



ANNUAL REPORT 2017 AQ ESTATE PUBLIC COMPANY LIMITED

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A photograph of a modern living room. In the foreground, there is a brown leather sofa with yellow and brown cushions. A small wooden coffee table with a potted plant sits in front of it. On the wall, there is a large, round, black metal clock. To the left, a long wooden console table holds various decorative items. In the background, a dining area with a table and chairs is visible through an open doorway. The room has light-colored wood flooring and large windows on the right side.

ทางเลือกใหม่ของการใช้ชีวิตใจกลางเมือง
 อโศก-พระราม 9 ตอบโจทย์ทุกไลฟ์สไตล์
 บนคอนโดใจกลางเมือง
 สะดวกทุกการเดินทางให้คุณ และ
 คนที่คนรักได้ใช้ชีวิตอย่างมีคุณภาพ

บ้านสโตรีโมเดิร์นบนทำเลศักยภาพ
 รายล้อมไปด้วยต้นไม้ใหญ่
 เพียบพร้อมด้วยสิ่งอำนวยความสะดวก
 เพื่อมอบความรู้สึกผ่อนคลายได้รับมา
 ให้กับผู้อยู่อาศัยอย่างแท้จริง

A photograph of a modern, two-story house at night. The house features large glass windows and a balcony with a metal railing. The interior lights are on, and the balcony is illuminated. The house is set against a dark sky with some trees visible in the background.

บ้านเดี่ยว 3 ชั้น สดหรู สไตล์โมเดิร์น
บนทำเลศักยภาพ ภายในมีความกว้างขวาง
ด้วยพื้นที่ 4 ห้องนอน 4 ห้องน้ำ
และห้องเอนกประสงค์ คับคั่งต่อการใช้ชีวิต

บ้านใหม่สไตล์โมเดิร์น
ออกแบบสำหรับการใช้ชีวิตของคนยุคใหม่
บนทำเลศักยภาพ พร้อมการเดินทางที่สะดวก
โครงการดีดกบนหลัก ใกล้รถไฟฟ้าแอร์พอร์ต

A photograph of a modern two-story house at night. The house has a light-colored exterior and a dark roof. The upper floor has large windows and a balcony with a glass railing, all of which are illuminated from within. The ground floor features a large open garage where two cars, a silver one and a dark one, are parked. The house is set on a green lawn, and a white fence is visible in the foreground.

บ้านเดี่ยวหลังใหญ่ ออกแบบสไตล์
Classic Contemporary Living
หรูหรา สว่างงาม ตอบรับความสำเร็จของชีวิต
และการพักผ่อนอย่างมีระดับ

ทาวนิออน 3 ชั้น ที่มากกว่าทาวนิออนทั่วไป
คิดและออกแบบเพื่อตอบโจทย์ทุกไลฟ์สไตล์
ใส่ใจในทุกๆรายละเอียด ทั้งยังเลือกใช้วัสดุ
เกรดพรีเมียม พร้อมให้คุณมีความสุขเป็นส่วนตัว
ที่มากกว่า ด้วยจำนวนเพียง 54 ยูนิต

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โรงแรมหรูระดับ 5 ดาว ที่ถูกขนานนามว่าเป็น The Only Boutique Beachfront Suites on Koh Samui คุณจะสัมผัสกับ ความสวยงามของชายหาดแหลมเสียด ที่ตั้งอยู่ทางตอนใต้ของ เกาะสมุย ตกแต่งในคอนเซ็ปต์ Uncommon Luxury จนได้มาซึ่ง รีสอร์ทหรู บนแลนด์สเคปที่สวยงามที่สุดบนเนินเขา โดยห้องพัก มีขนาด 120- 260 ตร.ม. พร้อมระเบียงกว้างพิเศษที่เปิดรับวิวได้ถึง 180 องศา ทั้งยังมีสิ่งอำนวยความสะดวกที่ครบครัน



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โรงแรมหรูระดับ 5 ดาว ด้วยคอนเซ็ปต์ Coloured by Seasons ที่นำความงดงามของเจดีย์ตามฤดูกาลจากสวนดอกไม้บานาพรรณมาใช้เป็นแนวคิดหลักในการสร้างสรรค์บรรยากาศ ทุกองค์ประกอบจะเปลี่ยนไปตามฤดูกาล เพื่อให้แขกของเราได้สัมผัสประสบการณ์ที่น่าจดจำในสไตล์ร่วมสมัยแบบยุโรปประกอบด้วย ห้องพักแบบ Superior Garden View , Deluxe Plantation , Deluxe Horizon และ Pool Villa รวม 70 ห้อง ด้วยการออกแบบสไตล์ Modern Rustic แทรกอยู่ในงานออกแบบ



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AQ Alix Residences โรงแรมที่ออกแบบและจัดการพื้นที่ใช้สอย โดยคำนึงถึงความสะดวกสบายของลูกค้าเป็นปัจจัยหลัก มีรูปแบบการตกแต่งภายในด้วยคอนเซ็ปต์ Zen Living โดยการใช้โทนสีและเส้นที่เรียบง่ายของงานสถาปัตยกรรม ทำให้ผู้พักอาศัยรู้สึกถึงความสงบนิ่ง น่าพักผ่อนเสมือนอยู่บ้านตัวเอง ตั้งอยู่ในทำเลที่ตอบโจทย์บุคลากรและผู้ให้บริการทางการแพทย์ทั้งระยะสั้นและระยะยาว โดยอยู่ห่างจากโรงพยาบาลกรุงเทพเพียง 200 เมตร

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Message from the Board of Directors

Dear Shareholders

The year 2017 was the Company's crisis time, all Directors have devoted their efforts to solving problems arising from lawsuits and trying to negotiate with the financial institution for the legal enforcement that the Company has to pay the debt according to the judgment of the Supreme Court, political tenure's criminal department, and find the solution to succeed with the cooperation of all parties. The Company has received the cooperation from the shareholders who approved the capital increase to private placement that make the Company has capital to repay debt, damage according to the judgment and invest in the Company's projects and can hold the status until now without supported by financial institutions as a result of such judgment.

