018	2019	2018
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(312,000)		66,227	
Tax expense (income) at the applicable tax rate	(62,400)	20.00	13,245	20.00
Reconciliation items	31,005	(9.94)	22,196	33.51
Tax expense (income) at the average effective tax rate	(31,395)	10.06	35,441	53.51

Separate Financial Statements				
	2019	2018	2019	2018
	Tax amount (In Thousand Baht)	Tax rate (%)	Tax amount (In Thousand Baht)	Tax rate (%)
Accounting profit (loss) before tax expense for the year	(220,520)		193,835	
Tax expense (income) at the applicable tax rate	(44,104)	20.00	38,767	20.00
Reconciliation items	5,720	(2.59)	6,776	3.49
Tax expense (income) at the average effective tax rate	(38,384)	17.41	45,543	23.49

38. Basic earnings per share

The calculations of basic earnings per share for the years ended December 31, 2019 and 2018 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows :

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31,	As at December 31,	As at December 31,	As at December 31,
	2019	2018	2019	2018
Profit (loss) attributable to ordinary shareholders of the Company (basic) (Thousand Baht)	(280,605)	30,785	(182,136)	148,292
Number of ordinary shares outstanding (Thousand shares)	980,000	980,000	980,000	980,000
Earnings (loss) per share (basic) (Baht per share)	(0.29)	0.03	(0.19)	0.15

39. Financial instruments

Financial risk management policies

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

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

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

Interest rate risk

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

Credit risk

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

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

Liquidity risk

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

Fair value of financial instrument

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

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

As at December 31, 2019	Consolidated Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	85	-	85
Financial liability not measured at fair value				
- Debentures	-	6,389,390	-	6,389,390

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

As at December 31, 2019	Separate Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments				
- Unit trust	-	85	-	85
Financial liability not measured at fair value				
- Debentures	-	6,389,390	-	6,389,390

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

Valuation techniques on fair value and inputs for Level 2 valuations

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

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

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

40. Reconciliation of liabilities arising from financing activities

Changes in the liabilities arising from financing activities for the years ended December 31, 2019 and 2018 are as follows:

Consolidated Financial Statements (In Thousand Baht)				
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase (decrease)	Balance as at December 31, 2019
Bank overdrafts and short-term loans from financial institutions	417,156	(146,976)	-	270,180
Long-term loans from financial institutions	2,442,422	(212,071)	-	2,230,351
Long-term loan from other company	-	480,000	-	480,000
Long-term loans from other parties	111,493	-	(111,493)	-
Debentures	6,368,137	(74,015)	20,573	6,314,695
Liabilities under a finance lease agreements	113,470	(90,674)	150	22,946
Subordinated perpetual debentures	-	300,000	-	300,000
Total	9,452,678	256,264	(90,770)	9,618,172

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

Consolidated Financial Statements (In Thousand Baht)				
	Balance as at January 1, 2019	Cash flows Increase (decrease)*	Non-cash transaction Increase (decrease)	Balance as at December 31, 2019
Bank overdrafts and short-term loans from financial institutions	407,337	(137,157)	-	270,180
Short-term loans from related parties	2,800	16,745	-	19,545
Long-term loans from financial institutions	1,633,839	(220,863)	-	1,412,976
Long-term loan from other company	-	480,000	-	480,000
Long-term loans from related parties	9,700	-	-	9,700
Long-term loans from other parties	111,493	-	(111,493)	-
Debentures	6,368,137	(74,015)	20,573	6,314,695
Liabilities under a finance lease agreements	109,761	(89,937)	150	19,974
Subordinated perpetual debenture	-	300,000	-	300,000
Total	8,643,067	274,773	(90,770)	8,827,070

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

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

41. Commitments with non-related parties

As at December 31, 2019 and 2018, the Group had commitments as follows:

41.1 As at December 31, 2019, the Group have commitments relating to project development contracts amounting to Baht 1,047.04 million (As at December 31, 2018 : Baht 904.35 million).

41.2 During 2011, the Company entered into a Joint Developing Area agreement with an Association with a lease period of not less than 30 years. The Company must comply with terms and conditions stipulated in the agreement.

41.3 In January 2016, the Company entered into a sale and purchase agreement of land amounting to Baht 228.00 million for a property development project. As at December 31, 2019, the Company had paid Baht 118.00 million for deposit. (As at December 31, 2018 : Baht 114.00 million).

41.4 In April 2017, the Company entered into a sale and purchase agreement of land amounting to Baht 414.89 million for a property development project. As at December 31, 2019, the Company had paid Baht 30.00 million for deposit. (As at December 31, 2018 : Baht 30.00 million) and the parties transferred the ownership over the certain part of land in January and April, 2018 Baht 218.32 million.

41.5 In April 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 122.40 million for a property development project. As at December 31, 2019, the Company had paid Baht 62.00 million for deposit. (As at December 31, 2018 : Baht 53.00 million)

41.6 In August 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 295.11 million for a property development project. As at December 31, 2019, the Company had paid Baht 65.20 million for deposit and some portion of the land have been transferred the ownership amounted Baht 115.13 million in May 2019. (As at December 31, 2018 : Baht 63.90 million)

41.7 In December 2018, the Company entered into a sale and purchase agreement of land amounting to Baht 175.82 million for a property development project and the parties transferred the ownership all the part of land in May, 2019 (As at December 31, 2018 : Baht 20.00 million)

41.8 In December 2019, the Company entered into a sale and purchase agreement of land amounting to Baht 10.00 million for a property development project. As at December 31, 2019 the Company had Baht 2.00 million for deposit.

41.9 Non-cancellable operating lease commitments

In Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Future minimum lease payment under non-cancellable operating leases Within one year	45,659	45,083	43,271	42,695
After one year but within five years	109,897	125,927	109,897	123,539
After five years	711,630	737,198	711,630	737,198
Total	867,186	908,208	864,798	903,432

The Company has lease agreements of land rental, rental space and computer rental in the building for periods of 2 - 33 years ended 2052.

41.10 As at December 31, 2019, the Group and the Company have outstanding bank guarantees of Baht 837.05 million and Baht 496.22 million, respectively. (As at December 31, 2018, amount of Baht 1,014.98 million and Baht 757.76 million, respectively).

42. Contingent liabilities

As at December 31, 2019, the Company had contingent liabilities from the charges filed by other company and persons in total of 5 lawsuits on the breach of agreement. The capital amount sued for damage claim and others amounted to Baht 185.37 million. Presently, the cases are under consideration of the court. The Court of First Instance had ruled in four case for the Company to pay Baht 17.91 million. Now the Company is filing an appeal on the court's decision.

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

43. Events after the reporting period

On December 12, 2019, the Board of Directors' Meeting No.8/2019 had a resolution to establish 3 new subsidiaries and had been registered with the Department of Business Development on January 8, 2020.

44. Reclassification

Certain amounts in the consolidated financial statements and separate financial statement for the year 2018 have been reclassified to conform to the current period classification with no effect to the previously reported profit for the period or shareholders' equity.

45. Approval of interim financial statements

These financial statements were authorized for issue by the Company's Directors on February 28, 2020.

Management Decision and Analysis

Financial Statement

1. Audit Report

Auditor			
Year	Auditor Name	Certification No.	Company
2017	Miss Wannisa Ngambuathong	6838	Dharmniti Auditing Co.,Ltd.
2018	Miss Wannisa Ngambuathong	6838	Dharmniti Auditing Co.,Ltd.
2019	Miss Wannisa Ngambuathong	6838	Dharmniti Auditing Co.,Ltd.

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

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

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

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

The audited financial statements for the year ended December 31, 2019

Auditors have audited the consolidated financial statements and its subsidiaries financial statements of the Company and expressed an unqualified opinion dated February 28, 2020.

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

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

2. Table Summary of consolidated financial statements

(Unit : MB)	31-Dec 2019	%	31-Dec 2018	%	31-Dec 2017	%
<u>Statement of financial position</u>						
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	65.9	0.4	85.9	0.6	291.7	2.1
Current investment	0.1	0.0	0.1	0.0	0.1	0.0
Trade and other receivables	266.0	1.8	235.6	1.6	94.3	0.7
Real estate projects under development	11,834.4	77.5	11,491.6	80.3	10,716.9	79.3
Deposits for land	277.2	1.8	280.9	2.0	291.6	2.2
Other current assets	33.0	0.2	6.0	0.1	90.2	0.7
Total current assets	12,476.6	81.7	12,100.1	84.6	11,484.8	85.0
Deposits at banks used as collateral	300.0	2.0	194.8	1.4	229.0	1.7
Investments in subsidiaries	419.9	2.6	451.7	3.2	454.2	3.4
Property, plant and equipment	411.9	2.7	341.8	2.4	274.2	2.0
Prepaid rental expenses **	119.2	0.8	127.8	0.9	136.3	1.0
Leasehold rights	1,375.5	9.0	902.5	6.3	757.3	5.6
Intangible assets	14.0	0.1	18.7	0.1	21.1	0.2
Deferred tax assets	71.8	0.5	49.9	0.4	37.3	0.3
Rental deposit	60.0	0.4	60.0	0.4	60.0	0.4
Other non-current assets	30.4	0.2	50.0	0.3	55.6	0.4
Total non-current assets	2,802.7	18.3	2,197.2	15.4	2,025.0	15.0
Total assets	15,279.3	100.0	14,297.3	100.0	13,509.8	100.0

* Reclassify items such as loan receivables, other prepaid expenses, advance payment for contractors, deposit for goods etc. in other current assets to trade and other receivables

(Unit : MB)	31-Dec 2019	%	31-Dec 2018	%	31-Dec 2017	%
LIABILITIES AND SHAREHOLDER' EQUITY						
CURRENT LIABILITIES						
Bank overdrafts and short-term loans From financial institutions	270.2	1.8	417.2	2.9	347.0	2.6
Trade and other payables	931.3	6.1	401.2	2.8	318.3	2.4
Current portion of long-term loans From financial institutions	1,058.6	6.9	1,564.2	10.9	611.4	4.5
Current portion of long-term loans From other parties	-	-	111.5	0.8	111.5	0.8
Current portion of debentures	3,185.7	20.8	2,031.2	14.2	1,031.2	7.6
Current portion of financial lease liabilities	10.0	0.1	90.3	0.6	17.0	0.1
Construction retentions	172.1	1.1	165.9	1.2	177.9	1.3
Unrecognised income on installments due	1,032.5	6.8	627.2	4.4	229.6	1.7
Income tax payable	-	-	3.1	0.0	13.5	0.1
Other current liabilities	109.9	0.7	71.0	0.6	62.0	0.5
Total current liabilities	6,770.3	44.3	5,482.8	38.4	2,919.4	21.6
NON-CURRENT LIABILITIES						
Long-term loans from financial institutions	1,171.8	7.7	878.2	6.1	1,031.8	7.6
Long-term loans from other company	480.0	3.1	-	-	-	-
Debentures	3,129.0	20.5	4,336.9	30.3	5,944.9	44.0
Financial lease liabilities	12.9	0.1	23.2	0.2	23.6	0.2
Utilities guarantees	0.7	0.0	1.0	0.0	2.5	0.0
Employee benefit obligations	103.9	0.7	56.8	0.4	50.5	0.4
Long-term lease agreement obligation	112.9	0.7	87.3	0.6	66.6	0.5
Other non-current liabilities	94.6	0.6	99.0	0.7	130.0	1.0
Total non-current liabilities	5,105.8	33.4	5,482.4	38.3	7,249.9	53.7
TOTAL LIABILITIES	11,876.1	77.7	10,965.2	76.7	10,169.3	75.3
Shareholders' equity						
Issued and paid-up share capital	980.00	6.4	980.00	6.9	980.00	7.2
Premium on ordinary shares	669.2	4.4	669.2	4.7	669.2	5.0
Subordinated perpetual Debentures	300.0	2.0	-	-	-	-
Retained earnings						
Legal reserve	88.3	0.6	88.3	0.6	80.9	0.6
Unappropriated	1,306.6	8.5	1,594.6	11.1	1,610.4	11.9
Other components of Shareholders' equity	59.1	0.4	-	-	-	-
Total shareholders' equity	3,403.2	23.3	3,332.1	23.3	3,340.5	24.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,279.3	100.0	14,297.3	100.0	13,509.8	100.0

(Unit : MB)	31-Dec 2019	%	31-Dec 2018	%	31-Dec 2017	%
<u>Statement of comprehensive income</u>						
INCOME						
Revenue from sale of real estate*	2,868.5	96.0	3,929.4	97.5	4,958.1	98.0
Reversal of provision for litigation	-	-	-	-	11.5	0.2
Other income	120.1	4.0	102.8	2.5	87.5	1.8
Total income	2,988.6	100.0	4,032.2	100.0	5,057.1	100.0
Expenses						
Cost of sale of real estate*	2,049.0	68.6	2,649.9	65.7	3,438.9	68.0
Selling expenses*	375.9	12.6	534.9	13.3	605.5	12.0
Administrative expenses	542.3	18.1	552.0	13.7	577.7	11.4
Unrealised losses on fair value of investment properties	31.8	1.0	2.3	0.1	32.5	0.7
Finance costs	301.6	10.1	226.9	5.6	259.9	5.1
Total expenses	3,300.6	110.4	3,966.0	98.4	4,914.5	97.2
Profit (loss) before income tax expense	(312.0)	(10.4)	66.2	1.6	142.6	2.8
Income tax expense	31.4	1.0	(35.4)	(0.8)	(44.9)	(0.9)
PROFIT (LOSS) FOR THE YEAR	(280.6)	(9.4)	30.8	0.8	97.7	1.9
Other comprehensive income - net of income tax	52.4	1.8	-	-	(22.7)	(0.5)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(228.2)	(7.6)	30.8	0.8	75.0	1.4
BASIC EARNINGS PER SHARE						
Profit (loss) for the year (baht per share)	(0.29)		0.03		0.10	

* Reclassify from selling expenses to revenue from sale of real estate and cost of real estate. According to Financial Reporting Standard No. 15 (IFRS 15), revenue from contracts with customers.

(Unit : MB)	31-Dec 2019	%	31-Dec 2018	%	31-Dec 2017	%
<u>Cash flow statement items</u>						
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit (loss) for the year	(280.6)	(33.3)	30.8	11.3	97.7	9.0
Adjustments to reconcile profit (loss) for the period to net cash						
Depreciation and amortization	49.4	5.9	66.0	24.2	68.4	6.3
Amortisation of premium on debentures	20.6	2.4	8.9	3.3	8.3	0.8
Doubtful debt (Reverse)	29.1	3.5	(0.1)	(0.1)	2.3	0.2
Allowance for decline in value of real estate projects under development (Reverse)	(0.4)	(0.1)	(12.5)	(4.6)	(6.2)	(0.6)
Provision for litigation (Reverse)	-	-	-	-	(11.5)	(1.1)
Loss (gain) on disposal of equipment	(5.4)	(0.6)	(0.8)	(0.3)	7.3	0.7
Loss of written off intangible asset	0.7	0.1	-	-	1.2	0.1
Loss of written off assets	-	-	5.0	1.8	4.3	0.4
Gain from written off construction retentions	(13.1)	(1.6)	(8.2)	(3.0)	(4.5)	(0.4)
Homecare warranty and housing estate juristic person expenses	8.3	1.0	6.8	2.5	22.6	2.1
Estimated loss from house construction	1.8	0.2	-	-	-	-
Unrealised losses on fair value of investment properties	31.8	3.8	2.3	0.9	32.5	3.0
Employee benefit obligations	38.8	4.6	6.2	2.3	2.1	0.2
Income tax expense	(31.4)	(3.7)	35.4	13.0	44.9	4.1
Interest income	(4.9)	(0.6)	(2.7)	(1.0)	(5.2)	(0.5)
Finance cost	301.6	35.8	226.9	83.2	259.9	24.0
Profit (loss) from operations before changes in operating assets and liabilities	146.3	17.4	364.0	133.5	524.1	48.3
Trade and other receivables	(59.4)	(7.1)	(55.9)	(20.5)	(57.3)	(5.3)
Real estate projects under development	(79.6)	(9.4)	(438.2)	(160.7)	533.9	49.2
Deposits for land	3.7	0.4	10.7	3.9	(17.2)	(1.6)
Other current assets	(1.6)	(0.2)	(3.5)	(1.3)	(29.1)	(2.7)
Other non-current assets	19.6	2.3	5.5	2.0	0.4	0.0
Trade and other receivables	471.3	55.9	90.9	33.3	80.2	7.4
Construction retentions	19.3	2.3	(3.8)	(1.4)	(27.1)	(2.5)
Unrecognised income on installments due	329.3	39.0	397.6	145.9	139.8	12.9
Other current liabilities	33.3	4.0	4.8	1.8	2.8	0.3
Utilities guarantee	(0.4)	(0.0)	(1.4)	(0.5)	(4.0)	(0.3)
Other non-current liabilities	(9.7)	(1.2)	(33.6)	(12.3)	21.5	2.0
Income tax paid	(28.6)	(3.4)	(64.5)	(23.7)	(83.7)	(7.7)
Net cash provided by (used in) operating activities	843.5	100.0	272.6	100.0	1,084.3	100.0

(Unit : MB)	31-Dec 2019	%	31-Dec 2018	%	31-Dec 2017	%
CASH FLOWS FROM INVESTING ACTIVITIES						
(Increase) decrease in deposits at banks used as collateral	(105.2)	20.5	34.2	(28.6)	(1.7)	1.1
Purchase of investment properties	-	-	-	-	(0.2)	0.1
Purchase of equipment	(12.5)	2.4	(29.7)	24.9	(26.3)	16.7
Received from disposal of equipment	6.7	(1.3)	0.8	(0.7)	3.7	(2.4)
Interest income	4.9	(1.0)	2.7	(2.3)	5.2	(3.3)
Purchase of intangible assets	(0.4)	0.1	(2.8)	2.3	(2.1)	1.3
Leasehold rights	(407.9)	79.3	(124.5)	104.4	(136.4)	86.5
Net cash provided by (used in) investing activities	(514.4)	100.0	(119.3)	100.0	(157.8)	100.0
CASH FLOWS FROM FINANCING ACTIVITIES						
Finance costs paid	(605.3)	173.4	(553.9)	154.2	(594.7)	62.2
Dividend paid	-	-	(39.2)	10.9	(49.0)	5.1
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(147.0)	42.1	70.1	(19.5)	(1,198.8)	125.4
Proceeds from debentures	2,000.0	(572.9)	416.6	(116.0)	2,996.8	(313.4)
Proceed from long-term loans from financial institutions	1,291.4	(370.0)	3,040.7	(846.6)	2,723.0	(284.7)
Repayment of long-term loans from financial institutions	(1,503.5)	430.7	(2,241.5)	624.1	(1,785.5)	186.7
Proceeds from long - term loans from other company	480.0	(137.5)	-	-	-	-
Repayment of debentures	(2,031.2)	581.9	(1,031.2)	287.1	(3,000.0)	313.7
Transaction cost from issue of debenture	(42.8)	12.2	(2.2)	0.6	(18.5)	1.9
Repayment of finance lease liabilities	(90.7)	26.0	(18.5)	5.2	(29.6)	3.1
Proceeds from issuance of subordinated perpetual debentures	300.0	(85.9)	-	-	-	-
Net cash provided by (used in) financing activities	(349.1)	100.0	(359.1)	100.0	(956.3)	100.0
Net increase (decrease) in cash and cash equivalents	(20.0)		(205.8)		(29.8)	
Cash and cash equivalents as at January 1,	85.9		291.7		321.5	
Cash and cash equivalents as at December 31,	65.9		85.9		291.7	

Financial Ratio		Jan - Dec 2019	Jan - Dec 2018	Jan - Dec 2017
Liquidity Ratio				
Current Ratio	Time	1.84	2.21	4.75
Quick Ratio	Time	0.09	0.06	0.23
Liquidity ratio	Time	0.25	0.06	0.22
A/R Turnover (Times)	Time	17.80	52.24	74.25
Avg. Collection Period	Day	20.51	6.99	4.92
Inventory Turnover	Time	0.18	0.22	0.29
Avg. Inventory Period	Day	2,077.57	1,693.59	1,264.17
A/P Turnover	Time	3.08	6.84	11.17
Avg. Payment Period	Day	118.63	53.05	32.67
Profitability Ratio				
Gross Profit Margin	%	28.57	32.56	30.64
Net Profit Margin	%	(9.39)	0.76	1.93
ROE	%	(8.33)	0.92	2.94
Efficiency Ratio				
ROA	%	(0.07)	2.11	2.98
Return on fixed assets	%	4.32	5.00	14.49
Total Asset Turnover	Time	0.20	0.29	0.37
Financial Policy Ratio				
Debt to equity ratio	Time	3.49	3.29	3.04
Bank debt to equity ratio	Time	0.74	0.89	0.61
Net debt-to-equity ratio **	Time	2.73/2.62	2.77/2.69	2.68/2.53
Interest Coverage Ratio	Time	0.13	1.58	1.81
Interest coverage ratio (Cash Basis)	Time	1.44	0.61	1.96
Dividend payout ratio	%	N/A	40.13	18.61

** Net Debt to Equity Ratio 2.73 times, calculated in accordance with the criteria specified in the terms and conditions of the debentures of Areeya Property Public Company Limited No. 2/2015, due for redemption in 2018, in which the issuer can redeem before maturity, Clause 6.2 The duties that the issuer must comply with 6.2.11 Financial conditions.

