

August 14, 2019

Ref. 296/2019

Subject: Explanation on percentage of changes more than 20% in company's operating performance for the three-month and six-month periods ended June 30, 2019

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 6/2019 held on August 14, 2019 the BOD of Areeya Property Public Company Limited ("The Company") has approved financial statements for the second quarter ended June 30, 2019. The Company had a net loss of Baht -45.3 million in this quarter, decreased by Baht -61.8 million or -374.5 percent, compared to a net profit of Baht 16.5 million in the same quarter of last year. For the six-month periods ended of June 30, 2019, the Company had a net loss of Baht -34.1 million, decreased by Baht -104.0 million or -148.8 percent, compared to a net profit of Baht 69.9 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, 2019 and for the six-month periods ended of June 30, 2019 with difference more than 20% in comparison with the same period of previous year, due to the following main reasons.

1. For the 2nd quarter of 2019, Revenue from real estate was in the amount Baht 813.7 million, decreased by Baht -139.2 million or -14.6 percent, compared to Baht 952.9 million in the same quarter of last year. While the Revenue from real estate for the six-month periods ended of June 30, 2019 was the amount Baht 1,654.2 million, decreased by Baht -346.7 million or -17.3 percent, compared to Baht 2,000.9 million in the same period of last year. The Company breakdown details are as follows:

Unit : million Baht

	For 2 nd Quarter			For the six-month periods		
	2019	2018	Increase/ (Decrease)	2019	2018	Increase/ (Decrease)
Townhouse	671.2	767.7	-96.5	1,425.6	1,541.3	-115.7
Condominium	69.4	102.8	-33.4	105.1	272.0	-166.9
Inter Sale	73.1	82.4	-9.3	123.5	187.6	-64.1
Total	813.7	952.9	-139.2	1,654.2	2,000.9	-346.7

2. For the 2nd quarter of 2019 and the six-month periods ended of June 30, 2019, there was unrealized gains on fair value of investment properties in the amount of Baht 27.0 million.


3. For the 2nd quarter of 2019, Cost of real estate was in the amount of Baht 522.1 million, decreased by Baht -97.2 Baht or -15.7 percent, compared to Baht 619.3 million in the same quarter of last year. While the Cost of real estate for the six-month periods ended of June 30, 2019 was the amount Baht 1,008.3 million, decreased by Baht -250.3 million or -19.9 percent, compared to Baht 1,258.6 million in the same periods of the last year. It was decreased by revenue reduction. Because of more efficient cost management, the Company gross margin was higher than the same period of last year, although the Revenue was declined.

4. For the 2nd quarter of 2019, Finance costs was in the amount Baht 82.9 million, increased by Baht 24.6 million or 42.2 percent, compared to Baht 58.3 million in the same quarter of last year. While the Finance costs for the six-month periods ended of June 30, 2019 was Baht 156.8 million, increased by Baht 45.1 million or 40.4 percent, compared to Baht 111.7 million in the same periods of the last year. Because, the Company real estate projects are almost completed development that will be recognized the Revenue in next financial period.

5. For the 2nd quarter of 2019, corporate income tax was in the amount of Baht -14.1 million, decreased by Baht -21.9 million or -280.8 percent, compared to Baht 7.8 million in the same quarter of last year. While the corporate income tax for the six-month periods ended of June 30, 2019 was Baht -7.5 million, decreased by Baht -34.3 million or -128.0 percent, compared to Baht 26.8 million in the same periods of the last year. Because the current period taxable profit is less than prior year.

Please be informed accordingly.

Yours Sincerely,



(Mr. Anat Pinrat)
Company Secretary