In addition, all Directors try to solve the problems to make the Company's performance has growth and generate returns to shareholders in the future. Therefore, the Board of Directors hopes to receive the support from all of you and thank you all that solving problems together in order to make the Company can overcome obstacles as well.



(Mr. Somchai Kuvijitsuwan)

Chairman of the Board of Directors

AQ Estate Public Company Limited

1. Policy and Overview of the Business

1.1 Background

AQ Estate Public Company Limited founded on November 9, 1982 first establish name is "Kritsada Investment Co., Ltd." The company has a registered capital of 1 million baht was established with the aim to engage the housing. Trading land houses, townhouses, commercial buildings and property as real estate. Under trade name "Krisda Nakorn".

In January 1984 the company was changed its name to "Krisda Mahanakorn Company Limited".

The company was registered as a listed company in group of Industrial and real estate commercial with securities symbol "KMC" start trading on the Stock Exchange on May 10, 1991.

On June 14, 1993 the company operated as a public company incorporated under the Companies Act 2535 and the company was renamed Krisda Mahanakorn Public Company Limited and execute the capital increase from 1,050 million baht to 5,000 million baht.

On the April 30, 2014, the Company changed its name from the original "AQ Estate Company Limited (Public) and the Company's symbol is the "AQ".

At present AQ Estate Public Company Limited operates real estate commercial and development business. Both horizontal and vertical include Rental Property with the registered capital of Baht 147,006,012,651.50, Fully paid Baht 42,657,341,767.50 divided into 85,314,683,535 shares at par value of Baht 0.50.

1.2 Overview of the Business

AQ Estate Public Company Limited and its subsidiaries operates business of real estate commercial and development by focusing on real estate development, primarily for housing. Either in the form of single detached houses, townhouses, commercial buildings and residential high-rise condominium with the amenities. different And home construction to its clients, which bought Land Company, the subsidiary of the Company. Also operates another Related to real estate development. The summary nature of business of the Group is as follows.

- 1) Buying- Land acquisition is characterized by large land then divided into plots allocated. Then, the management and development of projects to be completed before the roads and utilities. Then sell to retail buyers.

- 2) The land and buildings This includes the allocation of land area. Designing buildings Contractors To servicedifferent To add value to the land, such as the allocation of land, which is a house divided. Semi-detached houses, commercial buildings and condominiums.
- 3) Construction of houses for customers who buy land of the company by hiring a small contractor under the supervision of the company's officer.
- 4) Sales management for other real estate development projects, with revenue from sales management based on sales proportion.
- 5) Hotels and Resorts Business.
- 6) Operation of storage space rental business

Status of the Company

- (a) On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower, Golden Technology Industrial Park Co., Ltd., ("Golden") (the 19th defendant) and K & V SRS Garden Home Company Limited ("Garden Home") the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of such land net of commission fee on sales would be Baht 8,924.30 million and in year 2016 the management expects that the forced sale value of such land would be Bath 5,800 million. The Legal Execution Department has set a date for the sale of collateral on December 27, 2017 however on that date, the Enforcement Officer has been notified of the order refraining from enforcement of the Supreme Court Criminal Division of Political Position ("Supreme Court") ,dated December 25, 2017. The abstention of the case will be effective until the Supreme Court to change the order so that the Enforcement Officer has rescinded the sale of collateral under the order of the Supreme Court. The Supreme Court has no order to enforce the case because the third defendant

filed a petition to stay execution to the Supreme Court on December 21, 2017. The Supreme Court held a hearing on the petition on December 25, 2017 and has ordered the copy of the petition to the Enforcement Officer and all stakeholders for acknowledge and they can filing an objection period related parties know the partner involved to object to the petition within 15 days from the date of receiving a copy of the petition and also to postpone the hearing of case to investigate the petition on 5 and 8 March 2018 and ordered to stop the execution during the Supreme Court ruling on the petition until the Supreme Court orders otherwise changed.

- (b) On September 25, 2015, the Company filed the repetition for suspension of the order of enforceable action to the general meeting of the Supreme Court to appeal in determination of that damage. The Company requested the general meeting of the Supreme Court to reconsider the damage by deducting (1) the amount obtained from warrants, since such government bank did not declare when additional common shares of the Company of 13.17 million shares and warrants of the Company of 118.57 million units were subsequently sold and how much cash received from such sale were, and (2) the amount of deposit for purchase of additional common shares of the Company of Baht 197.62 million which Grand Computer and Communication Co., Ltd. (the 22nd defendant) paid on behalf of such government bank. On July 5, 2016, the general meeting of the Supreme Court denied such appeal.
- (c) On October 16, 2015, the Company, "Golden" and Progress Property Management Co., Ltd. ("Progress") a major shareholder (68% shareholding) of Golden have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of Golden in order that the land was not confiscated, partial repayment of debts of "Garden Home" and the expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and Golden agreed to return to the Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to Golden at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from Progress before disposal of such land. Once the Company and Golden are free from any liabilities with such government bank, both parties agree not to claim for any debts from each

other anymore. To guarantee the fulfillment of the contract and flexibility in operations, Progress agrees to transfer shares and authorities of the directors of Golden to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to Progress as the original status. The Company agrees to let its subsidiary to provide loan to a relative of a director of Golden at Baht 30 million within October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, Progress has already transferred the shares of Golden to the Company and has authorized one director of the Company to be director of Golden. However, the Company and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition the board of directors meeting No12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore the officer will report to the court to lift this bankruptcy case according.

On June 22, 2017, the Company was filed the lawsuit in the civil court and the plaintiff filed (1) to nullify the Asset Management and Profit Sharing Agreement (the "Agreement") dated October, 16, 2015 (2) to nullify the appointment and registration of directors (3) to nullify the resolution of the Board of Directors from April, 8, 2016 and (4) to nullify the resolution of the Board of Directors from 19 October 2015. The Court scheduled to settle issues in court and to determine the litigation process guideline on August, 28, 2017. The legal advisor of the Company has the opinion for this litigation that the purpose of the Asset Management and Profit Sharing Agreement is for the Company to have the right to manage for the 3rd Defendant in order for the debt restructuring and the sale of land for payment of damage to the Bank and to minimize the impact from the capital increase to pay for the damages to the Bank. However, after the date of the Agreement in October 2015, there has not been any impact. In consideration for the fact that the land is mortgaged to the Bank, the sale of land depends on (1) the 3rd Defendant as the owner of the land can process with the consent from the Bank as the creditor or (2) the Bank can enforce the asset seizure and sale of land according to the Supreme Court's judicial order which is final and enforceable. From the past, the Company has negotiated with the Bank and mutually agreed for the guideline for debt restructuring including the sale of land without the consent from the 3rd Defendant. Even if the Agreement is nullified, it will not affect the debt restructuring plan or the status financial of the Company. In addition, it will release the Company from the profit sharing under the Agreement.