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

3. General information

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

- In the year 2004, the subsidiary (Areeya Service Co., Ltd.) has been formed to provide after-sale services for property with 99.99% ownership interest.
- In the year 2007, the Company has established a subsidiary company (One Up Co., Ltd.) with 64.99% ownership interest to provide construction services to Areeya's projects and outside customers.
- In the year 2008 the Company purchased 35% of the share capital of One Up from other shareholder. As a result, the Company's ownership interest increased to 99.99%.
- In the year 2008 the Company had formed 2 companies with 99.99% ownership interest which consisted of:
 - Areeya Management Co., Ltd. for development of real estate projects and to provide a management service for juristic person.
 - Cool Space Co., Ltd. for development of real estate projects.
- In the year 2009 the Company had formed a company with 99.99% ownership interest which consisted of White Living Co., Ltd. for development of real estate projects.
- In the year 2010 the Company had formed a company with 99.99% ownership interest which consisted of Chill Space Co., Ltd. for development of real estate projects.
- In the year 2014, the Company has established Areeya Convenience Store Co., Ltd with 99.97% ownership for retail business.
- On November 3, 2017, Areeya Convenience Store Co., Ltd. has changed its name to Areeya Hospitality Co., Ltd. and registered with Department of Business Development and Ministry of Commerce and change the business nature to restaurant business from retail business.
- In the second quarter of 2018, Areeya Hospitality Company Limited increased its capital by issuing 90,000 new ordinary shares with a par value of Baht 100 each, totaling Baht 9 million, resulting in an increase in paid-up ordinary shares. From 1 million baht to 10 million baht and registered with the Ministry of Commerce on 1 June 2018.
- In year 2019, the Company established 2 new subsidiary companies, Soontareeya Residence Company Limited, to support the real estate development project for rent with registered capital of 1,000,000 Baht. And Soontareeya Leisure Company Limited to support the hotel business and other services with a registered capital of 1,000,000 Baht.

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

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

4. Overview Summary and Significant Change

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

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

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

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

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

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

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

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

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

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

On 31 October 2017, the Company issued debentures amounting to 842.3 million baht (842,300 units, 1,000 baht per unit), as the principal debentures Specify the name of the unsubordinated, unsecured holder And there is no representative of the debenture holders in the amount of 4 sets, set 1, due in 2018, 2nd series, due in 2019, 3rd series, due in 2020 and series no.4 Matured in 2021. In the second quarter of 2018, Areeya Hospitality Company Limited increased its capital by issuing 90,000 new ordinary shares at a par value of Baht 100 per share, totaling Baht 9 million, resulting in increased paid-up ordinary shares from 1 million baht to 10 million baht and registered with the Ministry of Commerce on 1 June 2018.

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

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

On 19 March 2019, the Extraordinary General Meeting of Shareholder No. 1/2019 passed a resolution approving the issuance and offering of all types of debentures with the names of shareholders or anonymous, with or without collateral, with or without debenture holder representatives and subordinated or un subordinated debentures. The total amount is not over 5,000 million baht. It will be issued and offered for sale in only one set or multiple sets at the same time or many times.

On 1 April 2019, the Company issued debentures amounting to 2,000 million baht (2,000,000 units, 1,000 baht per unit) as debentures, named holders, unsubordinated, unsecured and without debenture holders' representatives, maturing in 2021.

On 18 December 2019, the Company has issued debentures of 300 million baht (300,000 units, 1,000 baht per unit). It is a kind of debenture with the name specified, subordinated capital-equivalent redemption when dissolved, unsecured and there are on bondholders' representative. In which the issuer has the right to redeem the debentures before the maturity date and has the right to postpone interest payment without any conditions.

As of 31 December 2019, the Company has 57 current projects and 2 community malls, totally 59 projects as follows:

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

No.	Project	Location	Type of Product
31	The Colors Wongwan Ramintra 2	Hathairath	Townhouse
32	The Colors Mix Rangsit Wongwan	Rangsit	Townhouse
33	The Village Rangsit Wongwan	Rangsit	Townhouse
34	The Colors Bangna Wongwan 2	Bangna	Townhouse
35	The Village Hathairath Wongwan	Wongwan Ramintra	Townhouse
36	The Village Bangna Wongwan 2	Bangna	Townhouse
37	The Colors Wongwan- Ratchapruet 2	Bangbuathong	Townhouse
38	The Colors Bangna – Wongwan 3	Bangna	Townhouse
39	Areeya Brigg Bangna - Wongwan	Bangna	Townhouse
40	Areeya Brigg Rangsit Klong 4	Rangsit	Townhouse
41	Areeya Brigg Rangsit Wongwan	Rangsit	Townhouse
42	Areeya Brigg Rangsit Wongwan2	Rangsit	Townhouse
43	Areeya Mandarin Ekkamai - Ramintra	Kaset-nawamintr	Townhouse
44	The Parti Kaset-nawamintr	Lat Pla Khao	Townhouse
45	The Colors Bangna Wongwan 4	Bangna	Townhouse
46	The Colors Ramintra - Hathairath	Hathairath	Townhouse
47	A Space Asoke - Ratchada	Asoke-Ratchada	Condominium
48	A Space Kaset	Kaset-nawamintr	Condominium
49	A Space Sukhumvit 77	Sukhumvit 77	Condominium
50	A Space Me Sukhumvit 77	Sukhumvit 77	Condominium
51	A Space Play Ratchada-Suttisan	Ratchada-Suttisan	Condominium
52	A Space I.D. Asoke-Ratchada	Asoke-Ratchada	Condominium
53	A Space Me Bangna	Bangna	Condominium
54	A Space Me Rattanathibet	Rattanathibet	Condominium
55	Chalermnit Art De Maison	Sukhumvit	Condominium
56	A Space Mega	Bangna	Condominium
57	A Space Mega 2	Bangna	Condominium
58	Pickadaily Bangkok	Sukhumvit 77	Community Mall
59	Life Style Club	Kaset-nawamintr	Community Mall

5. Previous Performance Results

Revenue from sale of real estate

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

The revenue recognition schedule for the year 2019 – 2017 by the type of real estate.

Type	Sales					
	2019		2018		2017	
	Unit	MB	Unit	MB	Unit	MB
Condo	407	1,315	1,559	3,966	1,881	4,246
Single Detached house	74	503	148	751	159	845
Townhouse / twin house	774	2,494	1,774	4,874	2,255	6,035
Land	2	29	1	20	1	2
House Construction	1	5	-	-	-	-
Total	1,258	4,346	3,482	9,611	4,296	11,128
% Increase from prior year	(64%)	(55%)	(19%)	(14%)	131%	128%

Type	Transferred					
	2019		2018		2017	
	Unit	MB	Unit	MB	Unit	MB
Condo	144	384	315	980	637	1,569
Single Detached house	53	348	76	423	155	783
Townhouse / twin house	714	2,103	925	2,506	1,034	2,604
Land	2	29	1	20	1	2
House Construction	1	5	-	-	-	-
Total	914	2,869	1,317	3,929	1,827	4,958
% Increase from prior year	(31%)	(27%)	(28%)	(21%)	1%	7%

Condominium

For the year 2019, condominium sales were 1,315 million baht, a decrease of 2,651 million baht from the year 2018. Because there were no new projects launched during the year. The projects that made sales this year are still projects that have been sold continuously from previous years.

The main sales are from the A Space Mega 2 and Chalermnijit Art de Maison projects with sales amounting to 608 million baht and 280 million baht respectively. The other projects are still popular and can generate sales whether it is the A Space Me Sukhumvit 77 project with sales at 174 million baht, the A Space ID Asoke-Ratchada project with sale at 139 million baht. In addition, other projects which can also generate sales, A Space Mega, A Space Me Rattanaibet, A Space Me Bangna and A Space Sukhumvit 77 combined sales in this period were 114 million baht.

As for the transfer of condominiums for the year 2019, when compared to the year 2018, the Company recognized revenue from condominiums decreased from last year by 596 million baht. This year have revenue at 384 million baht from 980 million baht in the previous year. Most of the revenue is still the same projects that have continued from previous years. The 3 main projects are A Space Me Sukhumvit 77, A Space ID Asoke-Ratchada and A Space Me Rattanaibet. The revenue is recognized in 2019 at 170 million baht, 149 million baht and 44 million baht, respectively. In addition, the revenue from other projects is 21 million baht.

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

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

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

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

The main sales came from the A Space Mega and A Space ID Asoke-Ratchada projects with sales of 2,808 million baht this year. A Space Mega project is a new project launched. In the year 2017, the A Space ID Asoke-Ratchada project is a continuing project from the previous year. During the year, there is also one new launch project, Chalermnit Art De Maison, which generated sales of 312 million baht this year. In addition, other projects of the company can also generate more sales in this period as well. Especially the A Space Me Rattanaibet project, A Space Me Bangna and A Space Me Sukhumvit 77 which have combined sales in this period over 1,121 million baht for this reason. Therefore resulting in the total sales of this period higher than the same period of the previous year.

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

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

Single Detached House

For the year 2019, the sales of single detached houses decreased by 248 million baht from 2018 due to no new project being launched in this year. The sales still come from projects that have continued from the previous year. Such as Areeya Como Wongwan Ramintra, Areeya Como Wongwan-Ratchapruet, The Village Cottage Kanchanapisek-Ratchapruet and Areeya Metro Kaset with total sales of 503 million baht.

The amount of transfers for the year 2019 is reduced 75 million baht from 2018. Mainly due to, the decrease of single detached house in Hathairat zone that almost all of the projects are closed and no new project launched in that zone. Most revenue in this year is still from Areeya Como Wongwan Ramintra that continued from the previous year. The other projects, such as The Village Cottage Kanchanapisek-Ratchapruet, Areeya Como Wongwan-Ratchapruet and Areeya Metro Kaset which are replacing the project at the end of 2018.

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

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

For the year 2017, single-detached house sales increased by Baht 65 million from 2016 as a result of the company launching a new project in 2017, "The AVA Residence", a single detached house project on Sukhumvit 77 with the selling price starting at 30 million. This project generate sales for Baht 123 million. In addition, The Projects that have been in operation since the prior year, such as Areeya Como Bangna - Wongwan and Areeya Wongwan - Ramindra also increase sales this year. For this reason, the total sales are higher than the prior year.

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

Townhouse

Townhouse is the main product of the Company and the main target of townhouse project is people with low to medium income level. As of 31 December 2019, there are 35 projects in operation, total project value of 16,541 million baht or 6,189 units. In the year 2019, revenue recognition from ownership transfer is equal to 2,103 Million Baht.

As of 31 December 2018, the Company has 37 townhouse projects with total project value of 16,271 Million Baht or 6,398 units, and recognize revenue this year for 36 projects, amounting to 16,249 Million Baht and recognize revenue from the transfer of ownership for the year 2018, equal to 2,520 million baht.

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

• Cost of sales of real estate

The cost of sales for the year 2019 decreased from prior year from 2,650 million baht to 2,049 million baht, representing. The cost of sales decreased by 601 million baht or 23 percent. Because the decrease in single detached houses and townhouses by 304 million baht and the decreased in condominiums by 314 million baht. At the same time, the cost of land sales increased by 10 million baht and the cost of house construction increased by 7 million. The decrease in cost of sales is in the same proportion as the revenue from real estate. Gross profit margin for the year 2019 and 2018 are at 29 and 33 percent respectively.

The cost of sales for the year 2018 increased from prior year from 3,439 million baht to 2,650 million baht, representing an decrease of 789 million baht or 23%, due to the decrease in cost of sales of single detached houses and townhouses by 39 les is the same as revenue from sales of real estate that have decreased this year. The gross profit margin of 2018 and 2017 is 33% and 31%, respectively.

The cost of sales for the year 2017 increased from prior year from 3,128 million baht to Baht 3,439 million baht, representing an increase of 311 million baht or 10%, due to the increase in cost of sales of single detached houses and townhouses by 153 million baht and increasing in cost of sales of condominiums for 158 million baht. The increase of cost of sales was higher in the same way as the sale revenue. Gross margins of 2017 and 2016 are 33% and 33%, respectively.

• Gross Profit Margin

The Company's gross profit for the year 2019 and 2018 is 819 million baht and 1,279 million baht or representing 29% and 33% respectively. As a result of the decrease of both gross profit margin in single detached house, townhouses and condominiums. Due to price competition and most of the revenue still comes from the previous projects which continued from the previous years.

The Company's gross profit for the year 2018 and 2017 is 1,460 million baht and 1,656 million baht, or 33% and 31%, respectively. The increase in gross margin in 2018 was due to the Company having more efficient cost of sales management and making it possible to increase the gross margin more than 2017.

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

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

As at 31 December 2019, the Company had unrealized loss from the fair value of investment properties amounted to of 32 million baht. The company records investment property at fair value assessed by an independent appraiser. Using the Income Approach. The main assumptions used in the valuation are as follows Occupancy rate Rental increase rates, discount rates and return rates In addition, income from rental and service fees for investment properties And other types of income for the company According to the appraiser's report dated 30 December 2019.

As at 31 December 2018, the Company had unrealized loss from the fair value of investment properties amounted to 2 million baht. The Company recorded investment properties at fair value estimated by an independent appraiser. Using the Income Approach. The main assumptions used in the valuation include Occupancy rate Rental rate increase, discount rate and return rate. In addition, it is income from rental and service fees for investment properties. And other types of income of the company According to the appraisal report dated 28 December 2018.

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

• Selling Expenses

Type	Transferred								
	2019			2018			2017		
	MB	Transferred	% Transferred	MB	Transferred	% Transferred	MB	Transferred	% Transferred
Selling Expenses	375.9	2,868.5	13.1%	534.8	3,929.4	13.6%	605.5	4,958.1	12.2%
% Increase (Decrease)	(158.9)		(0.5%)	(208.0)		(1.4%)	157.6		3.2%

The main selling expenses of the company and subsidiaries consist of advertising expenses, Public relations, marketing expenses, transfer fees, specific business tax, and expenses related to other sales. The transfer fee and specific business tax will vary according to the revenue from the transfer of real estate. For the year 2019, when compared to the year 2018, the amount of transfer was decreases so transfer fees and specific business tax which varied with the revenue from the ownership transfer, decreased accordingly. In addition, the advertising and public relations decreased especially in billboard section.

In the year 2018, when compared to the year 2017, it was found that the transfer amount decreased. In addition, it also decreased from advertising expenses especially in the part of billboards but while there are more brand building costs. Which will result in long-term sales and profit for the company that will increase in the future.

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

• Administrative expenses

Type	Transferred								
	2019			2018			2017		
	MB	Transferred	% Transferred	MB	Transferred	% Transferred	MB	Transferred	% Transferred
Administrative expenses	542.3	2,868.5	18.9%	552.0	3,936.1	14.0%	577.7	4,958.1	11.7%
% Increase (Decrease)	(9.7)		4.9%	(25.7)		2.3%	53.8		0.4%

For the year 2019, the Company had administrative expenses in the amount of 542 million baht, a decrease of 10 million baht from the year 2018 because of the better management of the administrative expenses. The decreasing is mainly from depreciation and amortization and travel expenses.

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

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

• Finance costs

For the year 2019, the Company had a financial cost of 302 million baht while in 2018 the Company had a financial cost of 227 million baht which the financial cost increased by 75 million baht or 33%, most of which increased from interest on loans bank Interest promissory note bill of exchange interest and bank fees.

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

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

• Net Profit

For the year 2019, the Company had a net loss of (281) million baht, representing (9) percent of total revenue, while in 2018 the Company had a net profit of 31 million baht, representing 0.8 percent, with a net decrease of 311 million baht. Mainly due to the decrease in revenue from real estate sales that was a result of project development delay. In addition, most of the projects that the company is selling are the same projects that have been ongoing for many years. In particular, the revenue of condominiums decreased from the A Space ID Asoke Asoke project as well as revenue from townhouses that decreased from the projects in Kanchanaphisek-Ratchaphruek (Sai Noi), Wongwan-Ratchaphruek (Bang Bua Thong) and the Bangna zone. Because of most of the projects in these zones are under development to support the needs of customers and is still continuously popular. It is also a result of the increase in employee benefit expenses in the income statement. According to the Labor Protection Act on 5 April 2019 and the increased financial costs

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

For the year 2017, the Company's net profit was Baht 98 million, or 2%, while net profit was Baht 263 million or 6% in 2016. Net profit decreased from prior year for Baht 165 million or 63% due to the increase in selling expenses, such as advertising costs, marketing costs, advertising on billboards and especially online media and events. In addition, in the year 2017, the company expanded its customer base to overseas market. However, the increase in advertising and marketing this year, the company has analyzed the customer thoroughly and use the advertising and marketing tools, both in offline and online to communicate to the potential customers directly including the expansion to overseas market which will be a long-term impact on sales and profits in the future. In addition, The Company had the Actuarial loss of Baht 23 million at the end of year 2017 due to the change in assumptions on employee benefit obligation. However, this item is included in the other comprehensive income statement and has no impact on the Company's earnings per share.

From the above performance, considering the company's profitability ratio Profitability Ratio For the year 2019, 2018 and 2017, the company has gross profit margin of 29, 33 and 31 percent respectively and the company has a net profit margin of (9), 0.8 and 2 percent respectively. The company has a rate of return to shareholders equal to (8), 1 and 3 percent for the year 2019, 2018 and 2017, respectively.

6. Financial position

6.1 Assets

Unit: Million Baht			
	2019	2018	2017
Total assets	15,279	14,297	13,510
Increase from the previous year	982	787	(6)
Percentage	6.9	5.8	(0.0)
Real estate projects under development	11,834	11,492	10,717
Increase from the previous year	342	775	78
Percentage	3.0	7.2	0.7

For the year 2019, compared to the year 2018, the total assets increased mainly increased from leasehold rights of 473 million baht, real estate projects under development 342 million baht, deposits with guarantees 105 million baht and land, buildings and equipment 70 million baht.

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

For the year 2017, compared to 2016, total assets decreased slightly. Due to the decrease in Fixed assets and investment properties with the net increase in real estate projects under development, deposit of land and trade and other receivables. The decrease in Fixed assets And investment property are due to the depreciation recognized during the year and unrealized losses on fair value of investment properties of Baht 98 million and Baht 33 million, respectively.

The increase in real estate projects under development and the deposit of land is due to the low-rise projects under development in Bangna, Sai Noi and Rangsit and high-rise projects in the Rajadamri and Rattana Thibet area, Including additional land acquisition in Bangna, Hatairai, Rangsit and Bang Lamung. For the increase in trade and other receivable was due to the income from penalty of the delayed project.

• Cash and Cash Equivalent

Cash flow for the year ended 31 December 2017 to 2019 as follows.

	Unit: Million Baht		
	2019	2018	2017
Cash flow from operating activity before changing of operating assets and liabilities	146	364	524
Changing of operating assets and liabilities	726	(27)	644
Corporate income tax	(29)	(64)	(84)
Net cash provided by (used in) operating activities	843	273	1,084
Net cash provided by (used in) investing activities	(514)	(119)	(158)
Net cash provided by (used in) financing activities	(349)	(360)	(956)
Cash and cash equivalent increase/ (decrease)	(20)	(206)	(30)
Cash and cash equivalent at the beginning of the year	86	292	321
Cash and cash equivalent at the end of the year	66	86	292

From the above cash flow statement, as of 31 December 2019, the Company has cash and cash equivalents decrease from 31 December 2018 by 20 million baht due to the net effect of all 3 spending activities (1) Cash flows used in investing activities of 514 million baht (2) Cash flows used in financing activities in the amount of 349 million baht (3) Cash flows from operations of 843 million baht.

Compared to the year 2018, the cash flow used in the investment has increased. Mainly due to investing in leasehold rights and cash flow from financing slightly decreased from repayment of long-term loans from financial institutions. The cash flow from operations increased. From changes in assets and liabilities which decreased investment in real estate projects under development and decreasing payment to trade and other payables decreased. However, the cash flows received from operating activities are less than the cash flows used in investing and financing activities. Causing the cash and cash equivalents at the end of the period to decrease.

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

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

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

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

• Deposits for Land

Unit: Million Baht			
	2019	2018	2017
Deposits for Land	277	281	292
Increase/ (decrease) from the previous year	(4)	(11)	18

As of December 31, 2019, the Company has reduced deposit of land in the amount of 4 million baht due to the transfer of large plots of land in Bangna and Sai Ma zones. At the same time there is an additional deposit as according to the contract for new land located in the Bang Na zone extension section and the Hathairat zone that was result in a slight decrease in land deposits.

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

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

• Investment properties

Unit: Million Baht			
	2019	2018	2017
Investment properties	420	452	454
Increase/ (decrease) from the previous year	(32)	(2)	(40)

As of December 31, 2019, investment properties decreased slightly from the previous year by 32 million baht or 7 percent due to the adjustment of the fair value of profits previously recognized in the previous year of Community Mall.

