

August 11, 2017

Ref. 646/2017

Subject: Explanation on percentage of changes more than 20% in company's operating performance for the six-month period ended June 30, 2017

Attn: Director and Manager
The Stock Exchange of Thailand

According to the resolutions of Board of Director ("BOD") Meeting No. 4/2017 held on August 11, 2017 the BOD of Areeya Property Public Company Limited ("The Company") has approved financial statements for the second quarter ended June 30, 2017. The Company had a net gain of Baht 15.9 million, compared to a net profit of Baht 105.4 million in the same period of last year. For the six-month periods ended of June 30, 2017, the Company had a net profit of Baht 44.9 million, decreased by Baht -123.2 million or -73.3 percent, compared to a net profit of Baht 168.1 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, 2017 and for the six-month periods ended of June 30, 2017 with a difference more than 20% in comparison with the same period of previous year, due to the following main reasons.

1. The total revenue for second quarter of year 2017 was shown in the amount of Baht 1,118.3 million, decreased by Baht -123.0 million or -9.9 percent, compared to Baht 1,241.3 million in the same quarter of last year. While total revenue for the six-month periods ended of June 30, 2017 was in the amount of Baht 2,278.5 million, decreased by Baht -109.3 million or -4.6 percent, compared to Baht 2,387.8 million in the same period of last year. There is no significant change from prior period and the details of revenue from sale of real estate are as follows:

Million Baht

	For second quarter			for the six-month periods		
	2017	2016	Increase/ (Decrease)	2017	2016	Increase/ (Decrease)
High-rise	283	389	-106	592	593	-1
Low-rise	790	827	-37	1,612	1,753	-141
Total	1,073	1,216	-143	2,204	2,346	-142

2. Cost of sale of real estate for second quarter of year 2017 was in amount Baht 719.5 million, decreased by Baht 49.0 million or -6.4 percent, compared to Baht 768.5 million in the same quarter of last year. While cost of good sold for the six-month periods ended of June 30, 2017 was in amount Baht 1,455.0 million, decreased by Baht -107.7 million or -6.9 percent, compared to Baht 1,562.7 million in the same period of last year, relating to the decrease of sales revenue. The company has improved cost management makes the perceived cost, although the revenue had no significant change from prior period.
3. Selling Expenses for second quarter of year 2017 was in amount Baht 170.1 million, increased by Baht 45.4 million or 36.4 percent, compared to Baht 124.7 million in the same quarter of last year. While Selling Expenses for the six-month periods ended of June 30, 2017 was in amount Baht 350.9 million, increased by Baht 130.9 million or 59.5 percent, compared to Baht 220.0 million in the same period of last year resulting mainly from the increasing in both off-line & on-line advertising including additional expense from International market expansion.

Yours Sincerely,

(Mr. Anat Pinrat)
FEVP – Finance & Accounting Department