- (d) According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2016, such default loans amounting to Baht 26.72 million, respectively was presented as loans considered as default under current liability in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided credit facilities to the Company and the subsidiaries have temporarily suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

The board of direction meeting No.12/2016, dated October 13, 2016 acknowledged that the company submitted the regent of debt restructure to one bank. The Company will was non-performing land additional pledge value Baht 1,000 million, and will complete the debt restructure within one year. The Company request the right to sell the pledged land to repay bank loan. However the company in waiting bank approved. In addition the meeting acknowledged that the surveyor reported that there are one hundred and seventy-seven land intruders the company recorded additional production of Baht 51.93 million for selling this land.

And then, according to minute of board of director's meeting No.15/2016, dated on November 24, 2016 acknowledged that on November 22, 2016, the Company has met and acknowledged bank requirement to changes the conditions of debt restructure. The bank would like Golden to enter into debt restructure at civil case in whole amount (approximately by Baht 20,000 million) and pay for Baht of 1,000 million, and then allow the Company ask for a party in civil case in order to manage sell the pledged land. Also, the meeting acknowledged if Gloden could not enter into debt restructure above within November 2016, the bank will send the case into office of the Attorney, Office of the National Anti - Corruption Commission, Office of the Auditor General of Thailand, and night being legal execution of assets of the Company. At present, Gloden has not yet entered the debt restructure and the Company has not been informed about legal execution of assets of the Company.

On January 5, 2017, the bank informed the Company and Golden that the bank cannot accept the proposals of the Company regarding debt restructuring. And on April 5, 2017, the bank informed

- (1) Golden has to enter the debt restructuring as civil black case number Tor.268/2549 in whole amount, under the condition of Por-Kor-Sor .007/2560 dated on January 5, 2017 within April 2017.
- (2) the Company has to follow the judgmental of the Supreme Court's Criminal Division for Persons Holding Political Positions as case red number. Or-Mor.55/2558 and repayment for damage fee amount of Baht 10,004,467,480 to the bank within June 2017.

If there have no any proceeding, the bank might proceed the legal execution for every case.

The Company arranged and met with the management of the Bank on May 9, 2017 to clarify that the Company has prepared for the capital increase. Should there has no further issues or comments, the Company believes it can process for initial capital increase which should be sufficient for payment of damages to the bank and/or mutually discuss the terms and conditions for the payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

On August 10, 2017 the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

1. The company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
2. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the company.
3. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank.

The attorney general has filed a request for confiscation at Supreme Court on August 24, 2017, and the court issued the enforcement order to seize and freeze the defendant's property. The plaintiff has investigated the defendant's property and found the nineteenth defendant, which the court sentenced to joint liability in the amount of Baht 8,368.73 million holds ownership of land located in Samutprakarn province, totaling 97 plots. However, the legal advisor of company explained that the enforcement is just one step in the execution of this case because the process will also require a collateral land survey, draw map of property, set the final auction date and open auction. In this

case, the collateral land is located in the jurisdiction of Samutprakarn province. Therefore, the plaintiff must ask the court to have order to court of Samutprakarn for taking action instead. By lawsuit has ended, the debt or owed amount that the court sentenced the company to repay the debt to the financial institution is the same amount with civil case. This amount is the balance that the financial institution has been filed at the Civil Court according to the report of proceedings. In case of selling collateral, the money must be paid to settle the judgment of court first because the court issue writ of execution. When the financial institutions receive such funds, it must be offset against the debt on the part of civil litigation which is considered that financial institution has been partially paid off.

Thus, the civil case which Krungthai Bank Public Company Limited as a plaintiff accused Golden Technology Industrial Park Co., Ltd. (the 1st defendant) and others, totaling 4 persons (according to Black Case No. Tor. 268/2549, Red Case No. Tor. 2687/2550) is still valid and enforces the defendants to repay the debt of Baht 10,234,752,863.31 together with interest of principal amount of Baht 8,368,732,100 at the rate of 15% per annum, since the date after filling date until completion of debt repayment and on September 28, 2017 Sentenced Golden Technology Industrial Park Company Limited to pay 8,409,601,319.09 plus 10% interest on the principal amount of Baht 8,368,732,100 from May 31, 2004 until payment is completed and bring Golden Technology Industrial Park Company Limited money paid on November 1, 2004 amounting to Baht 39 million deducted by the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring money to pay management fee of Baht 9,700,000 plus 10% of interest on the principal as mentioned above starting from the next date of filing (February 9, 2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction. In case of this is not enough, it make another confiscation of Golden Technology Industrial Park Company Limited. The Company's lawyer has an opinion that this case has no any effect to the Company because they are separate entities. Golden Technology Industrial Park Company Limited filed an appeal on February 9, 2018 and The court granted the appeal.

As disclosed in Note 24 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12 - 14, 2017 and Baht 1,925 million on July 17 - 21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2017 as follows:

		(Unit :In Million Baht)
Compensation as per Court sentence		10,004.47
<u>Add</u>	Necessary expenses for selling land as per a contract for the asset management	125.35
	Specific Business Tax (At forced sale value)	191.40
	Withholding income tax (At forced sale value)	58.00
	Transferring fee (At Land Department price)	110.61
<u>Less</u>	Forced sale value*	(5,800.00)
	Compensation for damages	(1,635.74)
Estimated the damage - net		3,054.09

* The Company appraise the valuation of collateral land by appraisal report of SL. Standard Appraisal Co.,Ltd. dated on May 5, 2017, comparative market price method amount of appraised price Baht 11,600 million and amount of forced sale value by Baht 5,800 million. (In year 2015 the appraised value and the forced sale value of such collateral land as appraisal report dated on May 25, 2016, amount by Baht of 12,749 million and 8,924 million, respectively).