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

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

In the current period, investment properties named “Pickadaily Bangkok” and “Life Style Club” have been completed. Such investment properties are a shopping center by dividing the space for rent. The investment properties have been presented under fair value method. The fair value has been determined based on valuation performed by an accredited independent valuer, using the income approach as addressed in the appraisal report dated 30 December 2019. 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

	Unit: Million Baht		
	2019	2018	2017
Property, plant and equipment (Million Baht)	412	342	274
Increase/ (decrease) from the previous year	70	68	(126)

Property, plant and equipment – net as of 31 December 2019, increased from last year mainly due to the recognition of profits from the fair value valuation of Sawana 2 rai, which is warehouses and documents storage.

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

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

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

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

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

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

As of December 31, 2019, prepaid rental according to the consolidated financial statements for the year ended December 31, 2018 and 2017 had amount of 119 million baht and 128 million baht respectively, decreasing by 9 million baht with the amortization of prepaid rent during the year. Which is included in the administrative expenses category By disclosing this item in the notes to financial statements No. 14, prepaid rental and Article 33 administrative expenses by categorizing as depreciation and amortization And the company will classify the amortization of prepaid rent Being the correct rental fee in accordance with generally accepted accounting standards and financial reporting standards in the 2019 annual financial statements.

For the Financial statement As of 31 December 2019 2018 and 2017 have been reclassified to Prepaid Rental Expense as table below (Decreased from amortization prepaid rental expenses);

Unit: Million Baht			
	2019	2018	2017
Building on lease land	119	128	136
Increase/-decrease from the previous year	(9)	(8)	(9)

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

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

- The ratio shows the efficiency of major operations.

Return on assets of the Company As of 31 December 2019, 2018 and 2017 was (0.07), 2.11 and 2.98 percent, respectively due to the Company had net profit in the year 2019 less than 2018 and 2017. As a result, the return on assets decreased.

6.2 Liabilities and sources of financing.

Unit: Million Baht			
	2019	2018	2017
Total liabilities	11,876	10,965	10,169
Increase from the previous year	911	796	(32)
Bank overdrafts and short-term loans from financial institutions	270	417	347
Current portion of long-term loans from financial institutions	1,059	1,564	611
Current portion of debentures	3,186	2,031	1,031
Long-term loans from financial institutions	1,172	878	1,032
Long-term loans from other company	480	-	-
Debentures	3,129	4,337	5,945

As of December 31, 2019, the Company had total liabilities increased from the year 2018 of 911 million baht, mainly from trade and other payables increased by 530 million baht, long-term loans from other company increased 480 million baht and unrecognised income on installments due increased 405 million baht. While bank overdrafts and short-term loans decreased by 147 million baht, long-term loans from financial institution decreased by 212 million baht and long-term loans from other parties decreased by 111 million baht.

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

As of December 31, 2017, the Company's total liabilities decreased by Baht 32 million baht from 2016. Overall, the total liabilities of 2017 and 2016 were not significantly different. During the year 2017, the Company change source of fund by reducing short-term loans from financial institutions and increase the portion of long-term loans instead for more efficient in financial liquidity management. For this reason, during the year, a large amount of short-term loans from financial institutions were repay and the borrowings in long-term loans from financial institutions increased.

For the debentures of 2017, during the year, the debentures were redeemed in the amount of 3,000 million baht, and new debentures for 2,997 million baht were issued. Therefore, the debentures of the years 2017 and 2016 were not different.

• Bank overdrafts and short-term loans from financial institutions

As of 31 December 2019, Bank overdrafts and short-term loans from financial institutions decreased from the previous year by 147 million baht or 35 percent, mainly due to short-term loans from financial institutions in bills of exchange and promissory notes.

As of 31 December 2018, Bank overdrafts and short-term loans from financial institutions increased from the previous year by 70 million baht or 20 percent mainly due to the investment in bill of exchange to replace the original bill of exchange that is due during the year.

As of 31 December 2017, Bank overdrafts and short-term loans from financial institutions decreased from the previous year by 1,199 million baht due to the repayment during the year and decrease in new borrowings, especially in promissory note and change source of fund to long-term loans instead for more efficient in financial liquidity management.

• Long-term loans from financial institutions

As of December 31, 2019, long-term loans from financial institutions decreased by 212 million bath from the end of the year 2018 or 9 percent. As a result of the repayment of long-term loans and a change in funding sources by investing in long-term loans from other companies instead.

As of December 31, 2018, long-term loans from financial institutions increased by 799 million baht as a result of changing sources of financing by investing in long-term loans instead For better liquidity management With an additional loan of 3,041 million baht this year, which is more than the previous year loan And repayments during the year, another 2,242 million baht, resulting in a long-term loan from financial institutions net higher than last year.

As of December 31, 2017, long-term loans from financial institutions increased by 937 million baht due to the Company change source of funds by reducing the proportion of short-term loans from financial institutions and increase the portion of long-term loans instead for better liquidity management. This year, the company has borrowed 2,723 million baht which more than last year and repayment during the year for 1,786 million baht.

• Debentures

As of 31 December 2019, the amount of debentures amounted to 6,315 million baht, a decrease of 53 million baht from the year 2018 due to the direct expenses of issuing deferred debentures. For the year 2019 ending 31 December 2019, the Company has issued debentures

For the year 2019 ending 31 December 2019, the Company has issued debentures in the amount of 2,000 million baht (2,000,000 units, 1,000 baht per unit). It will be redeemed on October 8, 2021, which is a replacement for the debentures which are due in 2019 in the amount of 2,000 million baht (currently fully redeemed).

As of December 31, 2018, the total amount of debentures was 6,368 million baht, a decrease of Baht 608 million from the previous year. During the year, the redemption of the debentures reached maturity of Baht 1,000 million and gradually repay the principal of the second tranche, which is a type of debenture. Gradually repay the principal in 2017, amounting to Baht 31 million. In addition, the company has issued two debentures during the year, 250 million baht and 167 million baht in October and November. In 2018, a total of 417 million baht. For the year 2018, the company issued debentures as detailed below;

On October 19, 2018, the Company issued debentures amounting to 250 million baht (250,000 units, 1,000 baht per unit) as debentures, named, unsubordinated, unsecured holders. There are bondholders' representatives Maturing on October 19, 2021, which is the

replacement of the debentures due for redemption in 2018, the amount of 1,000 million baht that has been redeemed in full amount. On November 22, 2018, the Company issued debentures amounting to 166.6 million baht (166,600 units, 1,000 baht per unit) as debentures, named unsubordinated, unsecured holders, with debenture holders' representatives, whose maturity date was 22nd, February 2022, which is a new release.

As of December 31, 2017, the debentures amounted to Baht 6,976 million, a slight decrease from the previous year of Baht 14 million. During the year, the debentures were redeemed in the amount of Baht 3,000 million and debentures were issued at Baht 2,997 million. For the year 2017, the Company issued the debentures as follows;

On January 31 2017, the Company issued Baht 654.5 million of debentures (654,500 units, Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 31 January 2020.

On April 5, 2017, the Company issued Baht 1,500.0 million of debentures (1,500,000 units, Baht 1,000 each). The debentures were registered, unsubordinated and secured and debentures mature on 5 April 2021. The Company has right to redeem this debenture before maturity.

On October 31 2017, the Company issued Baht 842.3 million of debentures (842,300 units, Baht 1,000 each). The debentures were registered, unsubordinated, unsecured and without a debenture holders' representative and debentures mature on 30 April 2021.

• Short-term Bill of exchange

Unit: Million Baht			
	2019	2018	2017
short-term Bill of exchange	60	131	70
Increase/ (decrease) from the previous year	(71)	61	(1,332)

As of December 31, 2019, short-term bills of exchange were 60 million baht, a decrease of 71 million baht from 2018, due to short-term bills of exchange due during the year, more than new replacement.

As of December 31, 2018, short-term bill of exchange amounted to 131 million baht, an increase of 61 million baht from 2017, mainly due to the investment in bill of exchange to replace the existing bill of exchange during the year to be used as working capital in the company.

As of 31 December 2017, short-term bills of exchange amounted to Baht 70 million, a decrease of Baht 1,332 million from the end of last year. It was mainly from the Company policy to change the funding sources from short-term to long-term by reducing short-term bills of exchange and increase the portion of long-term loans instead for more efficient in financial liquidity management.

• Equity

As of December 31, 2019, the shareholders' equity of the Company was 3,403 million baht, an increase of 71 million baht or 2 percent from 2018, mainly due to an increase of 300 million baht from subordinated perpetual debentures. The shareholders' equity increased by 59 million baht from other components of shareholders' equity. At the same time, decreased from the total comprehensive loss for the year of 288 million baht

As of December 31, 2018, the Company's shareholders' equity was 3,332 million baht, slightly decreasing for 8 million baht or 0.2% from the previous year, resulting from an increase in profit for the year 2018 of 31 million baht and decrease by the payment of dividends during the year 2017 amounting to 39 million baht.

As of December 31, 2017, the Company's shareholders' equity was 3,340 million baht, increasing for 26 million baht or 1% from the previous year, resulting from an increase in profit for the year 2017 of 98 million baht and decrease by the payment of dividends during the year 2017 amounting to 48.98 million baht and the Actuarial loss of 23 million baht due to the change in assumptions on employee benefit obligation. However, this item is included in the other comprehensive income statement and has no impact on the Company's earnings per share.

• Liquidity

Unit: Million Baht			
	2019	2018	2017
Cash flow from operating activities before changing of operating assets and liabilities	146	364	524
Changing of operating assets and liabilities	726	(27)	644
Income tax paid	(29)	(64)	(84)
Net cash provided by (used in) operating activities	843	273	1,084

Total cash flow from operations as of 31 December 2019, the Company had cash flow from operations increased from 2018 by 571 million baht, mainly due to operating cash flow before changes in operating assets and liabilities decreased 218 million baht due to the loss for the year. Due to increase in trade and other payables and delay of investment in real estate projects during development.

Total cash flows from operations in 2018 decreased from last year mainly due to the decrease in cash received from real estate projects during development Which corresponds to the revenue from real estate sales which decreased from the previous year Although there is cash received from trade accounts receivable and additional deposits. But a smaller proportion Therefore resulting in the overall cash flow from the operation of the decrease from last year.

Net cash flow from operating activities was increased from last year. The main reason is the cash received from real estate projects during development increased and decrease in the cash used for deposit the land. In year 2016, as a result of the Company focused on developing real estate projects by increasing the construction volume and acquired more land to accommodate new projects that will take place in the future, cash were used in large amount and result in the decrease in cash flow from operating activities. Thus, in year 2017, the Company develop the inventory management by controlling the construction volume and accelerate the sale of existing inventories, this make the Company had cash received from many development projects during the year 2017 which result in the increasing of operating cash flow.

Unit: Million Baht			
	2019	2018	2017
Net cash provided by (used in) investing activities	(514)	(119)	(158)

Net cash flow used in investing activities for the year 2019 is 514 million baht, an increase of 395 million baht from 2018, mainly due to the investment in leasehold rights and bank deposits used as collateral for credit facilities due at the due date and are free of burden during the year, less than the previous year. Resulting in increased cash flow used in investment

Net cash flow used in investment activities in 2018 decreased from 2017, The main reason for bank deposits that are used to guarantee for the letter of guarantee until the maturity and free of burden during the year is more than 35 million baht.

Net cash flow used in investment activities in 2017 decreased from 2016 mainly due to the decrease in fixed assets acquisition and the increasing for available cash from the secured bank deposits for letters of guarantee which matured during the year of Baht 32 million.

Unit: Million Baht			
	2019	2018	2017
Net cash provided by (used in) financing activities	(349)	(359)	(956)

Cash flow used from financing activities as of 31 December 2019 is 349 million baht, a decrease of 10 million baht from year 2018, mainly due to short-term and long-term loans from financial institutions 1,228 million baht. Paid financial costs and liabilities under financial leases decreased by 51 million baht and 72 million baht respectively. However, during the year, the proportion of cash received from the issuance of debentures was higher than repayment. Resulting in net cash received from debentures of 543 million baht, cash received from long-term loans from other companies 480 million baht, cash received from the issuance of subordinated perpetual debenture with capitalized 300 million baht, and decreased from the year 2018 has dividend payment of 39 million baht, while in year 2019 there is no dividend payment.

Cash flow used in financing activities in 2018 decreased from 2017, mainly due to cash received from long-term loans from financial institutions of 799 million baht and cash received from bank overdrafts and short-term loans 70 Million Baht. However, during the year Proportion of repayment of debentures higher than cash received from debentures Resulting in a 617 million net debt repayment, payment of financial costs of 554 million baht and a dividend payment of 39 million baht. In general, the net cash used in financing activities is less than 2017.

As of December 31, 2017, the company had cash flow used in financing activities of Baht 956 million due to repayment of short-term loans from financial institutions in the amount of Baht 1,200 million, payment of financial costs of Baht 595 million and dividend payment of Baht 49 million. While the proportion of repayment of debentures is higher than cash received from the issuance of debentures Resulting in a net debt repayment of Baht 21 million. However, the company has cash received from long-term loans from financial institutions of Baht 938 million baht, resulting in net cash used in financing activities this year higher than last year.

• Significant Financial Policy Analysis Ratios

Liquidity ratio

The Company's liquidity ratio as of December 31, 2019 was 1.84 times and as of December 31, 2018 was 42.21 times, decreasing by 0.37 times due to the company's current liabilities increased in proportion to the increase in current assets. The main cause of current liabilities is an increase from unrecognised income on installments due and debentures due within one year more than the previous year. The current assets increased from real estate projects under development.

The Company has a quick ratio as of December 31, 2019 is 0.09 times and as of December 31, 2018 is 0.06 times, although current liabilities for year 2019 will increase according to the above paragraph. But the company has current assets (Except real estate projects under development, deposits for land and other current assets) increased, resulting in an increased liquidity ratio.

The Company's liquidity ratio as of December 31, 2018 was 2.21 times and as of December 31, 2017 was 4.75 times, decreasing by 2.54 times. The increasing in current liabilities was mainly from the increase in debentures and current portion of long-term loans from financial institutions by 1,031 million baht in prior year to 2,031 million baht. The current portion of long-term loans from financial institutions increased from 611 million baht in the previous year to 1,564 million baht for this reason Therefore increasing current liabilities in 2018 resulting in a decrease in the liquidity ratio.

The Company has quick liquidity ratio as at December 31, 2018, equal to 0.08 times and as at December 31, 2017 is 0.23 times, decreasing by 0.15 times with the reasons mentioned above. Causing the Company has a large amount of current liabilities compared to last year and resulting in a faster ratio of liquidity from the end of last year.

The Company's liquidity ratio as of December 31, 2017 was 4.75 times and as of December 31, 2016 was 2.07 times, increasing by 2.68 times due to the Company's current liabilities decreased. The decreasing in current liabilities was mainly from the decrease in short-term loans from financial institutions and debentures due within one year. Short-term loans from financial institutions decreased from the repayment during the year and less borrowing since the Company change to funding from long-term loans instead. For the debentures due within one year, it was decreased due to the outstanding debentures due within the year 2016 amounting to Baht 3,000 million, while the balance of 2017 are only Baht 1,000 million. As a result of matters above, the current liabilities decreased for the year 2017 and affected to the better liquidity ratio.

The Company has the quick ratio as of December 31, 2017, equal to 0.23 times and as at December 31, 2016 is 0.11 times, increasing by 0.12 times with the reasons mentioned above. Causing the company to have a large amount of current liabilities when comparing from last year and resulting in a better liquidity ratio from the end of last year.

Interest coverage ratio

The Company has interest coverage ratios of 0.13 times as of December 31, 2019 and 1.58 times as of December 31, 2018 by a decrease of 1.45 times. The ability to pay interest is derived from profit before interest, income tax, depreciation and amortization. Divided by interest expense, because in the year 2019, the company's performance decreased by 311 million baht or decreased by 10 percent compared to the previous year. With a net loss of 281 million baht, a decrease from the year 2018 with a net profit of 31 million baht. The main reason was due to the decrease of revenue recognition from real estate projects, both horizontal and vertical projects.

While the Company has the interest coverage ratio (Cash Basis) to 1.44 times as of December 31, 2019 and 0.61 times as of December 31, 2018, an increase of 0.83 times as at December 31, 2019 the Company has cash flow from operating before interest expenses and taxes increased when compared to the year 2018.

The Company has interest coverage ratio of 1.58 times as of December 31, 2018 and 1.81 times as of December 31, 2017, which is reduced by 0.83 times. Profit before interest and income tax from operations divided by financial costs. In 2018, profit before interest and income tax from operations was less than the year 2017, amounting to 109 million baht or 27 percent, although at the financial cost of the year 2561 less than 2017, amount 33 million baht or 13 percent, with the proportion of profit that is lower than the cost of finance in the year making the interest payment ratio in the year 2561 decreased from 2017.

While the Company has interest coverage ratio (Cash Basis) of 0.61 times as of December 31, 2018 and 1.96 times as of December 31, 2017, which decreased by 1.33 times due to the year 2018, the company had cash flow from operations Amounted to 273 million baht, a decrease of 811 million baht from the year 2017. The main cash flow from operations decreased from the cash received from real estate projects during development that has decreased.

The company has interest coverage ratio of 1.81 times as of December 31, 2017 and 0.50 times as of December 31, 2016, which increased by 1.31 times. Profit before interest and income tax from operations divided by financial costs, which in 2017 had a profit before interest and income tax from operations less than 2016, amounting to 175 million baht, or 30 percent reduction, while financial costs Year 2017, more than 2016, amount of 23 million baht or 10 percent, with the proportion of profit declining but the financial cost increased this year Causing the interest coverage ratio in 2017 to decrease from 2016.

Debt to equity ratio

The Company has total debt to equity ratio of 3.49 times as of December 31, 2019 and 3.29 times as of December 31, 2018. However, the increase in total debt to equity ratio is due to the increase in Company's liabilities and reduced shareholders' equity this year. The increased liabilities of the Company are the result of the unrecognised income on installments due and the increase of loans from other companies that increase during the year.

The Company has a total debt to equity ratio of 3.29 times as at December 31, 2018 and 3.04 times as at 31 December 2017. The increase in the total debt to equity ratio is caused by Increased company liabilities and shareholders' equity decreased slightly this year. The increased debt of the company was due to the increase in long-term loans from financial institutions during the year.

The Company has a total debt to equity ratio of 3.04 times as of December 31, 2017 and 3.08 times as of December 31, 2016. The decrease in the total debt to equity ratio is caused by Decreased company liabilities and increased shareholders' equity this year. The decrease in the company's liabilities was a result of a decrease in short-term and long-term liabilities from financial institutions. Including liabilities from finance leases that were reduced from repayment during the year.

• The Maintenance of the net debt to equity ratio

The Company has a duty to comply with the terms and conditions of the right to maintain net debt to shareholders' equity not exceeding 3: 1 times in accordance with the criteria specified in the financial terms and conditions. Specifies that the net liabilities to be calculated must be deducted by cash and cash equivalents, temporary investment and restricted bank deposits for debentures including;

- 1) Debentures of Areeya Property Public Company Limited No. 2/2016, due B.E. 2020, which the issuer can redeem before maturity
- 2) Debentures of Areeya Property Public Company Limited No. 1/2017 due B.E. 2020
- 3) Secured debentures of Areeya Property Public Company Limited No. 2/2017, due B.E. 2020, which the debenture issuer can redeem before maturity
- 4) Debentures of Areeya Property Public Company Limited No. 3/2017, Series 1, due B.E. 2021
- 5) Principal repayment of the debentures of Areeya Property Public Company Limited No. 3/2017, Series 2, due B.E. 2019
- 6) Debentures of Areeya Property Public Company Limited No. 1/2561 due B.E. 2021
- 7) Debentures of Areeya Property Public Company Limited No. 2/2561 due B.E. 2022
- 8) Secured debentures of Areeya Property Public Company Limited No. 1/2019 due in B.E. 2021, which the debenture issuer can redeem before maturity

As at December 31, 2019, the Company has maintained net debt to equity ratio equal to 2.62 times in accordance with the obligations under the financial terms and conditions.

However, the Company has prepared the policies to maintain its debt to equity ratio and capital structure to the appropriate level in the future: 1) Capital Increase Plan, 2) Partial Repayment for Debt from financial institutions and 3) Debenture Partial Redeem Plan and 4) Accelerate the sale and transfer of completed projects in both of low-rise and high-rise projects by launching new promotions and advertisement both offline and on-line to reach the potential customers including with controlling the Company's operating expenses. As a results of these policies, the Company expect the increase in revenue recognition and decrease in operating expenses which will help the profit increased, debt-to-equity ratio decreased and appropriate structure of Company's capital.

Company's Loan

List of Loans of Areeya Property Public Co., Ltd. and Subsidiary Companies in the previous in 2017 to 2019 are as follows:

	Unit: Million Baht		
	2019	2018	2017
Promissory Note	200	247	275
Bill of Exchange	60	131	70
Loan from financial institutions	2,230	2,442	1,643
Debentures	6,315	6,368	6,976
Loans from other company	480	-	-
Total	9,285	9,188	8,964

Audit Fee

1. Remuneration from Audit Fee

The Company and its subsidiaries paid audit fees to the auditing office of the auditor, persons of activities in connection with the auditor or his office in the previous in 2017 to 2019 are as follows:

Unit : Baht

Detail	Audit Firm		
	Dharmniti Auditing Co., Ltd.	Dharmniti Auditing Co., Ltd.	Dharmniti Auditing Co., Ltd.
	2019	2018	2017
Areeya Property Public Co., Ltd.	1,510,000	1,539,000	1,120,000
Subsidiaries company	1,590,000	1,567,000	1,365,000
Total	3,100,000	2,980,000	2,485,000

2. Non-Audit Fee

The company and its subsidiaries do not have to obtain another service from the Office of Auditor, persons of activities in connection with the auditor or his office in fiscal year 2017 to 2019.

