

August 10, 2018

Ref. 958/2018

Subject: Explanation on percentage of changes more than 20% in company's operating performance for the six-month period ended June 30, 2018

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 4/2018 held on August 10, 2018 the BOD of Areeya Property Public Company Limited ("The Company") has approved financial statements for the second quarter ended June 30, 2018. The Company had a net gain of Baht 16.5 million, compared to a net profit of Baht 15.9 million in the same period of last year. For the six-month periods ended of June 30, 2018, the Company had a net profit of Baht 69.9 million, increased by Baht 25.0 million or 55.7 percent, compared to a net profit of Baht 44.9 million in the same period of last year.

The Company would like to report herewith the operation results for the second quarter ended June 30, 2018 and for the six-month periods ended of June 30, 2018 with a difference more than 20% in comparison with the same period of previous year, due to the following main reasons.

- The Revenue from real estate for second quarter of year 2018 was shown in the amount of Baht 952.9 million, decreased by Baht -119.8 million or -11. percent, compared to Baht 1,072.7 million in the same quarter of last year. While the Revenue from real estate for the six-month periods ended of June 30, 2018 was in the amount of Baht 2,000.9 million, decreased by Baht -203.5 million or -9.2 percent, compared to Baht 2,204.4 million in the same period of last year. The details of revenue from sale of real estate are as follows:

*Million Baht

	For second quarter			For the six-month periods		
	2018	2017	Increase/ (Decrease)	2018	2017	Increase/ (Decrease)
High-rise	185	283	-98	459	592	-133
Low-rise	768	790	-22	1,542	1,612	-70
Total	953	1,037	-120	2,001	2,204	-203

- For the 2nd quarter of 2018 and for the six-month periods ended of June 30, 2018, there is no revenue from reversal of provision for litigation due to the case had ended since the year 2017.
- Cost of sale of real estate for second quarter of year 2018 was in amount Baht 619.3 million, decreased by Baht -100.2 million or -13.9 percent, compared to Baht 719.5 million in the same quarter of last year. While cost of good sold for the six-month periods ended of June 30, 2018 was in amount Baht 1,258.6 million, decreased by Baht -196.4 million or -13.5 percent, compared to Baht 1,455.0 million in the same period of last year. The Cost of real estate was decreased in the same way of revenue which decreased in this quarter and also from more efficient cost management. Even the revenue of this quarter decreased, as a result of the cost reduction, the Company's net profit for this quarter is greater than the prior year.
- Selling Expenses for second quarter of year 2018 was in amount Baht 124.2 million, decreased by Baht -2.5 million or -2.0 percent, compared to Baht 126.7 million in the same quarter of last year. While Selling Expenses for the six-month periods ended of June 30, 2018 was in amount Baht 247.2 million, decreased by Baht -18.8 million or -7.1 percent, compared to Baht 266.0 million in the same period of last year due to the Company focus on controlling of marketing and advertisement expense.
- Administrative expenses for second quarter of year 2018 was in amount Baht 133.2 million, decreased by Baht -6.0 million or -4.3 percent, compared to Baht 139.2 million in the same quarter of last year. While Selling Expenses for the six-month periods ended of June 30, 2018 was in amount Baht 267.5 million, decreased by Baht -14.6 million or -5.2 percent, compared to Baht 282.1 million in the same period of last year. As a result of cost control on the part of the administration to be more efficient.

Yours Sincerely,



(Mr. Anat Pinrat)
Company Secretary