The actual damage will substantially depend on the Company's ability to sell such collateral land at the estimated price and Garden Home will not make a claim against the Company and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million. (Incidentally, the exactly amount of the company's obligation may be changed up or down, depending on the auction price to be auctioned in the future).

1.3 Goals and Strategies for Operation

Visions

AQ Estate aim not only develop projects or build buildings, we plan your future. We believe in a philosophy of timeless yet functional design since, our goal is to create things that will stand the test of time, to provide our clients, their great investment returns. Moreover, all goals will be achieved rightfully while our stakeholders will be treated with nothing but honesty.

Missions

- 1) To develop finest real estate projects to serve the current needs of market and those of the future.
- 2) To be amongst Thailand's leading real estate public listed companies.

- 3) To provide exceptional management services to clients as in a service provider and also as in a business partner.

1.4 Changes and key developments.

1.4.1 Change in share capital and the issuance of securities

☐ .

Year 2015

- ☐ The Annual General Meeting of Shareholders for the year 2015 held on April 20, 2015, the meeting resolved the resolution to
- a) Decreased the authorized capital from Baht 8,160.22 million (16,320.44 million shares, at Baht 0.50 per share) to be Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share).
 - b) Increased the authorized capital amount of Baht 3,549.63 million from Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share) to be Baht 11,659.18 million (23,318.36 million shares, at Baht 0.50 per share) by issuing new ordinary shares totaling 7,099.26 million shares, at Baht 0.50 per share.
 - c) To allocate newly issued ordinary shares as following:
 - ☐ General Mandate amount not exceed 3,000 million shares, Baht 0.50 par value for offering to the existing shareholders in the proportion.
 - ☐ Total amount not exceed 99.26 million shares, Baht 0.50 par value for reserve to adjust the additional right as warrant that will purchase (AQ-W2 total 25.77 million shares and AQ-W3 total 73.48 million shares)
 - ☐ Total amount not exceed 4,000 million shares, Baht 0.50 par value both full amount or any part in the same time or different time to private placement investors and/or institutional investors of private placement in the offering price not less than 90 % of market price but the offering price not less than Baht 0.50 per share In addition, the Board of Directors or the people who is assigned by the Board of Directors are able to consider the allocation of newly issues common shares as mentioned above.
 - ☐ On July 15, 2015 the Company registered the change in paid-up capital to increase from the original amount of 8,614 shares, which made paid-up capital to be Baht 6,336,985,976.50, (divided into ordinary shares 12,673,971,953 shares at Baht 0.50 par value).

Year 2016

- ☐ On June 6, 2016 the Company registered the change in paid-up capital to increase from the original amount of 711,582 shares, which made paid-up capital to be Baht 6,337,341,767.50, (divided into ordinary shares 12,674,683,535 shares, at the par value of Baht 0.50).

Year 2017

- ☐ The company holds the Extra General Meeting of shareholders No. 1/2017 on June 30, 2017 as following :
 - 1) Approve by decreasing the unsold and unpaid of the registered capital of Baht 5,321,839,806.50, divided into 10,643,679,613 ordinary shares, Baht 0.50.
 - 2) Approve the amendment of the company's memorandum of association in item 4 regarding the registered capital to comply with the capital reduction in accordance with agenda 1. The details are as follows. Item 4 Registered Capital Baht 6,337,341,767.50, Divided into Baht 12,674,683,535 shares par value Baht 0.50 per shares Divided into 12,674,683,535 ordinary shares ,Preference Shares -None-
 - 3) The capital increase- option 2, in case of the company increases the capital to private placement prior to the capital increase for right offering. The details are as follows:
 - ☐ Approve the capital increase in the amount of Baht 140,668,670,884 by issuance of newly issued ordinary shares of 281,337,341,768 shares at the par value of Baht 0.50. After the capital increase, the Company will have the registered capital of Baht 147,006,012,651.50 comprised of ordinary shares in total of 294,012,025,303 shares at par value of Baht 0.50.
 - ☐ Approved to amend the memorandum of association in item 4: Item Registered Capital, to comply with the increase of the registered share capital by cancelation of the previous sentences and use these new sentences as following: Item 4 Registered Capital Baht 147,006,012,651.50 Comprised of 294,012,025,303 shares par value Baht 0.50 Comprised of: Ordinary Shares 294,012,025,303 shares Preferred shares -None-
 - ☐ Approved to consider the issuance and offering the warrants to purchase ordinary shares of AQ Estate Plc.no. 4 (AQ-W4) for not exceeding 56,337,341,768 unit.
 - ☐ Approved to consider the allotment of newly issued ordinary shares of the Company of 281,337,341,768 shares at par value of Baht 0.50 per share in the following order:

- (1) Allotment of newly issued ordinary shares of 100,000,000,000 shares, Baht 0.50 par value for private placement by empowerment the Board of Directors or the person assigned by the Board of Directors to determine offering price and number of allocated shares for one year. However, the offering price must be (1) the price calculated by weighted average in the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price with the price discount of not more than 10%. At present, the company has no reference price because in the period of trading suspension (SP). Therefore, the company must have to find next price. (2) The company conducts a price determination through a process that allows institutional investors to express their wish to acquire newly issuance shares at book building price. At the date of the Board of Directors approved the share allotment and pricing, the company will take book building price to consider in the allocation. In case of the price according to (1) and book building according to (2) does not reflect the true value of shares, the company will use the appraised value by the Financial Advisor Company for consideration. The company will employ S14 Advisory Company Limited, the financial advisor in the list of the SEC. to appraise preliminary information for shareholders acknowledge and the appraised value is Baht 0.05.
- (2) Allotment of newly issued ordinary shares of not exceeding 56,337,341,768 shares at par value of Baht 0.50 per share to reserve for the exercise of warrants to subscribe the ordinary shares of AQ Estate Plc. no. 4 (AQ-W4).
- (3) Allotment of newly issued ordinary shares of not exceeding 125,000,000,000 shares, Baht 0.50 par value for existing shareholders in proportion to each existing shareholding.
- (4) Allotment of remaining newly issued ordinary shares from the existing shareholders in (3) and remaining newly issued ordinary shares for private placement in (1) to the existing shareholders as right offering again and empowerment the Board of Directors or the person assigned by the Board of Directors to determine all related details such as the ratio of allotment, the offering price, the subscription period, the Record date, and etc. which details and conditions will be informed to the shareholders in advance. However, the offering price for the right offering, specified by the Board of Directors or the person assigned by the Board of Directors will not

exceed the offering price for private placement in 1 and not exceed the offering price for right offering in 3