Related Transactions

last 2019, the Company entered into the transactions with the connected persons under the following details.

Person who may have conflict of interests	Relationship with the Company	Nature of Transaction and Necessity	Value of Connected Transaction (Million Baht)	Price and Details
Mr.Wisit Laohapoonrungsee and Mr.Viwat Lauhapoonrunngsi	Director and shareholder of the Company	Areeya Property Public Company Limited entered into a land lease agreement with two directors to build a head office building.	1.1 MB	- land lease agreement is for a period of 10 years. The lessor promises that upon the expiry of the lease term of 10 years, the lessor will allow an extension for another 10 years and negotiate the new rate at market price or other appropriate price. If the Company agrees to extend the agreement, the Company must submit written notice in advance as stipulated in the memorandum. As at December 31, 2019, the Company had commitment up to the end of lease agreement amounting to Baht 4.96 million.
			60 MB	- The Company paid rental deposit to the lessor amounting to Baht 60 million to guarantee that the leased asset would not be foreclosed by the financial institution since the lessor agreed to mortgage the leased asset under a credit facility agreement with the financial institution to finance the construction of the office building.
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	Areeya Property Public Company Limited provides loans to subsidiaries	1,228.2 MB	- Short-term loans to related parties, Pricing policy at 5.45% - 6.75% per annum.
			306.3 MB	- Interest receivable - related parties
			81.3 MB	-Interest income
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	Subsidiary company for Areeya Property Public Company Limited borrowing money	19.5 MB	- Short-term loans from related parties ,Pricing policy at 5.45% - 6.75% per annum.
			26.0 MB	- Accrued interest expense - related parties
			0.9 MB	- Borrowing costs - related parties (included in real estate projects under development)
			0.4 MB	- Finance costs

Person who may have conflict of interests	Relationship with the Company	Nature of Transaction and Necessity	Value of Connected Transaction (Million Baht)	Price and Details
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	Management income /Management fee	40.6 MB	- Management fee income at the agreed price
			18.0 MB	- Management fee at the agreed price
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	Areeya Property Public Company Limited allocated project costs to subsidiaries.	567.3 MB	- Trade and other receivables resulting from the allocation of project costs
Areeya Property Public Company Limited and subsidiaries	Parent company and subsidiaries	The subsidiaries liquidated loans financial institutions instead of Parent company.	386.8 MB	- Trade and other payables - related parties
Mr.Wisit Laohapoonrungrsee Mr.Viwat Lauhapoonrungrsi and Mr.Archawan Eiampaiboonphan	Director and shareholder of the Company	Director and shareholder of the Company booked the condominium with Areeya Property Public Company Limited	8.4 MB	Un-recognized income on installments due Key management
Areeya Property Public Company Limited and One up Co.,Ltd.	Parent company and subsidiaries	Areeya Property Public Company Limited hired and One up Co.,Ltd. for the construction projects.	5.0 MB	- The Parent company paid installment work to One up Co.,Ltd. and deducted 5% of installment payments
Areeya Property Public Company Limited and Areeya Management Co.,Ltd.	Parent company and subsidiaries	Areeya Property Public Company Limited purchased land from Areeya Management Co., Ltd. for the construction projects.	101.7 MB	- Cost of sale of real estate at cost (under real estate project in development)

Measures and Procedures for Approving Related Transactions

In the event of related transaction between the Company or its subsidiaries and the person who may have conflict of interest and gain and loss or may have conflict of interest in the future, the Company determines that the Audit Committee shall provide opinion on the necessity of entry into the transaction and appropriateness of price of the said transaction by considering on various conditions to be in line with the normal course of business in the industry. Furthermore, there shall be a price comparison with the price of the third party or market price. If the Audit Committee is not expert in considering the contingent related transaction, the Company shall arrange the independent expert or the Company's auditor to provide opinion on the said related transaction to be used as support of the Audit committee's decision. The opinion of the Audit Committee or the expert shall be used as support of the decision of the Board of Directors or the Shareholders as the case may be. The director with gain and loss shall have no voting right in the said transaction. In addition, the related transactions shall be disclosed in Notes to Financial Statements, audited or reviewed by the Company's auditor.

Executive Committee Report

The Executive Committee is appointed by the Board of Directors to supervise and supervise the management and control of the Company's business operations in accordance with the policy and business strategies as determined by the Board of Directors including compliance with business ethics and laws relating to the business of the company.

1. To consider the planning of work, determine the operational strategy together with the Managing Director and the executives of all departments of the company and subsidiaries.
2. To consider and approve the company's business plan, annual budget and investment of the Company, subsidiaries and affiliates companies to propose to the Board of Directors
3. To consider and approve the transactions related to the purchase of land as assigned by the Board of Directors.
4. To consider and approve the remuneration policy and salary structure of the employees of the company, subsidiaries and affiliates companies.
5. To consider and monitor the performance of the company, subsidiaries and affiliates on a weekly basis.
6. To consider the appointment of persons for the management positions of the company, subsidiaries and affiliates.
7. To perform various matters as assigned by the Board of Directors.

The Executive Committee is committed to performing its duties fully. For maximum benefit and equality for all shareholders and stakeholders to lead the organization to grow steadily and sustainably.



Mr. Wisit Laohapoonrungsee
Chairman and Chief Executive Officer

" Operating With Good Governance "

Corporate good governance

Company objectives and goals

From the recession of the real estate business, the Company also has strengths in many areas such as house designs and effective functionality. There are high-quality house available for sale. At the same time, there are weaknesses in some areas, such as in good areas and high potential customers; the Company is unable to build in time but in poor areas and high potential customers; there are many stocks. In addition, the overall economic problems are not favorable, the problem of COVID19, instability in the work that is causing customers to not dare to create a burden.

The Company plans to place **short-term** by reducing the burden of the customer by providing flexible special procedures, consulting services and finding ways to help customers, who want to have a home, to be able to have both low-rise and condominiums. The Company may have lower margins. However, this will make the revenue increase but the profit amount has not fallen much. The guidelines focus on selling as many, maintain gross profit and cash flow will come up in this way. The cash flow received will used to accelerate investing, speeding up the construction of potential projects. The Company has condominium projects that is under construction and has more than 90 percent backlog from two buildings. The cash flow received will used in accelerating the construction so that revenue and profits are recognized as soon as possible. The revenue of these two buildings should be recognized as more than 2,000 million baht in 2021 and 2022. From the results of the strategic adjustment earlier this year, 2020 has enabled the Company to obtain better revenue recognition by the end of 2019, about 10%.

Medium-term, the number of low-rise projects should be appropriately expanded to adapt to the current marketing strategy and location to be more effectively. The Company considers the absorption rate, resulting in the maximum product turnover. The new condominium project will continue to recognize revenue in the year 2023 onwards.

Long-term, the Company has developed a strategy to achieve sustained revenue and prudent growth rate.

Cost strategies are short-term, medium and long-term approaches, with more rigors in corporate spending. It has been started from 2018 to 2019 until now. In the past, the Company was able to reduce expenses by more than 70 -160 million baht per year. The Company has organized and used its budget to be effective, with the goal of further decline.

Construction strategy The Company still uses the existing policy for construction, which is a highly effective method, by using high quality Aluminum Form construction systems. There are no seams that cause leakage and save time. But the construction in a low-rise project will be reduced in volume to balance sales and transfers. This has been done for over 3 years, allowing the Company to reduce the fixed costs of the construction department as well.

Liquidity strategy Due to the Company has a land holding of one. But still unable to launch the project due to market conditions, product characteristics, unrelated sales price range and able to start the project within a short time. It may be considered selling out to enhance liquidity and / or reduce debt and interest expenses and provide an opportunity to invest in projects with better potential in the medium term. This means it can generate more cash flow cycles and profits in medium and long term, while continuously reducing costs and expenses. This will make the Company better maintain liquidity. However, accelerating sales of projects with ready-to-sell products is still a factor that needs to be monitored.

Social strategy although the business situation is not as expected, the company still maintains positive customer satisfaction and improves productivity. In addition, environmental awareness continues to improve, especially in 2019 new projects, is the waste management project in the project. That helps to support juristic persons that have already established and are going to establish to have additional income from the collaboration of the community and have plans to expand in business terms. In this regard, the company does not focus on the profit in the form of money, but rather the environmental profit and quality of life as a whole. For ongoing projects such as quality house project, health care project by organizing exercise area, environmental-friendly project, school project of migrant workers and sustainable projects that are still performing consistently. The project provides a good community that can be viewed from the results of Friend Get Friend project which the client introduces new buyers, does not diminish in any way.

Corporate Governance Policy of the Company and Subsidiaries

The boards have determined to operate business and maintain a good governance to all stakeholders such as shareholders, investors and other related parties by providing principles and guidance to the company and subsidiaries as follows:

1. Rights of shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Responsibility of the Board

Rights of Shareholders

The company has policy to support and facilitate every shareholder to ensure the basic right execution in an equal and fair basis.

The company has provided guideline as follows:

1. The company has appointed Thailand Securities Depository Company Limited which acts as a company registrar to facilitate security transactions for shareholders.

2. Prior to the actual meeting date, the company is required to inform all shareholders about meeting agendas in a sufficient detail and timely manner. The company is required to distribute the notice letter of the shareholder meeting which addressed agenda and detail at least 14 days prior to the actual meeting date in accordance with the company's regulations No. 29, citing the notice of the shareholder meeting. The company will post the notice letter of the shareholder meeting on the website www.areeya.co.th at least 30 days in advance.

In the year 2019, the company has set the shareholders' meeting for 2 times which are the Extraordinary General Meeting of Shareholders No. 1/2019 and the Annual General Meeting of the Shareholders for the year 2019 on Tuesday, March 19, 2019 and 23 April 2019, in which the company has implemented in accordance with the policy and criteria regarding the treatment of shareholders.

- The Chairman of the meeting has set the sufficient and appropriate meeting time period for proceeding all agendas. During the meeting, the Chairman will encourage all shareholders to openly express their opinions and inquiries on the company's business operations and other related matters.

- The Chairman and other board members have participated in the meeting to answer any inquiries by shareholders if any.

- The company has shown to operate its business based on efficiency, transparency, and accountability to ensure the optimal benefits to shareholders and the appropriate disclosure to other related parties.

3. The company will allow our shareholders to propose advanced inquiries and agenda or to nominate a candidate of board member or audit committee via the company's website and to the investor relations prior to the meeting.

4. The board and executive member who willing to process any sales or purchase of the company's shares. The company required such personal to inform the board or assigned committee at least 1 day in advance.

5. If any shareholders are unable to attend the meeting, the company will provide an additional alternative for the shareholder. He or she will be able to proxy his/her right to an independent board member.

6. In voting in the Annual General Meeting of Shareholders, the Company has implemented voting cards for every agenda and employed a barcode system in vote counting for convenience and expedition. In addition, representatives from the Company's auditors also bear witness to the vote counting, and the votes are clearly declared in the minutes of the Annual General Meeting of Shareholders, detailing approval, disapproval, and abstained votes for each agenda requiring voting.

7. Resolutions reached at the Annual General Meeting of Shareholders as well as votes for each agenda are disclosed via SET Portal of the Stock Exchange of Thailand and published on the Company's website after the Annual General Meeting. 1.7 The Company prepared the Minutes of the Annual General Meeting of Shareholders, both in Thai and English, and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the date of the meeting as stipulated by law. They were also disseminated on the Company's website.

8. Disclosing the resolutions of the general meeting of shareholders to the public of the voting results of each agenda via the SET Portal system of the Stock Exchange of Thailand And published on the company website later Finish the meeting.

9. The Company prepared the Minutes of the Annual General Meeting of Shareholders, both in Thai and English, and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the date of the meeting as stipulated by law. They were also disseminated on the Company's website.

Equitable Treatment of Shareholders

1. Treatment of Minority Shareholders

The Company has prescribed criteria and procedures whereby minority shareholders may propose agenda items for the Meeting and to nominate candidates to be elected as a director beforehand. The Company provides channels for minor shareholders to give suggestions, express opinions or file complaints to website or investor relation representative by phone or email.

2. Monitoring the Usage of Insider Information

Board of Directors has realized about defense to be misused by someone with self-exploitation. They are stipulated information confidentiality policy to limit access to information within company for authorized staffs solely.

The company informs executives, including executive's spouses and minor children to report their holding or changing the company's securities to the Securities and Exchange Commission (the office) under the rule and procedures of the Securities and Exchange Act B.E. 2535 section 59 and its punishment of section 275.

Also, such mentioned persons as directors, management and employees including their spouse and minor children, are prohibited to make any security transaction; either purchasing, or selling, or transferred by taken advantage of the internal confidential information, which has not yet been disclose to the public. However, in case of the transactions occur in normal business, directors and management including their spouse and minor children, he/she had to report to the office within three working days since the event takes place, and copy to documents will be handled to company as evidence.

In addition, the company provides ethical policy that director, management and employees are always expected to observe honestly and virtuously, and should not participate to any immoral behaviors deteriorating company recognition. If any evidence has shown that company information confidentiality are disclosed by self exploitation insiders, it's doomed that such a person is accused of severe disciplinary violation and may be deserved condemnation according to employee regulation.

3. Preventing Conflicts of Interest

The Board of Directors has established policies regarding conflicts of interests as follows:

1. The Shareholder structure shall be clear, transparent and shall not have cross-holding among major shareholders, thereby preventing any conflict of interests with any party. Also, the shareholder structure of the company and its subsidiaries shall be disclosed in the Annual report.
2. Directors and top executives must file a report stating their own and their related persons' interests in the management of the Company or subsidiaries to the company secretary. The company secretary shall deliver a copy of such a report to the Chairman and Chairman of the Audit Committee within seven days upon the receipt of the report.
3. In case any director or executive has a vested interest in any agenda item under consideration, such a person must not attend the meeting or must abstain from voting on such an agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.
4. Compliance and internal information use policies are prescribed and written in Approval Authority, SCG Code of Conduct, and Regulations for Employees, along with clear 20/79 disciplinary action if the management or employees disclose internal information to the public or use it for their own advantage.

Roles of Stakeholders

The company has committed to provide fair treatment and transparency to our stakeholders such as employees, creditors, customers, vendors, shareholders, auditors, independent appraisers, government officials, and communities. The company has set the principle and guidelines as follows:

1. **Shareholders:** The company has attempted to offer the attractive returns to all shareholders by generating outstanding performances and sustainable business development. The company also provides the effective internal control to assure best interest to our organization and shareholders.

2. Customers: The company has continued to focus and maintain our quality of services and high customer satisfaction as our core value via the after-sale service team members consisting of Call Center, After-Sale Service (AS), Customer Management (CM), and Customer Relations Management (CRM).

3. Partners: With fairness and transparency in purchasing policy, the company has developed its strategic partners throughout these years to provide quality products and services to the company with competitive advantages, vice versa the company also provide knowledge-sharing programs, seek financing source from banks, provide liquidity or equipment loans for the contractors/partners to help out in their cash flow.

4. Creditors: The Company clearly formulates the policy and practical guideline on the creditors. The Company is committed to conducting business in a fair manner in order to create trust and maintain sustainable among creditors. Either being trade creditor or financial institution creditor, especially in terms of guarantee condition, capital management and repayment. is committed to strict compliance with the conditions of the creditors. In the case of non-compliance with any of the conditions, it shall inform the creditors promptly in order to jointly solve the problems by applying reasonable principles and shall not do any dishonest act against the creditors.

5. Competitors: The company has supported the free trade agreement policy and emphasize mainly on fair and acceptable rules to avoid dishonest practices that may lead to unfair trade advantages.

6. 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.

7. Community, Society, and Environment: The company has strongly committed corporate social responsibility policy in our core value. The company has implemented its core value into day-to-day business operation with full responsibility towards the community, society, and environment in accordance with laws, rules and regulations. In addition, the Company focuses on raising awareness of the employees to make the most effective use of resources and must be push all employees to be aware of surrounding environmental. By providing training and campaigning on environmental issues, such as saving the energy of the company Creative separation of waste, sharing income to society, etc.

Non-Violation Intellectual Property Policy

To continue the sustainable success on the company business and align with corporate transparent procedure, the company considers the intellectual property policy as part of the employment agreement. The content included is as follows:

- The employee must strictly follow non-violation of any intellectual properties.
- The employee must ensure the permissible right on all works under the terms on which the company was granted.
- The employee must immediately inform the Company, when involving in any issue on copy rights or intellectual property.

Moreover, the company sets the specific procedure, for example, the computer system and information technology usage must be certified by the proper license. Installation or publicity of illegal software product that is not properly licensed to the company is strictly prohibited.

Human Rights Policy

The company issues human right procedure for all people to follow strictly. From the sourcing and recruiting process, the company ensures that no discrimination on gender, race, religion, skin color, or any factors that are not related to ability to operate the job, and no labor abuse or illegal practice. The procedure regarding to human rights is as follows:

- The company shall fairly determine employee compensation according to qualifications, job scope, competencies and working performance that employee delivers, together with organization compensation structure.
- The company shall fairly encourage employees in all levels to attend training programs according to the organization training roadmap.
- The company shall treat employees with honor and respect to each other's opinion.

Transparency and Disclosure of Information

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

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

The Company has the Chairman of the Board of Directors, the Chairman of the Executive Committee and the Managing Director being the same person. However, transactions that are not normal operations of the company will be considered by the Board of Directors every time and there are 3 independent directors. The decision to invest in various projects must be considered by the Board of Directors. Including the purchase of land for project development To ensure that there is no direct or indirect benefit or interest in both the financial and management of the company.

The Board of Directors regularly holds meetings, in which each management meeting has prepared information and details for the Board to consider. During the meeting, the chairman of the meeting gave the time for the directors to carefully consider various agendas, including providing full opinions. And a written meeting record In addition, the minutes of the meeting that have been approved for collection by the relevant parties can be examined. In 2019, there were 10 Board meetings. With details of the attendance of the Board of Directors as specified in the topic Remuneration for Directors and Executives.

The Audit Committee regularly holds meetings, which at the meeting of the Audit Committee has considered, selected and nominated the auditor's name and auditor's remuneration. Providing opinions in the interim financial statements and annual financial statements that the auditor has reviewed or audited Consider compliance with accounting standards And disclosure of information in the financial statements before presenting to the Board of Directors for consideration, reviewing the disclosure of related party transactions or connected transactions. Consideration of the appropriateness of the internal audit and audit plan and consider the internal audit report that has examined various work systems within the organization prepared by the Internal Audit Department. As well as providing recommendations on improving the internal control system to present to the management. In addition, the Audit Committee presented the assessment of the adequacy of the internal control system to the Board of Directors to consider as well. In 2019, the Audit Committee's meeting was held in total of 14 Times with details of attendance of the Audit Committee As specified in the topic Remuneration for Directors and Executives.

As for the Nomination Committee and the Remuneration Committee The company has not yet been established. Because the Board of Directors considered that the number is not small and can call a meeting to consider the matter in the Board of Directors meeting is already normal. In addition, the directors must comply with the Code of Best Practices of Listed Companies such as complying with relevant laws and regulations of the company. Be honest and responsible to the company and shareholders. Have knowledge and ability and have a willingness to use knowledge, ability and experience in business operations continuously and have responsibility for financial reports, etc.

Responsibility of Directors

The management structure of the Company consists of three committees: the Board of Directors , Audit Committee and executive board.

The management structure of the Company as at 31 December 2019 is as follows:

1. Board of Directors
2. Audit Committees
3. Executive Committees

1. Board of Directors

As at 31 December 2019, the Board of Directors comprised of eight members as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2019
1	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer	10/10
2	Mr. Viwat Lauhapoonrungsi	Director	10/10
3	Mrs. Niphapat Romerattanaphun	Director	9/10
4	Mr. Thun Thiansuwan	Director	10/10
5	Mr. Archawan Eiampaiboonphan	Director*	10/10
6	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	10/10
7	Mr. Preecha Boonyakida	Independent Director and Audit Committee	10/10
8	Mr. Sompol Thiensuvan	Independent Director and Audit Committee	10/10
Total number of meetings			10

Authorized signatories are Mr. Wisit Laohapoonrungsee and Mr. Viwat Lauhapoonrungsi and the company's seal or one of these two directors signing together with Mrs. Niphapat Romerattanaphun or Mr. Thun Thiansuwan or Mr. Archawan Eiampaiboonphan with affixing the company's seal.

Role and duties of Chairman of the Board

The duty of the Chairman of the Board is to play the leadership role, and to preside over the Board of Director's Meeting and the Shareholders' Meeting to ensure efficiency and effectiveness. The Chairman also plays an important role in making the Board of Directors work efficiently by encouraging every director to participate in the meeting, assisting, advising and supporting the business operation of the management. The Chairman of the Board also has the freedom to propose agenda of the meetings and express opinions on the Company's operation in various aspects, including carefully and mutually considering matters concerning conflict of interests of justice and transparency.

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.

Minimum Element during Resolution of the Board of Directors

The Company has formulated a policy that while the Board of Directors will resolve in the Board of Directors' Meeting, not less than two-third of total directors shall be present.

2. Audit committees

As of December 31, 2019, 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 2019
1	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	14/14
2	Mr. Preecha Boonyakida	Audit Committee	14/14
3	Mr. Sompol Thiensuvan	Audit Committee	14/14
Total number of meetings			14

Audit Committee is an independent organization to support, review the financial information, and report to the shareholders and other related persons.

Scope of duty and responsibility of the audit committee

1. To review the Company's financial report is accuracy and adequacy.
2. To ensure that the Company has a suitable and efficient internal control system and internal audit, the audit committee shall consider the following issue:
 - To strengthen the independence of the internal audit department, the audit committee shall approve any selection, promotion, rotation or termination of the department head.
 - To ensure the independence of the internal audit department, the audit committee shall consider other factors that might impact its independent performance, including reporting and supervision processes.
3. To ensure that Company compliance with the securities and stock exchange laws, the Stock Exchange of Thailand's regulations and other business laws.
4. To consider, select, nominate, recommend, termination and remuneration of the Company's external auditor. The audit committee shall consider the following issues:
 - To ensure the independence of the external auditor. The audit committee shall consider any factors that may conflict with the auditor's efficient and professional operations.
 - To freely discuss significant matters, the audit committee shall meet privately with the external auditor once a year, 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 at As of December 31, 2019, the Executive Committees of the Company consists of five persons as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2019
1	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer	7/11
2	Mr. Viwat Lauhapoonrunsi	Director	11/11
3	Mrs. Niphapat Romerattanaphun	Director	9/11
4	Mr. Thun Thiansuwan	Director	11/11
5	Mr. Archawan Eiampaiboonphan	Director	9/11
Total number of meetings			11

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

Scope of duty and responsibility of Executive Committee

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

Chief Executive Officer

Chief Executive Officer of the company is Mr. Wisit Laohapoonrungsee.

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

Scope of duty and responsibility of Chief Executive Officer

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

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

Nomination of the Board of Director

At present, the Company has no the nominating committee for selecting directors and independent directors. However, the Board has to consider the person who has good qualifications, knowledge, capabilities and related experiences. In addition, he (or she) shall not have prohibited characteristics according to the law. The independent directors are not the company's employee, advisor or stakeholder, not have any family related with major shareholder and not a management of subsidiary. The company's director selection is as follow regulation:

1. Committee election by the shareholders shall follow the majority of votes by the following the rules and method below:
 - a) Each shareholder will have a number of votes equal to one share per one vote.
 - b) In case that the number of nominees is less than the number of the member required, the shareholders shall vote according to their belonging shares as the subject (1). The votes can not be divided to any other person.
 - c) Casting a vote one by one shall be used, in case that the number of nominees is more than the number of member required. Each nominee shall get the vote from the shareholders according to their belonging shares as the subject (1). The votes can not be divided to any other person. Nominee who gets the highest votes shall carry an election. The number of nominees who carry an election depends on the member required. The chairman of the meeting shall decide if voted are tie.
2. In case that member of the Board vacates until unable to be a quorum, remaining directors have to work on behalf of the Board only to run an election for replacing directors.
3. Subject 2 above, in case that a vacant position comes from other factors except retiring by rotation, the Board will, at the next scheduled meeting, to select a replacing director who has proper qualification and shall not have prohibited characteristics according to the law. The said director shall be on duty as long as the term of office of the retiring director remains. Unless the term of office is less than 2 months, there will be no replacing director.

The Board's resolution according to the first clause comprises more than 3/4 of votes.

Furthermore, The Company specifies the qualifications of its independent director in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

1. Holds shares not exceeding 1% of the total voting shares of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that the shares held by the related parties of such independent director shall be included.
2. Is not or has never been an executive director, employee, staff, advisor who receives salary, nor controlling parties of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company.
3. Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the Company or its subsidiary.
4. Have no or never had business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company in respect of controlling which may harm the independent decision-making, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company
5. Is not or has never been the auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of Company, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received the service fee more than 2 Million Baht per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms.
7. Is not the director who is nominated to be the representative of directors of the Company, major shareholders, or any other shareholders related to the major shareholders
8. Do not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds share of more than 1% of the total voting shares of any other company which operates same and competitive business with the business of the Company, or its subsidiaries.
9. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the Company.

After being appointed as the independent director in accordance with the conditions under the article (1) – (9), such independent director may be assigned by the board of directors to make decision in respect of collective decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of Company.

The definition of independent director of the Company is equal to the minimum requirement of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Board of directors and number of publicly listed companies

The company has set the limit policy for our board of directors related to serve in the board of directors of publicly listed companies not to exceed 5 companies. The company has disclosed individual as follows:

No.	Name	Position	Publicly listed companies	Subsidiaries of Publicly listed companies
1	Mr. Wisit Laohapoonrungee	Chairman and Chief Executive Officer	No	No
2	Mr. Viwat Lauhapoonrungsi	Director	No	No
3	Mrs. Niphapat Romerattanaphun	Director	No	No
4	Mr. Thun Thiansuwan	Director	No	No
5	Mr. Archawan Eiampaiboonphan	Director	No	No
6	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	1	No
7	Mr. Preecha Boonyakida	Independent Director and Audit Committee	1	No
8	Mr. Sompol Thiensuvan	Independent Director and Audit Committee	No	No

Additional policy for Chief Executive Officer (CEO)

To maximize time and skill dedication of our CEO, the company will not allow our chief executive officer to serve the same role in other publicly listed company.

New board members

For a new member of board, the company will provide the orientation as follows:

- Provide company rules and regulation, code of conducts and business overview as needed.
- Appoint the meeting with existing board members for guidance and recommendations.
- Enroll the board of director training or seminars as appropriate.

During 2018, the board of directors have appointed Mr. Archawan Eiampaiboonphan as a board member on April 27, 2018.

Knowledge Training and Development of Director

The Company has a policy to encourage directors to receive continuous internal and external knowledge training and development. For example, participation in training courses of Thai Institute of Directors, The Stock Exchange of Thailand, Office of the Securities and Exchange Commission, and other courses organized by government and private agencies, as well as field study and visit. Furthermore, the Company also surveys the additional opinions of each director whether he/she requires the additional fields of knowledge training and development that contribute to the ability of the Board of Directors to efficiently perform duties and govern the Company's business.

Anti-Corruption Policy

Corruption means a form of dishonest, unethical or illegal conduct performed by a person entrusted with a position of government authority, often to acquire personal benefit directly or indirectly. Corruption may also include other immoral practices occurred when a business entrepreneur, corporate partner, or related person acts in a wrongful manner considered as personal exploitation.

- **Internal Organizational Anti-Corruption Policy**

The company is strictly committed to operating its business in an honest and transparent manner towards its customers, partners, employees, and other people in the society without being involved in any corrupted action, where the board of directors, executives, and employees at all levels are permanently prohibited to use their authority in performing duties to seek personal gain or benefit for their families or other people.

- **External Organizational Anti-Corruption Policy**

As the company has successfully complied with its anti-corruption policies developed for internal enforcement, it is also required to make progress of external organizational anti-corruption policy as well. Anti-corruption practices are strategically developed to hinder a government official's dishonest or illegal conduct and prevent possible impacts on Thailand's economic growth and national image. The company has never supported any form of bribery, whether it is considered unethical business supports offered to partners or immoral financial incentives given to government officials. In addition, the company has determined to operate its business based on the legal enforcement of laws and the correct procedure of business practices to ensure that the risk of corruption is minimized.

Similarly, the company is always ready and willing to comply with all rules and regulations issued by government organizations to fight against corruption. The company has also reiterated its intention to create greater awareness on anti-bribery and corruption for executives and employees at all levels by supporting this agenda in the new employee orientation program and public this agenda in internal communication channels. Also encourage for monitoring the Anti-Corruption practices which is responsible by internal audit department and all superior levels. Moreover, the company set the procedure regarding to Anti-corruption policy as follows:

- The employee must not offer the benefit to any parties in order to induce them to omit the duty or to commit the illegal action.
- The employee must not receive the benefit from any parties in order to be induced to omit the duty or to commit the illegal action.
- The employee shall avoid receiving or offering any gift in the form of cash, bond, shares, and jewelry, real estate both in festival or non-festival periods.
- The employee shall avoid receiving or offering any gifts either tangible or intangible benefit from any parties, unless in festival or traditional practice within reasonable value and under the condition that the recipient must report and consult to superior level in advance.

Complaint and following up

The company provides communication channels in case employees need to complain or detect any action which is suspicious that it may be in violation or illegal by contacting directly to superior level or Human Resources Department or Internal Audit Department via internal phone number 02-798-9971 or email ia@areeya.co.th or post mail to company address. Regarding to the matter, the company shall take into appropriate process by the investigation committee on a case by case basis to lead the impartiality and to keep the said person information as a strictly confidential.

Whistleblower Policy

The company places great emphasis on good corporate governance, transparency, and accountability. Therefore, the company gives employees the opportunity to report or provide information about abnormalities in the company's business through special channels and establish protection mechanisms in order to ensure that reporting or providing information without causing the person Complaints or informants have suffered.

Petitioners

1. Employees who see actions in violation of laws, rules and regulations Or Code of Business Conduct of the Company.
2. Employees who are bullied, threatened or disciplined due to their complaint Or provide information to assist in the investigation process including the prosecution Or any cooperation with the court or government agencies.

Complainant

1. Supervisors that they trust in every level
2. Human Resources Director
3. Managing Director
4. Any director of the Company

Complaint method

Complain to one of the following recipients

1. Complain directly orally or written
2. Via the E-Mail Address of the complainant
3. Make a sealed letter directly to the recipient of the complaint. The complaint is considered to be the most confidential and can make more than one complaint.

Scrutiny process

1. The person receiving the complaint will conduct the investigation and gather facts or may assign a trusted person or agency to investigate the facts.
2. The recipient of the complaint or the assignee can invite any staff member to provide information or request to submit any documents Related for investigation
3. If the investigation is found to be true The company will proceed as follows;

- In the event that a complaint is a violation of the law, rules, regulations or ethics Present the matter together with the opinions and correct practices to the authority to consider and in the event that it is important such as affecting the reputation, image or financial status of the company to propose the matter to the audit committee for consideration.
- In the event that a claim causes damage to someone, we will offer appropriate and fair mitigation methods to the injured person.

Protection of people who report information or give clues

1. In the event that the complainant chooses not to disclose the name Must provide sufficient clear details, facts or evidence to show that there are reasonable grounds to believe that it is a violation of laws, rules and regulations or Code of Business Conduct of the Company But if revealing oneself, will cause the company Can report the results of the complaint and the recipients of the complaint can proceed more quickly.

2. The relevant information, the company is considered confidential and will be disclosed as necessary, taking into account the safety and damage of the person reporting the source of information or the person concerned In this regard, the person responsible for every step must keep the known information in the highest level of confidentiality and do not disclose it to others if it is considered a violation of discipline.

3. In the event that the complainant considers that they may be unsafe or may cause trouble or damage The complainant can ask the company to specify appropriate protection measures or the company may specify protection measures without the complainant requesting. If it is considered a matter that is likely to cause damage or unsafe

4. Employees who treat others with unfair methods, discriminating with inappropriate methods or causing damage. Which is motivated by the fact that that person has complained or given a clue, including prosecution or cooperation in court or a government agency is considered a disciplinary offense that must be punished However, the penalty may be prescribed by law if such action is considered an offense under the law.

5. Those who suffer damage will be alleviated with methods or processes considered to be appropriate and fair.

Management Structure

The management structure of the Company consists of three committees: the Board of Directors , Audit Committee and executive board.

Nomination of Independent Directors and Audit Committee

The Company has a policy to nominate independent directors and members of the Audit Committee by allowing the shareholders to propose names of the Board of Directors in advance through the Company's website and nominations from the management team. The selection of directors will be considered from Qualifications and work history that are suitable for the position and is independent enough to act as an independent director and / or audit committee, In order to comply with good corporate governance principles.

By the information of directors and controlling persons of the Company and its subsidiaries that are the main business companies And showing details about the directors of the subsidiaries as per attachment 2 and 3 by the management structure of the company as at 31 December 2019 as follows:

Board of Directors

As at 31 December 2019, the Board of Directors comprised of eight members as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2019
1	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer	10/10
2	Mr. Viwat Lauhapoonrungsi	Director	10/10
3	Mrs. Niphapat Romerattanaphun	Director	9/10
4	Mr. Thun Thiansuwan	Director	10/10
5	Mr. Archawan Eiampaiboonphan	Director	10/10
6	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	10/10
7	Mr. Preecha Boonyakida	Independent Director and Audit Committee	10/10
8	Mr. Sompol Thiensuvan	Independent Director and Audit Committee	10/10
Total number of meetings			10

Authorized signatories are Mr. Wisit Laohapoonrungsee and Mr. Viwat Lauhapoonrungsi and the company's seal or one of these two directors signing together with Mrs. Niphapat Romerattanaphun or Mr. Thun Thiansuwan or Mr. Archawan Eiampaiboonphan with affixing the company's seal.

Audit Committees

As of December 31, 2019, 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 2019
1	Mr. Wanchai Tantikul	Independent Director and Chairman of the Audit Committee	14/14
2	Mr. Preecha Boonyakida	Audit Committee	14/14
3	Mr. Sompol Thiensuvan	Audit Committee	14/14
Total number of meetings			14

Audit Committee is an independent organization to support, review the financial information, and report to the shareholders and other related persons.

Executive Committees

As at As of December 31, 2019, the Executive Committees of the Company consists of five persons as follow:

No.	Name	Position	Number of attended meetings/all meetings of year 2019
1	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer	7/11
2	Mr. Viwat Lauhapoonrungrasi	Director	11/11
3	Mrs. Niphapat Romerattanaphun	Director	9/11
4	Mr. Thun Thiansuwan	Director	11/11
5	Mr. Archawan Eiampaiboonphan	Director	9/11
Total number of meetings			11

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

Board of Directors in subsidiary companies

Areeya Service Co., Ltd.

No.	Name	Position
1.	Mr. Viwat Lauhapoonrungsi	Managing Director
2.	Mr. Wisit Laohapoonrungsee	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Director

One-up Co., Ltd.

No.	Name	Position
1.	Mr. Viwat Lauhapoonrungsi	Managing Director
2.	Mr. Wisit Laohapoonrungsee	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Director

Areeya Management Co., Ltd.

No.	Name	Position
1.	Mr. Viwat Lauhapoonrungsi	Managing Director
2.	Mr. Wisit Laohapoonrungsee	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Director

Cool Space Co., Ltd.

No.	Name	Position
1.	Mr. Viwat Lauhapoonrungsi	Managing Director
2.	Mr. Wisit Laohapoonrungsee	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Director

Board of Directors in subsidiary companies

White Living Co., Ltd.

No.	Name	Position
1.	Mr. Viwat Lauhapoonrungsi	Managing Director
2.	Mr. Wisit Laohapoonrungsee	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Director

Chill Space Co., Ltd.

No.	Name	Position
1.	Mr. Viwat Lauhapoonrungsi	Managing Director
2.	Mr. Wisit Laohapoonrungsee	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Director

Areeya Hospitality Co., Ltd.

No.	Name	Position
1.	Mr. Viwat Lauhapoonrungsi	Managing Director
2.	Mr. Wisit Laohapoonrungsee	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Director

Soontareeya Residence Co., Ltd.

No.	Name	Position
1.	Mr. Wisit Laohapoonrungsee	Managing Director
2.	Mr. Viwat Lauhapoonrungsi	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphant	Director

Board of Directors in subsidiary companies

Soontareeya Leisure Co., Ltd.

No.	Name	Position
1.	Mr. Wisit Laohapoonrungsee	Managing Director
2.	Mr. Viwat Lauhapoonrungsi	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Director

Management Team

As of December 31, 2019, the management team of the Company consists of 5 members as follow:

No.	Name	Position
1.	Mr. Wisit Laohapoonrungsee	Chairman and Chief Executive Officer
2.	Mr. Viwat Lauhapoonrungsi	Director
3.	Mrs. Niphapat Romerattanaphun	Director
4.	Mr. Thun Thiansuwan	Director
5.	Mr. Archawan Eiampaiboonphan	Executive Director and Senior First Executive Vice President – Construction Department

Remark : Executive (according to the SEC definition) means Managing Director or the first four executive level positions, counting from the Managing Director down. Those who hold positions equivalent to those of the fourth executive level And shall include those holding positions at the management level in accounting and finance That is the department manager level up or equivalent

Chief Executive Officer

Chief Executive Officer of the company is Mr. Wisit Laohapoonrungsee

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

Secretary of the Company

The Board of Directors passed a resolution to appoint Mr. Anat Pinrat to be the Company Secretary since February 22, 2013 with the main duties and responsibilities as specified in the Securities and Exchange Act As well as being responsible for overseeing and giving advice to the Board of Directors and executives in various laws and regulations that the Board of Directors must know and practice Including being responsible for organizing the Board of Directors meeting Sub-committee And shareholders' meeting Coordinate with internal departments to comply with laws, objectives, company regulations. Board resolution And the resolution of the shareholders' meeting As well as overseeing the disclosure of information and information reports in accordance with the requirements of the relevant regulatory agencies

The profile and information of the company secretary as below;

Mr. Anat Pinrat	
Company Secretary	Year of Appointment as a Director: None Age : 58

Education

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

Training;

- CFO Training
- CFO Getting Together 2018
- Refreshment of the Role and Expectation of A CFO
- IA Clinic 11/2018



Work Experiences During the Past Five Years

Listed companies ;

- Legal Advisor, Amarin Printing and Publishing Public Company Limited

Non-Listed companies;

- Deputy Managing Director, Sirakorn Public Company Limited
(into the Stock Exchange of the Year 2019)

Any other positions which may cause conflict of interest with the company: -None-
Government sector: -None-

Work Experiences in the Past

- FEVP Finance & Accounting , Areeya Property PCL.
- Director and Vice President of Finance & Accounting , Thai Polycons PCL.
- Accounting and Finance Manager, Pinthara Co., Ltd.
- Senior Accounting Manager, Misumi Co., Ltd. (Thailand)

Criminal records during the past 10 years: -None-

Shareholding in the Company (Including spouse) (as of 31 December 2019): -None-

Remuneration of Directors

1. Monetary Remuneration

1.1 Director Remuneration

In the year 2019, the company paid remuneration in the following:

(Unit : Baht)

No.	Name	Position	Amount
1	Mr. Wisit Laohapoonrungee	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. Archawan Eiampaiboonphan	Executive Director and Senior First Executive Vice President – Construction Department	-
6	Mr. Wanchai Tantikul	Independent Director and Chairman of Audit Committee	680,000
7	Mr. Preecha Boonyakida	Independent Director and Audit Committee	680,000
8	Mr. Sompol Thiensuvan	Independent Director and Audit Committee	680,000

The remuneration was given in term of a meeting allowance and annual premium. The directors who act as The Executive Committee will not be paid.

1.2 Remuneration of the Executive committee and Management

The Company has paid remuneration and benefits in total amount of 72.5 million baht to the board of directors and executive management for the year as of December 31, 2019.

2. Other Remuneration -None-

Number of Employee

Number of Employees and Remuneration of Employees

The Company has a total of 514 employees (Areeya Property Public Company Limited and its subsidiaries as of 31 December 2019). In the year 2019, the Company paid compensation to employees total amount of 430.5 million baht, including salary, bonus, social security fund And contributions to the provident fund.

Policy for Employee Remuneration

The Company formulates the policy for employee remuneration which is consistent with the Company's overall operation both in short-term and long-term, and defines the appropriate structure of salary based on knowledge, competency and working experience. The minimum salary of the employee shall be in line with minimum labor cost prescribed by the government. The Company considers salary increases and pay bonuses according to the company's performance. In reward payment in order to build working incentive of the employee for specified short-term target attainment, the Company applies the concept of KPI (Key Performance Indicator) and the information received is used to give feedback to the employees to know what needs to be developed in order to operate more efficiently. The tools to be used in consideration of compensation by referring to the salary structure standard and other welfare arrangements. For long-term employee compensation policies such as provident funds, Long Service Awards, for employees working with the company for a long time, etc.

Internal Control and Risk Management

Our company has established the internal control system and internal audit department. Internal control is a process for assuring of our company objectives in operational effectiveness and efficiency, risk mitigation, reliable financial reporting and compliance with laws and regulations.

Internal auditors are responsible for evaluating and provide recommendations to improve the effectiveness of internal control and directly report to the audit committee.

Internal audit process is mainly as follows:

1. Planning
2. Auditing
3. Reporting and following up

1. In the planning process, internal auditor needs to set audit objectives and audit process, evaluate risks, evaluate the effectiveness of internal control. Internal auditor has prioritized risks as the picture below:

Risk Priority

Level of Impact	Extreme	High	High	Extreme	Extreme
	High	Medium	High	High	Extreme
	Medium	Low	Medium	High	High
	Low	Low	Low	Medium	High
		Low (1)	Medium (2)	High (3)	Extreme (4)
Level of Likelihood					

Definitions		Way to treat risk
Extreme	Extreme Risk	Discontinue operation and/or immediate corrective action required.
High	High Risk	Corrective action needed. Action in short term as appropriate.
Medium	Medium Risk	Attention indicated.
Low	Low Risk	Implement practicable short-medium term control measures.