- ☐ Board of Directors' meeting no. 10/2017 on July 11, 2017, Approved for the allotment of newly issued ordinary shares for private placement no. 1 "(No.1)" and Board of Directors' meeting no. 11/2017 on July 14, 2017, Approved for the allotment of newly issued ordinary shares for private placement no. 2 "(No.2)" as detail shown below:

Reference is made to the approval from the Extraordinary General Meeting of Shareholders no. 1/2017 on June 30, 2017 for the allotment and offering of the newly issued ordinary shares of the Company for the amount of 100,000,000,000 shares for private placement. The Shareholders' meeting empowered the board of directors of the Company to determine the offering price at the market price. However, due to :

- (1) The market price calculated from the weighted average of share price of not less than the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price as specified in item 8(1) of The Notification of the Capital Market Supervisory Board no. Tor Jor 72/2558, Re: Approval for the Listed Company to offer new shares to specific investors ("The Notification - Tor Jor 72/2558"), does not reflect the true value of shares of the Company because the shares of the Company has been suspended from trading in the Stock Exchange of Thailand; and
- (2) The offering price cannot be determined by the opened process to the institutional investors who intend to subscribe for the newly issued shares at the preferred price level (book building) processed by the securities company as specified in item 8(2) of The Notification - Tor Jor 72/2558 because of no proposed bidding price from the institutional investors to purchase newly issued shares of the Company. Therefore, the fair value is appraised by S14 Advisory Co., the financial advisor approved in the list of the SEC consideration which appraised from the latest financial Statement on December 31, 2016, on July 11, 2017 equal to Baht 0.04 and it can be regard as substation of market price equal to Baht 0.04.

In accordance with the Notification of the SET, Re: Listing of ordinary shares or preferred shares as listed securities, B.E. 2558 (2015), the Company shall disclose the weight average share price of 7-15 consecutive business days prior to the first date of subscription payment of investors or the fair value of share price as appraised by the financial advisor approved in the list of the SEC in case that the shares are not traded in the SET. Therefore, the Company shall use the fair value from the report of the financial advisor, S14 Advisory Co., Ltd., appraised on July 11, 2017 using the same

criteria as the report dated May 31, 2017. The latest report, the financial advisor adjusted the appraisal to reflect the current situation based on the financial statement as at December 31, 2016, the updated financial statement, and the appraised share price is Baht 0.04 per share.

Thus, the Board of Directors determined the offering price at Baht 0.05 per share which is higher than the fair price as appraised by S14 Advisory Company Limited, the financial advisor approved in the list of the Securities and Exchange Commission (the "SEC") instead of the offering price in (1) and (2) mentioned above and according to item 8 second paragraph of The Notification - Tor Jor 72/2558.

The share offering price of newly issued ordinary shares for private placement at Baht 0.05 per share when compared to the fair value at Baht 0.04 per share is not considered as the offering price lower than 90 percent of the market price according to the Rules, Conditions and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (2015). Therefore, the mentioned newly issued ordinary shares are not subjected to the silence period.

In addition, the Board of Directors has the guideline to determine the specific investors by considering the investors who submitted the letter of intent to subscribe the newly issued ordinary shares for the allotment to private placement which has the large number of shares and for the Company to raise sufficient fund from capital increase and the detail is as following:

- (1) The offering price for the specific investors is Baht 0.05 per share and is considered as the allotment at price instead of market price in accordance with the Notification - Tor Jor 72/2558 which is the fair price as appraised by the financial advisor approved in the list of the SEC because the shares of the Company has been suspended from trading in the SET since November 16, 2015, and there has no bidding from the institutional investors from book building processed by Country Group Securities Plc. as appointed by the company to manage and process for book building to the institutional investors. Therefore, the fair price, appraised by the financial advisor approved in the list of the SEC, is considered as the price instead of market price. The allotment at the offering price of Baht 0.05 per share is considered as the allotment at the market price according to the resolution from the Extraordinary General Meeting of Shareholders no. 1/2017.

Effect to shareholders (Dilution Effect) (No.1):

Effects from the allotment for private placement when the investors subscribe for the newly issued ordinary shares of 34,140,000,000 shares are:

No. of existing shares :	12,674,683,535 shares
Allotment shares :	34,140,000,000 shares
Total shares :	46,814,683,535 shares

Effect to shareholders (Dilution Effect) (No.2):

Effects from the allotment for private placement when the investors subscribe for the newly

issued ordinary shares of 38,500,000,000 shares are:

No. of existing shares :	46,814,683,535 shares
Allotment shares :	38,500,000,000 shares
Total shares :	85,314,683,535 shares

The offering price for private placement is Baht 0.05 which is the appraised fair price from S14 Advisory Co., Ltd., the financial advisor approved in the list of the SEC appraisal on May 31, 2017, using the Financial Statement on September 30, 2016, (prior to market price of capital increase equal to Baht 0.05), the price dilution is 0% and the control dilution is 72.933%. The reason of no price dilution to the existing shareholders is that the weighted average of share price in the SET of the past 7-15 consecutive business days prior to the date to determine the offering price, cannot be determined because the shares of the Company has been suspended from trading (SP). At present, the Company used the price of Baht 0.05 which is the substitution of market price to provide the current valuation information on July 11, 2017 appraised price from S14 Advisory Co., Ltd., using the latest Financial Statement on 31 December, 2016 and appraised at Baht 0.04. The Board of Directors approved the price allotment of Baht 0.05 which is higher than the latest fair price.

- (2) The Company is required to raise fund for the debt payment and for the future operation and development which needs large amount of fund. Therefore, when receipt the intention for capital from 15 investors, the Company approved for shares offering to those investors.