2. In the auditing process, the internal auditor will audit in accordance with the audit plan set force and conclude any findings.

3. Internal auditors will provide finding reports with recommendation for process improvement to related parties and audit committees. If there are any needs, they may need to reevaluate and repeat the audit process to ensure corrective actions applied.

Opinion of Audit Committee

In the Audit Committee Meeting No. 2/2020 held on February 28, 2020, 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 2019 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. 2/2020 held on February 28, 2020.

The Company has provided effective management and internal control system where executives have contributed to be aware of the importance on internal control by providing effective organizational supervision, definitely assign roles and responsibilities, including regulations, rules, policies, management level, and authorization level in written form.

The Company also provides Internal Control Department, whose independently follow-up and evaluate internal control system and report directly to Audit Committee, to review operating systems to meet overall corporate objectives and goals. In previous audit, there are no mistake found that affect internal control substantially.

In addition, the company's auditor is Dharmniti Auditing Co.,Ltd., the auditors for fiscal year 2019 to review the efficiency of company's internal control, and found no significantly deficiencies in the company's internal control system.

Audit Committee Report

To Shareholders

Areeya Property Public Company Limited

The Audit Committee of Areeya Property Public Company Limited consists of 3 independent members; Mr. Wanchai Tantikul is the Chairman, While Mr. Preecha Boonyakida and Mr. Sompol Thiensuvan are members of the Audit Committee. All members of the Audit Committee are selected from those specialized in finance, law and organization management. They have performed their duties and provided their opinion independently within the scope of duties and responsibilities assigned to them by the Board which are in compliance with the Notification of the Stock Exchange of Thailand regarding Qualifications and Scope of the Operation of the Audit Committee B.E.2008.

In the year 2019, the Audit Committee held 12 meetings which were also attended by the management, chief of internal audit officer and representatives from accounting department according to the agenda. Including one meeting was held to discuss with the Audit Committee, the External Auditors and the Internal Auditors without the Management. The Audit Committee's opinions and recommendations are provided independently which can be summarized as follows:

• Reviewed quarterly and annual financial statements of the year 2019

with the cooperation from the management and the CPA, it is of the view that financial reports and transactions with related persons are correctly and adequately prepared with transparency and reliability and they are in accordance with generally accepted accounting standards. Accounting system and financial statements can be relied upon with adequate disclosure of information in such financial statements in a timely manner. They also give observations and acknowledge solutions for the optimal benefit of the company.

• Reviewed and assess adequacy of internal control system

The Audit Committees have reviewed internal control system with the internal control office every quarter and is of the view that the company has adequately implemented internal control system. There is none of material concern or defect. Therefore, confidence is reasonably established that the company has achieved the objectives in respect of efficient and effective operation including assets management, reliability of financial reports and compliance with rules and regulations and policy of the company.

• Supervision of internal control operation

The Audit Committee reviewed auditing report for the year 2019 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 2020 which was prepared on the basis of the assessment of internal controls according to The Committee of Sponsoring Organizations of the Treadway Commission (COSO.)

• Appropriateness of the CPA

The Audit Committee is of the view that Dharmniti Auditing Ltd., the company's auditor in 2018, has no relationship to the company whether through shareholding nor providing other services for the company other than auditing works. They have performed their function appropriately in accordance with auditing professional standards and have good understanding toward the company's businesses.

• Related transactions

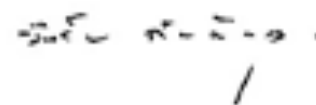
The Audit Committee has audited related transactions which may cause conflict of interest and is of the view that they were all actual transactions in normal course of business. Their related transactions were disclosed in accordance with the principle of good corporate governance while conflict of interest was prudently avoided in a reasonable and independent manner and all shareholders were treated impartially.

In conclusion, the Audit Committee views that the company bases its operation on good corporate governance and as a result, it has adequately established internal control system without any material shortcoming. Appropriate risk management system is also implemented while statutory requirements are properly met. For the financial statements for the year ended 31 December 2019, 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.

The Board's opinion to the company's internal control

The board believe that our internal control of our company has designed and maintained efficiently and effectively. The internal control provides reasonably assurance that our financial report is accurate, reliable and complete. In addition, the internal control is also protecting our company's assets for appropriate uses and preventing frauds may occur.

On behalf of the Audit Committee



(Mr. Wanchai Tantikul)

Chairman of the Audit Committee

28 February 2020

Reference: Section 4.1 Board of Director's Responsibility for Financial Reporting

Litigations and Contingent Liabilities

As of December 31, 2019, in the opinion of the directors with appropriate legal advice, the company and its subsidiaries do not believe whether there are neither significant negative financial effects (considerably more than 5% of total shareholder's equity) nor toward our normal operational course of business from on-going legal claims.

For the year as of December 31, 2019, the company and its subsidiaries report there are claims and lawsuits in amount of 185.37 million baht which are still in litigation process. Out of which, there are three cases that the courts gave the verdicts in favor of counter party which cause the company losses in total amount of 17.91 million baht, however, the company will appeal all cases.

Therefore, the company did not yet record these liabilities in our financial statement as of December 31, 2019 due to uncertainty regarding timing and amount of these contingent liabilities. The company will disclose any further information as the litigation process.

" Internal Control And Risk Management "

Property Market trends in the year 2020

After the ongoing slowdown since late 2018, both negative external factors such as the trade war between China and the United States, problems of the global economic slowdown and the appreciation of the baht. While domestic negative factors, the household debt problems are high strict mortgage loans from financial institutions, issuing new regulatory measures for home loans (LTV) from the Bank of Thailand (BOT), the domestic economic slowdown and the problem of oversupply in the condominium market. Lack of confidence in consumers' income and future spending Problems of purchasing power contraction, rapid adjustment of land prices which affects the cost of project development until it affects the price of new housing.

The various negative factors that have caused the real estate market throughout the year 2019 to slow down until 2020. It is likely to continue throughout the year 2020, if there are no new positive factors to simulate the market. Although various negative factors but an important factor and still affecting to date, including the impact of the LTV measures, which directly affect the purchasing power of consumers. At the end of the year 2019, the government has introduced economic stimulus measures through the real estate sector up to 2 times. But the measures stimulate market in the short term and have a positive effect in some housing products. In the overall real estate market still slowing down and no sign of the market will recover soon.

The problem and effects of the trade war between China and the United States has become a major obstacle for Chinese customers which are the largest group customers. Resulting in investors and buyers of condominiums for use as Chinese residences are decreased. Some Chinese customers, who have booked condominiums in the past 1-2 years, began to have dumps, not accepting transfer of condominiums. In addition, the appreciation of the baht situation also causes foreign customers slow down for investment. Because of it has to spend more money to buy condominiums in Thailand. From this trend, resulting in the accumulation of residual units currently sold in the market and still has to take a long time to drain.

The current property market situation makes many concerned that 2020 will be another year of adaption of property developers. The economic trends and negative factors those remain intact. Especially the problem of shrinking purchasing power of consumers due to the impact of LTV measures, even though the government has already issued 2 stimulus measures to increase purchasing power and stimulate consumers' buying decisions in late 2019. But the main drawback of the market is the tightening of financial institutions' loans resulting in a high level of credit denial, causing more than half of the market's customers to disappear.

(Source: Real Estate Information Center)

Risk Factors & Risk Management

The Company aware of necessity for risk management, so company's goal is to manage the risk in the limit. Nature business has risk factors that may occur and affect core business under the following details;

Risk from result of change in regulation and laws

- The impact of the Bank of Thailand mortgage control measures that will take effect on 1 April is a factor that has a big impact on the property development industry as a whole. As in the table below

Unit : Million Baht				
Product	Sold value 12 months	Value transferred 12 months	Backlog	% Rejection
Condominium	1,700	286	994	25%
Single Detached House / Townhouse / Twin House	5,332	2,310	444	48%
Total	7,032	2,596	1,438	43%

- Impact of land expropriation for development of basic public utilities of the country which the government agencies do not have a clear expropriation boundary. Affecting the project planning nevertheless The Company has provided short-term from the expropriation line to prevent land expropriation affecting future customers. The Company expects that the expropriation zone will be clear by 2020-2021.

Risk from land selection for development

As in the past year, the land price has increased significantly due to the development of the mass transit network and roads in various locations. Especially the needs in the community area so there is a high increase which causes real estate development companies to have higher costs and the housing market price will also increase accordingly. That may not be suitable for the purchasing power of general customers. The Company has a market research team to continually obtain the most valuable land.

Production risks

1. Fluctuation of construction material prices, wage increases

From the fluctuation of prices of construction materials which is uncontrollable external factor, such as fluctuations in oil prices in the world market that has a significant impact on the cost of production of construction materials. The price will be increase or decrease as announced by the government. Therefore it is a risk factor that may affect the efficiency of cost management and affect profitability. The Company manages this risk by studying and analyzing trends in material prices and construction costs resulting from changes in fuel prices, including closely following news about the situation of crude oil prices in the world market. The prices of main building materials have been fixed in advance with all major traders. So that the contractor can buy the material from the vendor that the Company has negotiated. That can reduce the fluctuation of construction material prices and the price of oil for a while. In addition, the cost of construction can be controlled. In order to prevent the same material traders from increasing prices, the Company has set up a working group to monitor the prices of construction materials and procure replacement materials from new manufacturers. In order to be able to determine the construction contract price in time and at a competitive price level in the market. In addition, the Company has established a research and development team to study about technology and new innovations. That can reduce construction costs and makes the construction more efficient, such as SHERA siding, Conwood lath which is used to replace natural wood materials, Aluminum Formwork System, Precast System, Bathroom Pods, Solar Cell System, and Design Improvement etc. The construction period of 2-3 floor townhome houses able to finish the whole project within 8-12 months, therefore being able to control the risk of material price fluctuations and the shortage of natural materials. As well as for large condominium projects, which required 2-3 years to be constructed, the Company had calculated the fluctuation and included in the construction cost according to the situation already. After a period of development of the construction the Company has put in the past experience to improve the areas that have a great impact on the cost and makes the construction cost to be more clear.

As for the minimum wage, which is increased every year, for example, 1 January 2017, the minimum wage is changed from 300 baht per day to 310 baht per day. 1 April 2018, the minimum wage is 325 baht per day and currently adjusting the minimum wage for the year 2020 to 331 baht per day, up 1.8%, which does not affect the employment of many workers.

2. Sub-contractor qualification and profile

The Company has hired medium and large contractors with quality and financial stability to get involved in the construction business. In the past, The Company has experienced and quality work team to proceed construction by themselves to build confidence and trust in management. These will reduce the risk that construction projects are delayed and not quality. The Company will specify the sub-contract including labor and construction materials to the contractor and will control the quality of work, working period and the construction cost to be in accordance with the Company.

In addition, the Company has started to develop personnel to use the BIM (Building Information Modeling) system, a new technology developed for the construction industry that can cover all construction work, starting from building design, account removal, material quantity (BOQ: Bill of quantity), Shop drawing is a form that is written for real work throughout the construction planning.

3. Quality and standard of construction work

This topic is an important topic that the Company always has focused. The Company has set up a team to develop and study the construction system, including monitoring past construction, which parts have to be developed in order for the company to achieve the set goals. At present, the Company has organized training to develop knowledge, ability for employees, contractors and workers in order to understand the correct work procedures, even if it is a routine work. The Company is strict in terms of quality standard of construction, time and cost according to the plan. Due to the Company has launched more new projects, which requires the management of the number of workers, the number of contractors. Including improvement and defining the working model to be clearer and more efficient. The Company established a team called the "Troop Team" and changed the work model by grouping the work to reduce the number of paperwork and the number of employment contracts. The team must prepare, summarize, and monitor the progress of each job in order to know the work trends that can be achieved as planned or faster / slower than the plan. This will make it easier to manage and assess the work efficiency of the team as well. There is also an allocation of workers by adjusting the workers to work in their own areas to reduce errors in the work. However, the Company has adopted the ISO quality management system for construction which will help reduce duplication of resources increase business competitiveness lead to internationalization. Additionally, the Company set up QC team that is responsible for checking the quality and quantity of construction to be in accordance with the design and construction standards of the Company. This team will contribute to efficient work and effectiveness. In addition, the Company also set up a team to find weaknesses in the general construction system and to develop the company's construction. However, there are still many external factors that have an impact on the construction and project developments such as, labor shortage, minimum wage increased and construction material costs adjustment etc. Therefore, the Company uses strategies in many dimensions to reduce impact problems such as adjusting strategies to "Build a house before selling" to be able to plan continuously.

4. Human resources and management

With the vision of the board and the management of the Company, in the area of human resource management, that provides both opportunities and channels for employees to demonstrate their competency. Regarded as the main idea to let employees know their value and strive to bring knowledge to develop the organization for stable and sustainable growth. It is a sense of responsibility for all parties involved, including the spirit of stakeholder and intellectual property, including entrepreneurship.

The Company has proactive recruitment plans in accordance with educational institutions that produce new graduates in line with work and have quality. In order to find a new generation of enthusiastic and talented people with views and new ideas in working with the company. They are ready to develop themselves and grow with the Company. They will take part in training in theoretical and practical knowledge in order to grow and meet their needs. The Company also arrange about food and accommodation for the staff as well.

At present, Microsoft's dynamic ax ERP system uses management to make all departments' information online and make information retrieval. It can reduce the use of paper, reduce the cost and reduce the storage problem of files in a simple, convenient, accurate and fast way. If an employee resigns or loses documents.

5. Labor shortage in the construction industry

The company has been in business for a long period of time. The team collects labor and small and medium-sized contractors. Currently, the number of contractor that the Company hires is enough to support the opening of various projects. At present, the Company has cooperated with product distributors to install various materials for example, contracting for thatched roof structures, steel ready for installation and precast work with installation etc. This is part of the company's production capacity building, but in fact, the economic situation has risen and fallen in dealing with possible events, the company's reputation is not affected by undervaluation. The strategy is to adjust the minimum wage law, adjust the appropriate price, according to the market rate. Including, grading contractors in order to be able to adjust the employment rate for skilled contractors who are trusted after working together for a while. Importantly, it requires semi-finished construction systems. Including structural work, flooring work, roofing and plastering work to reduce the dependence on skilled labor. These are ways to help alleviate labor shortage problems. But in practice, the team also increased the number of contractors and skilled workers (as mentioned above) to reduce the effects.

Another factor that cannot be overlooked is group of entrepreneurs with adaptive diversification especially, the condominium development and switching to low-rise projects. That will have to face construction problems because there are many construction contractors without quality problems. But when doing horizontally, the minor contractor difficult quality control, labor shortage, untimely or unqualified work. Therefore there may be a high competition in pulling quality minor contractors.

6. Safety in life and property

The risk in terms of safety of life and property and the quality of life of the workers have a significant impact on the quantity, quality of construction projects and the company's reputation. In order to reduce the risk and develop risk points to be strengths as follows;

- Provide welfare for child care for workers and expand the non-formal education to suit the children of the construction workers.
- There are improvements in the welfare of the workers' accommodation in various areas by raising awareness among construction workers to maintain cleanliness of the accommodation and the environment.
- Educate workers about safety at work and provide training by experts that are certified for safety training including encouraging business owners to prepare all the equipment.
- Provide for educating health workers. The format of the Public Health Service for this special population groups. A medical examination before going to work. In modern medicine, a licensed medical professional occupational medicine, trained in occupational medicine or qualified as prescribed by the Ministry of Labor. To equip workers to work. The work done to avoid risks to human health and safety.
- Periodic health examinations for workers at least once a year after work has been done, in order to early detection of diseases and timely treatment to reduce health and safety risks.

7. Risk concerning construction costs of condominiums

Presale condominiums before construction begins there is still a risk of construction cost control. Because it is the setting of sales price before construction begins, there may be a risk that the gross profit margin will decrease if the construction costs fluctuate. As a result, the Company will take all risks through procurement negotiations with key suppliers. The purpose of presale condominium helps to reduce marketing risks and increase flexibility in changing and developing products to suit the changing circumstances. Also helps the Company to use installment payments from customers as working capital. With more than 10 years of project development time, the opening of a new project there is a development of products by placing concepts from construction methods. This makes the Company highly accurate in terms of costs. However, the Company started to launch condominium projects since 2006 until today under the name "A Space", all more than 10 projects, more than 10,000 units, which are confirmed to be those of a professional in the condominium market.

Financial risk

As of 31 December 2019, the Company has bank overdrafts and short-term loans in the amount of 270.2 million baht, divided into bank overdrafts of 10.0 million baht, promissory notes of 200.0 million baht and bills of exchange of 60.2 million baht. While the amount of long-term loans of 2,230.4 million baht from financial institutions to invest in condominium projects, townhouses and single detached houses of the Company and the amount of debentures of 6,314.7 million baht. However, the Company currently has the bank debt to equity ratio decreased from 2.77 times in 2018 to 2.72 times as of December 31, 2019 and at the same time, total debt to equity ratio Increased from 3.29 times as of 31 December 2018 to 3.49 times as of 31 December 2019. Therefore, the Company has increased financial risk when compared to the previous year.

1. Risk of interest rate fluctuation

Due to the Company needs to borrow from local financial institutions to be used as funds for project development and operations.

Therefore, interest rates in the money market have a significant impact on the company's financial costs. Even though the loans of the Company is charged at floating interest rates but the interest rate of the loan, the minimum loan rate (MLR) or lower. For this reason, the Company has measures to reduce the risk of fluctuating interest rates by issuing long-term debentures with fixed interest rates. In order to repay some of the original loan with floating interest rates and with higher interest costs including the issuance of short-term bills of exchange with low interest rates to control the interest rate cost of the company at an appropriate level.

For the risk that may affect the purchase of housing by consumers. There is a slight impact due to home loans as long-term loans. The interest rate fluctuation therefore does not significantly affect the monthly installments. The consumer has already paid down a portion of the price. In addition, the Company can provide special interest rate deal with commercial banks. There are many products on the price level, which focuses on the real purchasing power of residents. It is a part that reduces the effect of interest rate fluctuations to buyers.

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

The Company shall be obliged to comply with the terms and conditions of the right to maintain the net debt to shareholders' equity not more than 3: 1 times in accordance with the rules specified in the rights article 6.2 the duties that the issuer of the bonds must comply with article 6.2.11 financial conditions specifies that the net liabilities to be calculated must be deducted by cash and cash equivalents, temporary investment and restricted bank deposits for debentures. For bonds in 1) - 5) include:

- 1) Debentures of Areeya Property Public Company Limited No.2 /2016 , shall be due for redemption in 2020 with redemption before the maturity date.
- 2) Debentures of Areeya Property Public Company Limited No.1 /2017, shall be due for redemption in 2020.
- 3) Secured bonds of Areeya Property Public Company Limited No.2 /2017, shall be due for redemption in 2020 with redemption before the maturity date.
- 4) Debentures of Areeya Property Public Company Limited No.3 /2017, set1 , shall be due for redemption in 2021
- 5) Debentures gradually repay principal of Areeya Property Public Company Limited No.3 /2017 , set2 , shall be due for redemption in 2019
- 6) Debentures of Areeya Property Public Company Limited No.1 /2018, shall be due for redemption in 2021
- 7) Debentures of Areeya Property Public Company Limited No.2 /2018, shall be due for redemption in 2022
- 8) Secured bonds of Areeya Property Public Company Limited No.1 /2019, shall be due for redemption in 2021 with redemption before the maturity date.

The Company has a duty in accordance with the terms and conditions of the right to maintain the net debt to shareholders' equity not more than 3: 1 times in accordance with the rules specified in the rights stipulation, article 6.2, the duties that the debenture issuers have to comply with article 6.2.12 financial conditions specifies that the net liabilities to be calculated must be deducted by cash and cash equivalents, temporary investment and restricted bank deposits. For debentures No. 6) -7)

The Company has a duty in accordance with the terms and conditions of the right to maintain the net debt to shareholders' equity not more than 3: 1 times in accordance with the rules specified in the rights stipulation, article 7.2, the duties that the debenture issuers have to comply with article 7.2.12 financial conditions specifies that the net liabilities to be calculated must be deducted by cash and cash equivalents, temporary investment and restricted bank deposits. For debentures No. 8)

As of December 31, 2019, the Company maintains the net debt to equity ratio equal to 2.62 times for debentures No. 1) - 8) in accordance with the duties in the terms of the rights article 6.2.11, 6.2.12 and 7.2.12 of each type of debentures.

However, the Company has prepared financial measures as follows: 1) Capital increase plan 2) Partial repayment plan for financial institutions and 3) Short-term and partial or long-term debt return plans to maintain the ratio. And the Company has a policy to maintain the debt to equity ratio and capital structure to be at an appropriate level.