- (3) Detail and schedule for use of fund :

3.1 The company will raise capital increase in amount of Baht 3,632 million (PP#1 of Baht 1,707 million and PP#2 Baht 1,925 million) to negotiate with Krung Thai Bank for damages according to the Supreme Court's judicial order.

3.2 For development of projects of the Company.

Detail and schedule for use of fund from capital increase for Private Placement (PP)

Period	Detail	Amount (million Baht)
2017	Payment for damages from judicial order	10,004.47
2017	Development of Estes Rattanathibet project	976.90
2017	Development of Chonburi – Bypass project	457.37
2017	Development of AQ Welle	81.93
2017	Development of AQ ARBOR	397.79
2017	Development of AQ ALIX	303.89
2017	Purchase of the collateralized land	1,500.00
2018 - 2019	Investment in new projects	1,500.00
2018 - 2019	Working capital	500.00
		<hr/> 15,722.35 <hr/>

(4) For the offering price for private placement, the Board of Directors considered and approved the offering price at Baht 0.05 from the fair price appraised by S14 Advisory Company Limited on May 31, 2017. The number of shares offered for sale No. 1 34,140,000,000 shares in the amount of Baht 1,707,000,000 and payment within July 14, 2017. And the number of shares offered for sale No. 2 38,500,000,000 shares in the amount of Baht 1,925,000,000 and payment within July 19, 2017. The offering price is fair value, higher than the latest fair price which appraised price from S14 Advisory Co., Ltd., on July 11, 2017, at Baht 0.04, using the latest financial statements published to investors.

(5) Terms, conditions or other agreement with investors:

The company allotted shares to the investors without any terms, conditions or other agreement.

(6) From the issuance and allotment for private placement of 100,000 million shares, the Company allotted No. 1 34,140 million shares for this time and the remaining un-allotment is 65,860 million shares and allotted No. 2 38,500 million shares for this time and the remaining un-allotment is 27,360 million shares allotted No.1 and No.2 Total 72,640,000,000 shares are as listed securities on July 17, 2017.

The Company paid the commission fee for issuing the increase share capital to 4 non – related companies totaling Baht 62.61 million.

On October 6, 2017 the Board of Director meeting of company No. 14/2017 had approved the canceled the allocation of 27,360,000,000 new ordinary shares to private placement the allotment

to shareholders and has resolved to determine the names of shareholders who will be entitled to allotment of warrants No.4 (AQ-W4) on Tuesday, October 24, 2017.

Movements share capital during for the year ended December 31, 2017 of share capital was as follows:

	Par value Per share Baht	Consolidated Financial Statements/ Separate Financial Statements	
		2017	
		Number of share (Thousand share)	Amount (Thousand Baht)
Authorized share capital			
As at January 1	0.50	23,318,363	11,659,182
Increase in common shares	0.50	281,337,342	140,668,671
Capital reduction	0.50	(10,643,680)	(5,321,840)
As at December 31	0.50	294,012,025	147,006,013
Issued and paid - up share capital			
As at January 1	0.50	12,674,683	6,337,341
Increase in common shares	0.50	72,640,000	36,320,000
Capital reduction	0.50	-	-
As at December 31	0.50	85,314,683	42,657,341

1.4.2 Change in Shareholding Structure

Year 2017

11-14 July 2017 The Board of Director's meeting of AQ Estate Plc. no. 10/2017 and 11/2017 had a resolution to allot the increase in stock capital by 72,640 million shares to private placement after the registration paid-up capital in allocation of shares to the private placement. The top ten shareholders structure of the company are as follows:

No.	Top Ten Shareholders	Before Share allotment	%	After Share allotment	%
1	Zico Allshores Trust(S) Pte,Ltd.	-	-	17,000,000,000	19.93%
2	Mr. Nathasa Chalermtiarana	-	-	8,400,000,000	9.85%
3	Mr. Palin Lojanagosin	-	-	4,000,000,000	4.69%
4	Mrs. Sirikarn Jaroensahayanon	-	-	4,000,000,000	4.69%
5	Mr. Somyot Vongtongsalee	-	-	4,000,000,000	4.69%
6	Ms. Thanuchtar Sueverachai	-	-	3,900,000,000	4.57%

7	Mrs Chiratha Wattanavekin	-	-	3,900,000,000	4.57%
8	Ms. Supparuk Settapanich	-	-	3,510,000,000	4.11%
9	Mr. Boyorn Rungruangnavat	-	-	3,300,000,000	3.87%
10	Mr. Chanon Wangtal	-	-	3,300,000,000	3.87%

Zico Allshores Trust(S) Ptl.,Ltd is Trustee of Wisdom & Virtue Fund which management Banjaran Asset Management Pte.,Ltd by the Zico Allshores Trust(S) Shareholder are as the follows.

- 1) Jamil Bin Mohamed –Singaporean ID NO.S7319075D held 24%
- 2) Peh Ee Hong- Singaporean ID NO.S2598959G held 25%
- 3) **Zico Consultancy Limited Held** 51%
 - ☐ Certificate of incorporation
 - ☐ Memorandum and articles of association
 - ☐ Register of directors
 - ☐ Register of shareholders-shareholder is another corporate, Zico Malaysia Sdn Bhd.

Zico Malaysia Sdn Bhd:

- ☐ Certificate of incorporation
- ☐ Memorandum and articles of association
- ☐ Register of directors
- ☐ Register of shareholders-shareholder is Zico Holdinas (a public listed company)

ZICO Allshores Trust (S) Pte. Ltd. , acting in its capacity as Trustee of Wisdom & Virtue Fund, together with Banjaran Asset Management Pte. Ltd. as the Fund Manager of Wisdom & Virtue Fund are unable to disclose the unitholder(s) of Wisdom & Virtue Fund in compliance with the following confidentiality obligations:

- 1) Licensed trust companies in Singapore must at all times comply with, inter alia, the confidentiality provisions under Section 49 of the Trust Companies Act (Chapter 336) (Original Enactment: Act 11 of 2005) REVISED EDITION 2006 (31st July 2006) which prohibits disclosure of information regarding a “protected party” (which includes beneficiaries under a trust) by a licensed trust company (or any of its officers) to any other person, except as expressly provided in the Act;
- 2) Investment Management Association of Singapore’s Code of Ethics & Standards of Professional Conduct (“the Standards”) (May 2010) are applicable to all Investment Managers in Singapore and under Chapter 2. 5 of the Standards, investment managers shall maintain proper procedures to ensure the confidentiality of client information;

- 3) Wisdom & Virtue Fund is an open-ended fund;
- 4) There are various investors/unitholders in Wisdom & Virtue Fund which consist of institutional investors, fund of fund, high net worth individuals and family offices; and
- 5) The Fund Manager and Trustee have the experience and expertise on investments in the South East Asian region.