" Striving To Become A 'Value' Organization "

General Information and Other Significant Information

General Information of the Company

Company's Name	Areeya Property Public Company Limited
Type of Business	Development of real estate projects
Head Office's Location	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	0107546000431
Telephone :	02-798-9999
Facsimile	02-798-9990
Call Center :	1797
Website	http://www.areeya.co.th/
Authorized Share Capital:	Baht 1,200,000,000
Issued and paid-up share Capital	Baht 980,000,000

Subsidiary

Company's Name	Areeya Service Co., Ltd.
Type of Business	After sale service for property and agent
Head Office's Location	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	0105547117047
Telephone :	02-798-9999
Facsimile	02-798-9990
Authorized Share Capital:	Baht 10,000,000 (Shareholding Percentage: 99.99%)

Company's Name	One Up Co., Ltd.
Type of Business	Construction Service
Head Office's Location	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	0105550125381
Telephone :	02-798-9999
Facsimile	02-798-9990
Authorized Share Capital:	Baht 100,000,000 (Shareholding Percentage: 99.99%)

Company's Name	Areeya Management Co., Ltd.
Type of Business	Development of real estate projects and property management
Head Office's Location	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	0105551013404
Telephone :	02-798-9999
Facsimile	02-798-9990
Authorized Share Capital:	Baht 65,000,000 (Shareholding Percentage: 99.99%)

Company's Name	Cool Space Co., Ltd.
Type of Business	Development of real estate projects
Head Office's Location	999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
Company Registration No.	0105551096733
Telephone :	02-798-9999
Facsimile	02-798-9990
Authorized Share Capital:	Baht 60,000,000 (Shareholding Percentage: 99.99%)

Company's Name : White Living Co., Ltd.
 Type of Business : Development of real estate projects
 Head Office's Location : 999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
 Company Registration No. : 0105552008129
 Telephone : 02-798-9999
 Facsimile : 02-798-9990
 Authorized Share Capital: : Baht 65,000,000 (Shareholding Percentage: 99.99%)

Company's Name : Chill Space Co., Ltd.
 Type of Business : Development of real estate projects
 Head Office's Location : 999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
 Company Registration No. : 0105553039931
 Telephone : 02-798-9999
 Facsimile : 02-798-9990
 Authorized Share Capital: : Baht 1,000,000 (Shareholding Percentage: 99.99%)

Company's Name : Areeya Hospitality Co., Ltd.
 (Former "Areeya Convenience Store Co., Ltd.")
 Type of Business : Development of real estate projects
 Head Office's Location : 999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
 Company Registration No. : 0105557141625
 Telephone : 02-798-9999
 Facsimile : 02-798-9990
 Authorized Share Capital: : Baht 10,000,000 (Shareholding Percentage: 99.99%)

Company's Name : Soontareeya Residence Co., Ltd.
 Type of Business : Development real estate for rent
 Head Office's Location : 999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
 Company Registration No. : 0105562088427
 Telephone : 02-798-9999
 Facsimile : 02-798-9990
 Authorized Share Capital: : Baht 1,000,000 (Shareholding Percentage: 99.97%)

Company's Name : Soontareeya Leisure Co., Ltd.
 Type of Business : Hotel
 Head Office's Location : 999 Praditmanutham Road, Saphansong, Wangthonglang, Bangkok 10310
 Company Registration No. : 0105562088541
 Telephone : 02-798-9999
 Facsimile : 02-798-9990
 Authorized Share Capital: : Baht 1,000,000 (Shareholding Percentage: 99.97%)

Security Registrar

Company's Name : Thailand Securities Depository Co., Ltd.
 Head Office's Location : 93 The Stock Exchange of Thailand Building, Ratchadapisek Road,
 Dindeang, Dindeang, Bangkok 10400
 Telephone : 02-009-9000
 Facsimile : 02-009-9991

Legal Advisor

Company's Name : Kunnatham Law Office
 Head Office's Location : 72/2-3 Sutthisanwinitchai Road, Samsen-Nok,
 Huay-Kwang, Bangkok 10310
 Telephone : 02-274-7529-30
 Facsimile : 02-274-7638

Auditor

Company's Name : Dharmniti Auditing Co.,Ltd.
 Auditor's Name : Miss Wannisa Ngambuathong Certified Public Accountant Registration No. 6838 or
 Miss Sulalit Ardsaaung Certified Public Accountant Registration No. 7517 or
 Mr. Peradate Pongsathiansak Certified Public Accountant Registration No. 4752 or
 Miss Thanyaporn Tangthanopajai Certified Public Accountant Registration No. 9169 or
 Mr. Suwat Maneekanoksakul Certified Public Accountant Registration No. 8134
 Head Office's Location : 178 Dharmniti Building 6-7th Floor, Soi Permsap (Pracha Chuen 20),
 Pracha Chuen Road, Bangsue, Bangkok, 10800
 Telephone : 02-596-0500
 Facsimile : 02-596-0539

Business Operation of Each Product Line

Business Operation

The Company and subsidiary companies conduct a business in two segments, including real estate development business and service business. The details are as follows:

Real Estate Development Business

The Company started the real estate development business in the type of land development for sell and undertakes to single detached house construction. In 2005, the Company started in residential development which is single detached house, 3-storey townhouse and 4-storey townhouse. In 2006 - 2011, the Company added 2 new main products, which are fully furnished condominium and 2-storey townhouse. In response to the customer need in the market. In addition, in 2012, the Company designed a new 2-storey townhouse which name The Village and new 3-storey townhouse which name Daily. Both of them had received good customer feedback. Moreover, the Company also used The Village pattern in single house too. In 2014, the Company designed a new 2-storey single detached house which named Areeya Como. In 2015, the Company designed a new 3-storey townhouse which named Brigg and in 2018, the Company designed a new 4-storey townhouse which named The Parti Kaset-Nawamin. In the year, 2019 has changed the appearance of the two-story townhouse brand "The Color" of a modern style for provide requirement customers more.

The Company and subsidiary companies operate by three product categories. The details are as follows:

1. Single Detached House Project

The Company sells vacant land which is company's ownership and undertakes to house construction on that land. Furthermore, the Company also sells land with completed house.

2. Townhouse Project

The Company develops two designs of townhouse project

- Two-storey design: The townhouse project with 2-storey and 5.7-meter wide that serves to small-size family or new family who need residential. Currently, there are 8 locations: Kaset-Nawamin, Tiwanon, Bang Na, Rangsit, Songprapha, Ratchapruek, Seri Thai and Wongwaen-Ramindra Road. The company also plans to increase the number of locations to accommodate the demand throughout Bangkok-Metropolis area. In addition, the company developed a new 2-storey townhouse named The Village which has atmosphere like single detached house. Because there is wide area, garden around house and two car parks.
- Three-storey design: The townhouse project with 3-storey and 5 meters wide or 5.5 meters wide that be an alternative for a small to medium-sized family. At present, there are 2 locations which are Rangsit-Lamlukka and Bangna.
- Four-storey design: The townhouse project with 4-storey and 5 meters wide or 5.5 meters wide that serve to premium customer group who require a larger utility area. In addition, there is a distinctive design to support differentiation customer needs. At present, there are 2 projects, including, Areeya Mandarin Ekamai-Ramindra and The Pariti Kaset-Nawamin.

3. Condominium Project

Highlights of the company's products that is located in city center, near the public transportation, department store and various facilities. In order to fully customers' need, the condominium project focuses on 3 types as follows:

- Eight-storey design: The small condominium project with 7 - 8 storey and the area not more over 10,000 square meters in each building. There are 5 locations, including Kaset-Nawamin, Asoke-Ratchada, Sutthisan, Sukhumvit 53 and Sukhumvit 77. The company also plans to increase the number of locations to support the same customer needs throughout Bangkok-Metropolis area.
- Over eight-storey design but less than 30,000 Square meters: The medium-sized condominium project that focus on customer privacy and serve more utilities. There are 3 locations, including Asoke-Ratchada, Bangna and Rattanathibet.
- Over eight-storey design and more than 30,000 Square meters: The large condominium project that develop in central business area. The private club is distinctive point that meets to customer premium group needs. At present, there is 1 location in Bangna. In addition, the Company has plans to increase the number of location to support the same customer need throughout Bangkok-Metropolis area.

The Company developed real estate project under various brands and designs, including single detached houses, townhouses and condominiums. Company's products are covered all price levels that to support the various customer need throughout Bangkok-Metropolis area. The details are as follows:

Product Type			
Price Range	Single-Detached House/ Twin House	Townhouse/Home Office	Condominium
High	> 20.00 Million Baht per unit	> 7.00 Million Baht per unit > 7.00	> 250,000 Baht per sq.m.
			
Medium	8.00 – 20.00 Million Baht per unit	3.00 – 7.00 Million Baht per unit	150,000 – 250,000 Baht per sq.m.
			
Low	3.50 – 8.00 Million Baht per unit	< 3.00 Million Baht per unit	< 150,000 Baht per sq.m.
			

Service Business

1. After-sales service and agent business

This business is well support to real estate business. Because the Company aware of customer needs that is required standard service. Including, being responsible for managing residential that the buyers (investors) wish to rent out or sell.

2. Project Management Business

Perform management service for residential projects, according to ownership transfer. The service is offered complimentary management for a year or until the residential juristic persons entity is formed. This arrangement maintains high standard service and encourages residents' confidence.

3. Community Mall Business

The Company has 2 community mall projects. First is Pickadaily Bangkok project. This project is constructed in old and classic architecture style by simulating the English old town. And the other project is Life Style Club project that locates at Kaset-Nawamin.

4. Restaurant Business

The Company has one restaurant business, which name White lies, locates at the Peninsula Plaza. White lies is an Italian Omakase restaurant that combines classic Italian cooking and Japanese food serving concepts.

Marketing and Competition

Marketing of Products and Services

The Company formulates a policy and strategy to promote distribution as follows:

Product Strategy

The Company remains committed to develop residence to meet customer behavior. Starting from the product design, both exterior and interior design that create complete living elements and meet customers need in every lifestyle. Furthermore, The Company remains drive sustainable happiness for resident.

1. Develop existing products and get better feedback by using feedback from customers to improve To prepare to open in new locations such as

- “The Colors” 2 story townhome the company has made this brand for over 8 years. Having sold and transferred almost 4,000 units, which shows that it has received good response from customers because the product has good function and construction system, which makes customers remember the brand and has remained for a long time. In 2018, there will be development to adjust the house designs to be diverse and meet the needs of the customers, such as the development brand The Colors width of 5.3 meters.
- “The Village” New concept twin house in Modern Colonial style has a unique style that responds to those who want to have a detached house but the budget may not be reached. The Village has the same function as a single house, which has 4 bedrooms and the wall is not next to anyone. Feel like being at home alone but in reality some projects are just townhouses. The Village has function is similar a single house with four bedrooms and the wall of the house is not next to anyone and gives feels like a single house. Some projects are just townhome only. The company is the first to produce this product to reach another market group. And received the same good response.
- For condominiums, the design takes into behavior lifestyle habits of the customers as the most to meet the customers' demand. Facility area is designed to have the same level than its competitors cause for efficiency, the highest total for this answer. using real-life customer is important.

2. Open new products to the market by access the group to new segment, so that the Product covers every customer group.

- “Areeya metro kaset-navamin” luxurious two story detached house is near the expressway and the third line railway, which is the best location. The new phase has only 18 units of privacy.
- “Como Bianca Bangna” Is a semi-detached / detached house that has been developed from the current project name “Areeya Como” by Concept that was living in the modern customers became interested in the subject of nature and environmental awareness using “Concept Minimal Living”. However, it is still a fashionable and access to the needs of the target group that currently separates families, couples come to life without children or may have small children. This product will fill out a gap for people looking for a house that responds to the lifestyle and price in a budget that can be owned.
- Open a new project in the same location by creating open 3-4 models at the same time which bring 3-4 products for cover all target groups with prices starting from 1.5 to 6 million baht. When customers visit the project, there are products of all price levels to choose from whether it is townhome, village town and single detached house.

3. The company has a strategy to boost sales of completed condominiums, which are A Space Me Sukhumvit 77, A Space Me Rattanaibet and A Space ID Asoke-Ratchada. All 3 current projects have been completed and more than 80% of people live.

4. Continuously build brand awareness for remind “Areeya” to be the first choice that customers think because every product has a unique style, it is proud to have a feeling of pride. The Company focuses on customers with Online media approach to reach their target audience quickly and directly in line with the behavior of today's customers. In year 2019, we received database about 15,000 new customers from online media, which the sales department will follow to invite all customers to visit the project.

5. Service and Customer Care. The company has continuously provided a service and customer care system from the date that customers visit the company's projects until they decide to buy home and to live customers in the project. The company has developed an effective customer base, assigned personnel, and provided comprehensive services. The company also organized an event to strengthen its relationship with customers. This will be the main marketing strategy.

6. Build a good relationship in every month by new activities, different from competitors, and leave a deep impression. To make an impression, and the Tell a Friend cause new customers, this is the priority of the company because old customers are effective media.

7. The project focuses on opening new locations, multiple locations at the same time, similar to a prime location close to public transportation, which is likely to grow higher price. To reach customers, the company has a broad coverage prizes by focusing on selling out early in the project and provides investors with gains in sales in the future.

Price Strategy

The Company is aware of purchasing power of the customer group with low to medium income which is the main company customer group. This group usually concerned about their uncertainty financial stability in purchasing their residences. Therefore, the Company gives precedence to construction cost management by applying new technologies and innovations. Such as, Aluminum Formwork System, Precast System, Design Improvement, etc. In addition, the Company also launched new projects in the same location to serve comprehensive products to all target segments with prices starting from 1.50 – 6.00 million Baht.

Distribution Strategy

The selling method of the Company is direct sale by the Sales Team which comprises salespersons who are experienced and have good understanding of products and services. The team will provide information and recommendations to support customers' decision. Salespersons are regularly trained about the product and basic sale technique. And another thing that the Company pays attention to is the decoration of sales office as well as, the show unit and the site. These are the main company distribution channel, which creates a good impression and confidence in visitors.

In addition, the Company also participated in the events organized by real estate association such as house and condo expo at Queen Sirikit Convention Center, etc. For the international marketing, the Company focuses on organizing the event that cooperate with expertise agent in that country.

Advertisement and PR Strategy

The Company drives sustainable happiness and uplifts the standard of living for residences, communities and the society. The Company projects use the concept "Aesthetic of Living" to give birth to unique designs, and high standards of construction & services. In 2018, the Company has a policy to change the new image. In order to match consumer lifestyle that likes modernity and attention to physical and mental health. The Company realizes that each person is happy at different times and each person's happiness is different. So the Company has a duty to create the basis of happiness, by creating a space for family members to have a happy lifestyle in their own way. The Key message is "Areeya, Kwarm Suk Mee Tua Ton". (Areeya, the happiness has identity) This campaign wants to reflect the diversity of person's pleasure. But everyone can be happy when living in their house.

Both offline and online communication channels have been integrated in order that each media can perform function of access to all target customers. Whet ever, brand awareness creating to remind "Areeya Brand" is the first brand in customers' mind. Including, creating the content match customers' need by Corporate Branding VDO or other online media. In this channel can reach the right target group quickly and in line with current customer behavior. At the same time, the Company still not leaves the local media, such as Billboard and Cut Out, which is the main successful media.

Procurement of Products and Services

The Company formulates a policy to procure products and services as follows:

Manpower Policy

Having self-sufficient work force and improving the quality of labor is sustainable employment. The Company reduced construction risk by providing own construction teams, as well as improving their skills along with the technology used. Therefore, those workers have more skills and I able to work with the Company in long term.

Subcontracting Policy

In order to continuously deliver quality products. The Company has a policy to hire large contractors that have high quality and have a clear work history to be part of the quality success.

Immigrant Workers Employment Policy

At present, the company has legal immigrant workers. For workers who are in the requesting permission process must be within the legal permission as well.

Training Center Policy

From the problem of skilled workers lacking, The Company has a policy to build training center for considering the suitable worker wages. That is a chance for the workers to develop themselves to meet the standard and company's standard. Moreover, the construction will be better quality too.

Construction Material and Equipment Procurement and After Sales Service Policy

The Company has a policy to guarantee product quality for longer. By negotiating with product manufacturer, to guaranteed product quality from 3-5 years depending on the type of material. As well as having a policy of customer caring from the beginning and after-sales service.

Product and service procurement process details**1. Land Procurement**

Land is the main cost of business, representing 30-40% of the total cost. Therefore, the Company focused on land purchasing very much. The Company will look for potential areas and locate at the urban area. In order to be able sold out in short time. Before land purchasing, the Company always studies the feasibility of the project. Then, the Company negotiates the land purchasing with broker or land owner at suitable price that compared to the appraised price or market price. The Company has no policy to stock land before the development of the project for a long time.

2. Subcontracting Policy

The Company will select suitable medium or small contractors by determining the proper contracting fee, including wages and construction material cost. The Company always controls the quality of the work and the construction cost as company's policy. The risk of shortage of contractors can be reduced as follows:

- 2.1 The Company has negotiated the price of the main construction materials with suppliers and set the standard price for a while. The contractor will buy materials from suppliers who have negotiated. As a result, the contractor can determine and control their own costs. Therefore, the contractor would like to do business with the Company.
- 2.2 At present, the Company has more than 20 contractors that continuously work with company. The Company can arrange for other contractors to replace immediately.
- 2.3 The Company uses new technology instead of manpower, such as Aluminum formwork or Precast system, etc. Both of them will help reduce dependency on skilled workers.
- 2.4 At present, the Company has planned in advance by coordinating the Company to recruit workers and legally alien workers. These workers are guaranteed alien labor through the importing process from the origin country and have a guarantee labor quality for a period of 3 months - 1 year. The Company able to import labor throughout the year, it can ensure that in normal condition, the Company will continue to proceed with construction smoothly.
- 2.5 The company emphasizes on the quality of both low-rise and high-rise. Some projects have procured to hire high quality contractors to operate and arrange to evaluate the quality of the contractor every year.

3. Construction Delivery Policy

The Company will pay the construction cost to the contractor according to the completion period that identify in construction contract and after quality check. The Company will deduct the performance insurance fee for each project at 2.5 - 5.0 percent of the value of the construction delivered. The Company hired the medium-sized contractors with experience and expertise in construction. Moreover, they have good quality of work, a stable financial position and good trade credit. The Company has also set up a quality inspection construction team by hiring an external consultant to be the supervisor of the working. There are training for supervisors and construction engineers of both the company and the contractor, prepare a manual on construction and home inspection standards. In monitoring construction progress, the construction supervisors will keep up with construction progress reports. When there is a delay, the problem will be resolved in time. In case of the original contractor is unable to deliver the work as scheduled, they will provide other contractors to work instead.

4. Environmental Management

Environmental Policy

Every company projects must be relevant to the environment legally at least. The mainly related environment affects to external parties as well as environmental governance in the organization and including the project environment that affects to workers. It must be under the principles of Health Safety and Environment (HSE).

The project development and land development permission, the Company must comply with the related regulatory. The Company is aware of the environmental impact in project development. The soil removal transportation, the Company always cleans the car and the road after finished. In addition, the Company uses the water spraying, dust dispersing and limited working hours as well.

In the large project development and construction, the Company will have to study environmental impact and propose to the Office of Natural Resources and Environmental Policy and Planning. The Company must proceed to improve the work and reduce the impact on the environment. The Company will be able to start developing the project when received a certificate. In addition, the Company has cooperated with communities to clean the streets outside the project and plant trees to absorb dust. The Company chooses electrical equipment that is all energy saving models to install for customers or prepared as a gift or promotion. In the past, the company has never had any legal disputes about the environment.

The Company also considers the environmental impact after the project is completed. The company regularly checks the cleanliness of the project in order to make good environment for workers and prevent the effects of daily life of workers.