However, the private placements were not involved in the management or take a position of Director or Management. Therefore, it has no effect on the Company's management policy according to the Company's Articles of Association; non-Thai shareholders will hold shares no more than 49%.

1.4.3 The Key Development

Year 2017

28 September 2017 According to the result of civil case judgment black no.Tor268/2549 and civil case judgment red no.Tor2687/2550 between Krung Thai Bank Public Company Limited and Golden Technology Industrial Park Company Limited, this read on September 28, 2017 at 9.00 am.

- ☐ The Court stated the same principal amount with Supreme Court Criminal Division of the Political Position which is THB 8,368,732,100
- ☐ Lor.1 is Golden Technology Industrial Park Company Limited.

Sentenced Lor. 1 to pay 8,409,601,319.09 plus 10% interest on the principal amount of THB 8,368,732,100 from 31/05/2014 until payment is completed and bring Lor.1 money paid on 01/11/2014 amounting to THB 39 million deducted by the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring Lor. 1 money to pay management fee of THB 9,700,000 plus 10%of interest on the principal as mentioned above starting from the next date of filing (09/02/2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction in accordance with Jor.29, Jor.33, Jor.38, Jor.41. In case of this is not enough, it make another confiscation and Lor.1 pay the lawyer fee of THB 70,000.

23 November 2017 AQ Public Company Limited has changed its telephone number and fax number as follows:

- ☐ Phone number changed from 02-648-5555 to 02-033-5555.

☐ Fax number changed from 02-648-5567 to 02-033-5566.

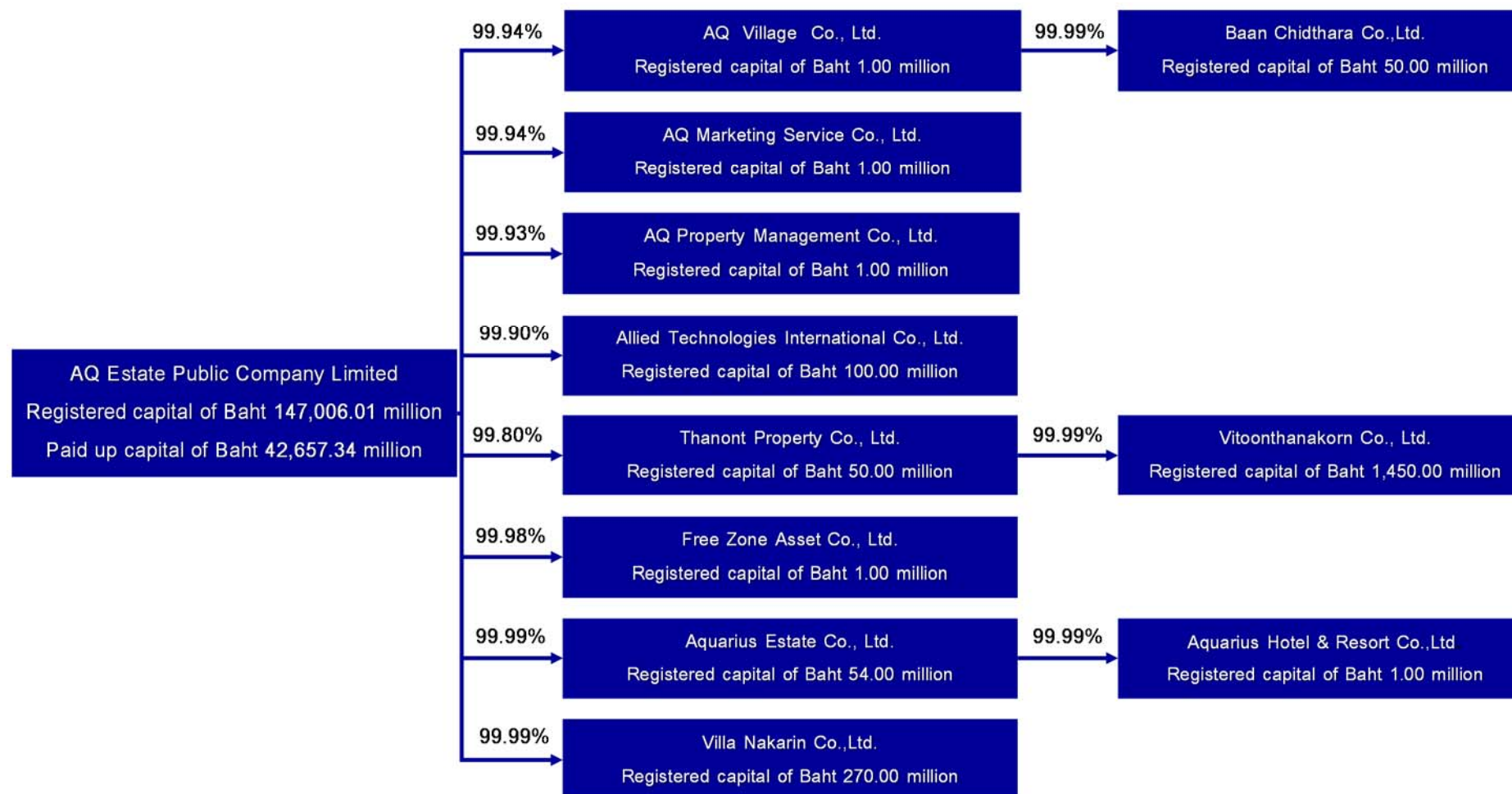
25 December 2017 Whereas, the execution officer determined the date of first auction on 27 December 2017, however, on such date, the execution officer has been informed the Supreme Court Criminal Division for Holders of Political Position's (the "Supreme Court") order to stay of execution dated 25 December 2017 with immediate effect until order otherwise, thus the execution officer has called off the of 4,300 rai of lands collateral in accordance with the said order.