Current project of the company

Project launch	Total Project value*		Transferred		Backlog FG 100%		Backlog in process		Finish goods 100%		Work in process		Progress (%)
	Total unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	
Single detached house													
Areeya Sawana 3	48	524	27	281	-	-	-	-	-	-	21	243	85%
Areeya Metro Kaset-Nawamin	35	394	33	353	-	-	-	-	-	-	2	41	95%
The Village Changwattana - Tiwanon	150	587	115	438	-	-	-	-	35	149	-	-	100%
Areeya Como Bangna	61	341	60	334	-	-	-	-	1	7	-	-	100%
The Village Cottage Kanchanaphisak-Ratchapruk	86	334	52	190	-	-	-	-	34	143	-	-	100%
Areeya Como Wongwaen-Ramintra	124	534	113	471	1	5	-	-	10	59	-	-	100%
Areeya Como Ladkrabang-Suvarnabhumi	73	552	28	171	-	-	-	-	4	32	41	349	60%
Areeya Como Wongwaen-Ratchapruk	115	437	40	141	2	9	-	-	23	94	50	192	85%
The AVA Residence	35	1,283	4	92	-	-	-	10	10	313	21	867	65%
Busaba Ladprao - Serithai	28	314	7	83	-	-	-	-	-	-	21	231	60%
Areeya Como Primo Bangna-Wongwaen	144	1,010	20	128	16	132	-	-	9	71	99	680	45%
Total single detached house	899	6,310	499	2,682	19	146	-	10	126	868	255	2,603	
Townhouse													
Areeya At home	104	247	104	247	-	-	-	-	-	-	-	-	100%
The Colors Chaengwattana Tiwanon	187	345	186	342	-	-	-	-	1	3	-	-	100%
The Colors Premium Bangna	181	374	180	370	-	-	-	-	1	4	-	-	100%
The Colors Bangna KM.10	272	585	271	582	-	-	-	-	1	3	-	-	100%
The Village Bangna	105	313	104	308	-	-	-	-	1	5	-	-	100%
The Village Kanchanapisek-Ratchapruet	133	377	114	315	-	-	-	-	19	62	-	-	100%
The Colors Premium Kanchanapisek-Ratchapruet	262	512	261	510	-	-	-	-	1	2	-	-	100%
The Colors Kanchanapisek-Ratchapruet	263	472	262	470	-	-	-	-	1	2	-	-	100%
The Colors Premium Bangna-Wongwaen	191	555	190	550	-	-	-	-	1	5	-	-	100%

Project launch	Total Project value*		Transferred		Backlog FG 100%		Backlog in process		Finish goods 100%		Work in process		Progress (%)
	Total unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	
The Colors Bangna-Wongwaen	178	463	178	463	-	-	-	-	-	-	-	-	100%
The Colors Premium Wongwaen-Ratchapruek	265	541	200	400	4	10	-	-	19	42	42	89	100%
The Colors Wongwaen-Ratchapruek	225	447	134	245	4	10	-	-	42	96	45	96	100%
The Colors Premium Kanchanapisek – Ratchapruek 2	115	235	114	232	-	-	-	-	1	3	-	-	100%
The Village Bangna-Wongwaen2	167	670	167	670	-	-	-	-	-	-	-	-	100%
The Colors Rangsit Klong4	342	669	222	481	2	5	-	-	39	61	79	122	94%
The Village Kanchanapisek – Ratchapruek 2	128	373	115	333	3	10	-	-	3	9	7	21	98%
The Place Kanchanapisek-Ratchapruek2	117	191	110	179	4	7	-	-	3	5	-	-	100%
The Colors Kanchanapisek – Ratchapruek 2	215	398	172	314	4	9	4	10	4	7	31	58	100%
The Colors Premium Kanchanapisek – Ratchapruek 3	219	430	180	358	2	4	-	-	19	34	18	34	100%
Areeya Brigg Bangna Wongwaen	4	24	1	6	-	-	-	-	3	18	-	-	100%
The Color Wongwaen-Ramintra2	179	431	167	407	-	-	-	-	12	24	-	-	100%
The Colors Mix Rangsit Wongwaen	481	881	130	258	3	6	-	-	66	110	282	507	61%
The Village Rangsit Wongwaen	319	1,067	79	245	1	4	1	2	58	144	180	672	56%
Areeya Brigg Rangsit Klong4	7	29	1	4	-	-	-	-	6	25	-	-	100%
The Colors Bangna-Wongwaen 2	270	652	268	642	-	-	-	-	2	10	-	-	100%
The Village Hathairat – Wongwaen	130	523	27	114	5	22	-	-	14	62	84	325	72%
Areeya Brigg Rangsit Wongwaen	8	30	-	-	-	-	-	-	8	30	-	-	100%
The Village Bangna-Wongwaen 3	152	626	113	459	17	81	-	-	22	86	-	-	95%
The Colors Wongwaen Ratchapruek2	272	533	8	15	2	4	-	-	27	52	235	462	27%
Areeya Brigg Rangsit Wongwaen2	8	31	5	20	-	-	-	-	3	11	-	-	90%
The Colors Bangna-Wongwaen 3	164	488	55	165	13	44	2	7	28	80	66	192	55%
Areeya mandarina Akekamai-Ramintra	120	937	34	221	1	7	-	-	17	133	68	576	65%
The parti by areeya	73	1,141	3	35	-	-	-	-	7	110	63	996	47%
The Colors Bangna-Wongwaen4	183	495	46	125	13	40	-	-	37	98	87	233	67%

Project launch	Total Project value*		Transferred		Backlog FG 100%		Backlog in process		Finish goods 100%		Work in process		Progress (%)
	Total unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	Unit	Amount (MB)	
The Colors Ramintra Hathairat	150	457	3	9	2	7	-	-	24	73	121	369	31.4%
Total Townhouse	6,189	16,542	4,204	10,094	80	270	7	19	490	1,409	1,408	4,752	
Condominium													
A space kaset	205	326	199	315	-	-	-	-	6	11	-	-	100%
A Space Asoke-Ratchada	2,178	4,209	2,176	4,206	-	-	-	-	2	3	-	-	100%
A Space Play	485	800	483	792	-	-	-	-	2	8	-	-	100%
A Space Sukhumvit 77	443	789	397	672	11	25	-	-	35	93	-	-	100%
A Space Me Sukhumvit 77	832	1,452	718	1,228	11	25	-	-	103	200	-	-	100%
A Space Me Bangna	960	1,258	929	1,163	-	-	-	-	31	95	-	-	100%
A Space ID Asoke-Ratchada	547	2,353	464	1,947	3	14	-	-	80	315	-	-	100%
A Space Rattanaibet	406	883	181	346	1	2	-	-	224	554	-	-	100%
A space mega	1,336	2,533	-	-	-	-	1,332	2,526	-	-	4	7	20%
Chalermnit Art De Maison	124	2,208	-	-	-	-	55	825	-	-	69	1,384	75%
A space mega 2	1,003	2,316	-	-	-	-	899	2,100	-	-	104	216	0%
Total Condominium	8,519	19,127	5,547	10,669	26	66	2,286	5,451	483	1,279	177	1,607	

* Sales already stated in the table includes sales to customers who have already purchased the contract and the transfer of ownership has not been transferred.

Asset used in business operation

Asset used in business operation

Important assets of the company Include land in various projects, assets used in operations, land, buildings and equipment is as follows;

1. Inventory in the Projects

As of December 31, 2019, has details and location as per the follows;

Project Name	Location	Area (rai-ngan-wah)	BookValue (Million Baht) As at Dec, 2019	Cost Appraisal (Million Baht) As at Dec,2019	Appraiser Name / Appraisal date	Outstanding Loan (Million Baht) As at Dec,2019
A space kaset Sawana 7 Rai Future project Zone Sawana	Kaset-Nawamin road, Lat Phrao, Lat Phrao, Bangkok	10-0-54.5	172	198	Siam city appraisal co.,Ltd , as of 30/12/2014 and 30/12/2016 Advance appraisal co.,Ltd , as of 20/12/2018	-
A space I.D. Asoke-ratchada (partial)	Dindeang road, Huai Khwang, Bangkok	2-1-31.6	222	250	Siam city appraisal co.,Ltd , as of 20/11/2019	-
Sawana4	Kaset-Nawamin road, Lat Phrao, Lat Phrao, Bangkok	21-0-65.9	391	615	Rich appraisal co.,Ltd , as of 31/1/2019	201
Areeya Mandarin Ekamai-Ramintra	Kaset-Nawamin road, Lat Phrao, Lat Phrao, Bangkok	10-0-75.2	311	385	Real estate Appraisal co.,Ltd t, As of 29/04/2018	177
Areeya Mandarin Ratchada A Space Play	Sutthisarn road, Samsen Nok, Huai Khwang, Bangkok	0-2-38.56	13	21	Siam city appraisal co.,Ltd , as of 30/12/2016 Advance appraisal co.,Ltd , as of 20/12/2018	-
The Colors Chaengwattana Tiwanon	Tiwanon-pakket road, Banmai, Nontaburi.	3-0-40.9	40	50	Siam city appraisal co.,Ltd , as of 30/12/2014 Advance appraisal co.,Ltd , as of 29/12/2017	-
Areeya Metro Kaset-Nawamin The Parti By Areeya	Wat Lat Pla Khao road, Lat Phrao, Lat Phrao, Bangkok	8-3-27	533	656	Advance appraisal co.,Ltd , as of 23/12/2017 Agency for reale state affairs co.,Ltd , as of 11/05/2018	241

Project Name	Location	Area (rai-ngan- wah)	BookValue (Million Baht) As at Dec, 2019	Cost Appraisal (Million Baht) As at Dec,2019	Appraiser Name / Appraisal date	Outstanding Loan (Million Baht) As at Dec,2019
Areeya Metro Kaset-Nawamin The Parti by Areeya	Wat Lat Pla Khao road, Lat Phrao, Lat Phrao, Bangkok	8-3-27	533	656	Advance appraisal co.,Ltd , as of 23/12/2017 Agency for reale state affairs co.,Ltd , as of 11/05/2018	241
The Colors Premium Bangna	Bang Phli Yai, Bang Phli, Samut prakan	0-0-59.7	4	6	Advance appraisal co.,Ltd , as of 23/12/2019	-
Areeya Como Bangna	Bang Phli Yai, Bang Phli, Samut prakan	0-0-60.4	4	6	Advance appraisal co.,Ltd , as of 23/12/2019	-
Future project Zone Sukumvit 77 (Sukumvit77 ph.2)	Onnuch road, Suan Luang, Bangkok	9-0-87.6	442	520	Plan appraisal co.,Ltd , as of 26/01/2019	-
A space me sukumvit 77 (partial)	Onnuch road, Suan Luang, Bangkok	7-0-11.3	148	218	Siam city appraisal co.,Ltd , as of 06/12/2019	-
A Space me Rattathibet	Rattathibet road, Bangkasor , Nontaburi, Nontaburi	2-1-33.8	411	470	Siam city appraisal co.,Ltd , as of 25/12/2019	-
Chalermnit Art De Maison	Soi Sukumvit 53, Khlong Tan Nuea, Watthana, Bangkok	1-1-77.2	888	1,550	Agency for reale state affairs co.,Ltd ,as of 15/05/2019 Siam city appraisal co.,Ltd , As of 20/11/2019 , 25/11/2019 , 06/12/2019	455
A space I.D. Asoke-ratchada (partial)	Dindeang road, Huai Khwang, Bangkok					
A Space me Rattathibet (partial)	Rattathibet road, Bangkasor , Nontaburi, Nontaburi					
A Space me bangna (partial)	Bang Phli Yai, Bang Phli, Samut Prakan					
A space sukumvit 77 (partial) A space me sukumvit 77 (partial)	Sukumvit 77 road(Soi Onnuch), Suan Luang, Bangkok					
A space sukumvit 77 (partial)	Sukumvit 77 road(Soi Onnuch), Suan Luang, Bangkok	6-3-39.5	317	380	Agency for reale state affairs co.,Ltd ,as of 12/02/2019, 13/02/2019 , 14/02/2019 Ktac appraisal and services co.,Ltd ,as of 19/12/2019	-
-The Village Tiwanon -The Village Cottage Kanchanaphi- sak-Ratchapruk (partial)	Sainoi,Bang Bua Thong, Nonthaburi					
Lifestyle Club Kaset-Navamin	Wat Lat Pla Khao road, Lat Phrao, Lat Phrao, Bangkok					

Project Name	Location	Area (rai-ngan- wah)	BookValue (Million Baht) As at Dec, 2019	Cost Appraisal (Million Baht) As at Dec,2019	Appraiser Name / Appraisal date	Outstanding Loan (Million Baht) As at Dec,2019
-The Village Cottage Kanchanaphisak- Ratchapruk -The Village Kanchana- phisak-Ratchapruk -The Village Kanchanaphsak- Ratchapruk 2 -The Color Premium Kanchanaphisak- Ratchapruk - The Color Premium Kanchanaphisak- Ratchapruk 2 - The Color Premium Kanchanaphisak- Ratchapru k3 - The Color Kanchana- phisak-Ratchapruk - The Color Kanchana- phisak-Ratchapruk 2 - The Color Kanchana- phisak-Ratchapruk 3 - The Color Kanchana- phisak-Ratchapruk 4 - Future project Zone Sainoi	Bangkruiay-Sainoi Road Sainoi, Bang Bua Thong, Nonthaburi	218-3-66.8	743	957	Southeast asia international co.,Ltd / phet siam appraisal co.,Ltd , as of 03/03/2014 and 27/09/2013 Advance appraisal co.,Ltd , as of 20/12/2018 , 05/02/2019 and 30/12/2019 Agency for reale state affairs co.,Ltd , as of 18/02/2019	151
- The Place Kachanapisek- Ratchapruek 1 (partial) - The Place Kachanapisek- Ratchapruek 2 (partial)	Bangkruiay-Sainoi Road Sainoi, Bang Bua Thong, Nonthaburi	18-3-82.10	13	25	Advance appraisal co.,Ltd, as of 15/01/2016 and 05/02/2019	-
- Areeya Como Wongwaen-Ramintra (partial) - The Color Wongwaen-Ramintra (partial)	Soi Surao khlong Nung 15, Hathairat Road, Bangchan, Bangkok	39-0-5.8	86	110	Southeast asia international co.,Ltd, as of 03/03/2014	-
- Areeya Como Wongwaen-Ramintra (partial) - The Color Wongwaen-Ramintra (partial) - The Color Wongwaen-Ratchapruk (partial) - The Place Kachanapisek -Ratchapruek2 (partial)	Soi Surao Khlong Nung 15, Hathairat Road, Bangchan, Bangkok Bangbuathong- Suphanburi Road, Lahan, Bang Buathong, Nonthaburi Bangkruiay-Sainoi Road, Sainoi, Bang Bua Thong, Nonthaburi	4-3-85.2	85	99	Ultima appraisal co.,Ltd, as of 02/08/2018	-

Project Name	Location	Area (rai-ngan- wah)	BookValue (Million Baht) As at Dec, 2019	Cost Appraisal (Million Baht) As at Dec,2019	Appraiser Name / Appraisal date	Outstanding Loan (Million Baht) As at Dec,2019
- The Color Premium Wongwaen-Ratchapruk (partial) - The Color Wongwaen-Ratchapruk (partial) - The Color Wongwaen-Ratchapruk - Areeya Como Wongwaen-Ratchapruk (partial) - Future project Zone Bangbuathong	Bangbuathong-Suphanburi Road, Lahan, Bang Buathong, Nonthaburi	28-2-95.7	270	360	Future appraisal co.,Ltd , as of 17/04/2015	-
- The Colors Premium Bangna-Wongwaen - Areeya Brigg Bangna-Wongwaen 2 - Future project Zone Bangna-Wongwaen	Bang Phli Yai, Bang Phli, Samut prakan	33-0-01.8	30	50	Southeast asia international co.,Ltd , as of 25/09/2014 Siam city appraisal co.,Ltd , as of 21/09/2015	-
- The Colors Rangsit Klong 4 - Areeya Brigg Rangsit Klong 4	Sutsawat road, Ladsawa, Lam Luk Ka, Pathum Thani	20-3-98.40	155	270	Advance appraisal co.,Ltd, as of 16/10/2015	-
The Village Hathairat - Wongwaen	Thairaman road, Samwatawontok, KhlongSamwa, Bangkok	25-1-27.3	237	305	Siam city appraisal co.,Ltd , as of 11/07/2017	88
- The Village Rangsit Wongwaen - Areeya Brigg Rangsit Wongwaen - The Colors Mix Rangsit Wongwaen - Areeya Brigg Rangsit Wongwaen 2	Sutawat road, Ladsawai, Lam Luk Ka, Pathum Thani	77-1-87.9	618	759	Siam city appraisal co.,Ltd , as of 09/11/2016	63
- Areeya Como Bangna-Wongwaen 2 - The Colors Bangna-Wongwaen2 - Future project Zone Bangna wongwean	Bang Phli Yai, Bang Phli, Samut prakan	30-2-05.7	194	260	Siam city appraisal co.,Ltd , as of 23/02/2017	-
- The Village Bangna-Wongwaen 3 - The Colors Bangna-Wongwaen 3 - The Colors Bangna-Wongwaen 4 - Future project Zone Bangna wongwean	Bang Phli Yai, Bang Phli, Samut prakan	51-2-23	580	663	Southeast asia international co.,Ltd, as of 19/10/2017 and as of 12/02/2018	159

Project Name	Location	Area (rai-ngan-wah)	BookValue (Million Baht) As at Dec, 2019	Cost Appraisal (Million Baht) As at Dec,2019	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec,2019
- Areeya Como Premo Bangna-Wongwaen - Future project Zone Bangna wongwaen	Bang Phli Yai, Bang Phli, Samut prakan	40-0-02.5	397	541	Advance appraisal co.,Ltd, as of 12/03/2018 and as of 27/06/2018	74
A space mega	Bang Keaw, Bang Phli, Samut prakan	4-1-16.1	615	652	Siam city appraisal co.,Ltd , As of 9/10/2017	352
A space mega 2	Bang Keaw, Bang Phli, Samut prakan	3-2-0	245	275	Agency for reale state affairs co.,Ltd, as of 20/02/2018	102
Future project Zone Pattaya	HuaiYai, Bang Lamung, Chon Buri	37-2-49.9	226	250	Grow estimation co.,Ltd As of 29/09/2017	158
Areeya Sawana 3	Kaset - Navamin road, Lat Phrao, Lat Phrao, Bangkok	58-3-53.8 ²	1,350	1,971	Southeast asia international co.,Ltd , as of 25/12/2017	1,500 ³
The AVA Residence (partial)	Sukumvit 77 road(Soi Onnuch), Suan Luang, Bangkok				Agency for reale state affairs co.,Ltd, as of 24/02/2017	
Future project Zone Lat Pla Khao	Wat Lat Pla Khao road, Lat Phrao, Lat Phrao, Bangkok					
- Areeya Como Ladkrabang- Suvarnabhumi - Areeya Busaba Ladprao-Sarithai - Areeya Como Wongwaen-Ratchapruk (partial) - The Colors Premium Wongwaen-Ratchapruk (partial) - The Colors Wongwaen-Ratchapruk (partial) - The Colors Wongwaen-Ratchapruk2 (partial) - The Place Kanchanapisek - Ratchapruek2 (partial) - A Space me Rattanathibet (partial) - Picadaily - Areeya Metro Kaset VIP Future project	Ruam Pattana Road, Khuamtong, Ladkrabang, Bangkok Bangbuathong- Suphanburi Road, Lahan, Bang Buathong, Nonthaburi Bangkruay-Sainoi Road Sainoi, Bang Bua Thong, Nonthaburi Rattanathibet road, Bangkasor , Nontaburi, Nontaburi Sukumvit 77 road (Soi Onnuch), Suan Luang, Bangkok Wat Lat Pla Khao road, Lat Phrao, Lat Phrao, Bangkok	100-0-0.2	955	2,311	Agency for reale state affairs co.,Ltd ,as of 15/02/2019 Advance appraisal co.,Ltd, as of 25/12/2018, 30/1/2019, 12/02/2019, 26/02/2019	2,000 ⁴

Project Name	Location	Area (rai-ngan-wah)	Book Value (Million Baht) As at Dec, 2019	Cost Appraisal (Million Baht) As at Dec, 2019	Appraiser Name/ Appraisal date	Outstanding Loan (Million Baht) As at Dec, 2019
- The AVA Residence (partial) - Future project Zone Sukumvit	Sukumvit 77 road (Soi Onnuch), Suan Luang, Bangkok	12-0-38.2	361	739	Agency for reale state affairs co.,Ltd ,as of 24/02/2017	355
Future project Zone Sainoi zone3	Bangkruay - Sainoi Road,Sainoi, Bang Bua Thong, Nonthaburi	100-3-58.5	400	355	Advance appraisal co.,Ltd, as of 30/01/2019	125
The Colors Ramintra -Hathairat	Khlong Nueng Mosque Rd, Bangchan, KhlongSamwa, Bangkok	16-1-11.4	167	203	Agency for reale state affairs co.,Ltd ,as of 11/05/2018	113
- Areeya Como Bangna-Wongwaen3 - Future project Zone Bangna (ph.13.1)	Bang Phli Yai, Bang Phli, Samut prakan	24-1-17.6	211	250	Advance appraisal co.,Ltd, as of 08/03/2019	155
Total Project Value/ Total Asset			11,834	16,730 ¹		6,384 ²

Note :

¹The appraised value is the price that is adjusted from the appraised value of the land as appraised by the appraiser according to the condition on the appraisal date with the additional development fee paid from the appraisal date until 31 December 2019, deducted by the value of the land transferred to the customer according to Revised appraised price

²Outstanding loan means the company's interest-bearing liabilities from the assets specified in the above table as collateral for bank loans and debentures. The outstanding loan as at 31 December 2019 in the table is not equal to the outstanding loan amount as at 31 December 2019 in the financial statements of the company. Due to include short-term loans from financial institutions in the form of promissory notes in the amount of 200 million baht to ensure the completeness and accuracy of the information, the promissory notes are shown in the financial statements of the company in the bank overdraft, short-term loans from financial institutions and Long-term loans from companies 480 million. And include debentures of 3,500 million baht but excluding the loan for the construction of the head office of 26 million baht

³As collateral for the debentures of Areeya Property Public Company Limited No. 2/2017 due in 2020, the issuer can redeem before maturity Debentures with outstanding value of 1,500 million baht

⁴As collateral for the debentures of Areeya Property Public Company Limited No. 2/2019 due in 2022, the issuer can redeem before maturity Debentures with outstanding value of 2,000 million baht

2. The book value of the main assets, land, buildings and equipment of the Company as at 31 December 2019 are shown as follows.

Main assets used in operations

Unit : Million Baht

Item	Ownership	Ownership of Non-obligation part	Collateral with financial institutions	Financial lease commitments	Net Book Value
Land	Financial institution	-	108	-	108
clubhouse's land	Areeya group / Financial institution	14	168	-	182
Buildings and system	Areeya group / Financial institution	2	24	-	26
Clubhouse and temporary building	Areeya group	8	-	-	8
Furniture, fixtures and office equipment	Areeya group	46	-	-	46
Machineries and construction equipment	Areeya group	22	-	-	22
Vehicle	Financial institution	-	-	20	20
Total		92	300	20	412





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