The reason that the Supreme Court rendered such order was due to the fact that Mr. Viroj Nualkhae (in his capacity as defendant no. 3) has file a petition asking the Supreme Court to stay the auction on 21 December 2017 (the "Petition") The company has not received a request from Mr.Viroj Nualkha when the company receives the request to report again. In which the Supreme Court heard such Petition on 25 December 2017 and ordered that a copy of the Petition shall be sent to each relevant parties and the execution officer and such relevant parties shall be entitled to object the Petition within 15 days from the date of receipt such Petition and further postponed the hearing of such Petition to 3 and 8 March 2018 and also ordered the stay of execution while the Supreme Court considers such Petition until order otherwise. Nonetheless, the Company has not yet to receive the Petition and thus has no detail of such Petition.

1.5 Shareholding Structure of the Group

AQ Estate Public Company Limited undertakes business in property development and sales including real estate rental. There are 11 subsidiaries in the Group by the Company directly holds 8 subsidiaries and indirectly through 3 subsidiaries. The nature of business operations of the parent company and subsidiaries and the proportion of the Company's shareholding in the Subsidiaries can be summarized as diagrams and tables as follows.

Shareholding Structure of AQ Estate Group
as at December 31, 2017



List of subsidiaries as at 31 December 2017

Subsidiaries	Type of Business	Proportionate of Share (%)	Paid up capital (Million baht)	Type of Holding
AQ Village Co., Ltd.	Recreational services and provides hotel and resort	99.94	1.00	Direct Subsidiary
AQ Marketing Service Co., Ltd.	Sale management services	99.94	1.00	Direct Subsidiary
AQ Property Management Co., Ltd.	Management of commercial space	99.93	1.00	Direct Subsidiary
Allied Technologies International Co., Ltd.	Real estate trading	99.90	100.00	Direct Subsidiary
Thanont Property Co., Ltd.	Real estate trading	99.80	50.00	Direct Subsidiary
Free Zone Asset Co., Ltd.	Real estate for rent and service	99.98	1.00	Direct Subsidiary
Aquarius Estate Co., Ltd.	To sell, acquire, provide service and operate in real estate	99.99	54.00	Direct Subsidiary
Villa Nakarin Co.,Ltd.	Real estate trading	99.99	270.00	Direct Subsidiary
Vitoonthanakorn Co., Ltd.	Real estate trading	99.99	1,450.00	Indirect Subsidiary
Baan Chidthara Co.,Ltd.	Recreational services and provides hotel and resort	99.99	50.00	Indirect Subsidiary
Aquarius Hotel & Resort Co.,Ltd.	To sell, acquire, provide service and operate in real estate	99.99	1.00	Indirect Subsidiary

The Divisions in the group of Company

1. Trade, real estate development and real estate management. The company operates its business by develop projects, real estate and land for sale or land with a House (in case of sale) to the customer, sales, project management, real estate and condominium project under the

trademark " AQ estate " Constructions service client may sourcing their own contractor to build home project and use AQ Marketing Services Co., Ltd. (" AQ marketing ") service for Sales and management for project. The Company charged 3 percent service from value of the contract.

2. Commercial and real estate development business " AQ" , "Allied Technology International Co., Ltd., "Thanon Property Co., Ltd.", "Aquarius Estate Co., Ltd.", "Vitoon Thanakorn Co., Ltd.", and "Villa Nakorn-in Co., Ltd.", operate in business development projects, real estate and land for sale or land with a House (in case of sale) to a customer , The Project build and construction by Group of Company and AQ Marketing provide sales management and sales administration service fee 3-5 percent from the value of the contract.
3. Other business The Company's other business. Performed by the subsidiaries are follows:
 - 3.1 Business management service, Sales service to condominium and housing project under name of "AQ Marketing Service Co., Ltd.", and "Aquarius Estate Co., Ltd."
 - 3.2 Hotel and Resort business operated by "AQ Village Co., Ltd.", "Aquarius Hotel and Resort Co., Ltd.", and "Ban Chid Tara Co., Ltd." (Ban Chid Tara now not yet performed).
 - 3.3 Commercial Space Management and Infra Structure Management operated by "AQ Property Management Co., Ltd."
 - 3.4 Warehouse Space Rental business operate by "Free zone Access Co., Ltd."
 - 3.5 Commercial Trade Space Rental business operate by "Vitoon Thanakorn Co., Ltd."
 - 3.6 Business Consulting business operated by "Aquarius Estate Co., Ltd."

1.6 Relationship with the major shareholder's business

-None-

2. Type of Business

2.1 Revenue Structure

Revenue from business operations of the Company and subsidiaries during the year 2015 – 2017 could be classified by business segment as follows.

Product line / Business Group	Operated by	% Shareholding	Revenue (Million Baht)					
			2017	%	2016	%	2015	%
Revenues from sales of property	Thanont Property	99.80	538,908	70.37	1,088.37	86.46	1,343.48	86.87
	Allied Technologies	99.90						
	Vitoonthanakorn	99.99						
	Aquarius Estate	99.99						
	Villa Nakarin	99.99						
Income from hotel business	AQ Village	99.94	83,504	10.90	75.3	5.98	74.85	4.84
	Aquarius Hotel	99.99						
	Baan Chidthara	99.99						
	Aquarius Estate							
Revenues from property rental operations and related services	AQ Property	99.93	17,540	2.29	13.99	1.11	13.65	0.88
	Free Zone Asset	99.98						
Revenues from consult and sales management	AQ Estate PLC	-	-		0.32	0.03	15.73	1.02
	AQ Marketing Service	99.94						
	Aquarius Estate	99.99						
Total revenues from sales and services	-	-	639,952	83.57	1,177.98	93.58	1,447.72	93.61
Management fee income	AQ Estate PLC	-	9,697	1.27	13.51	1.07	12.12	0.78
Interest income	AQ Estate PLC	-	46,815	6.11	3.42	0.27	8.52	0.55
Other income	AQ Estate PLC	-	69,330	9.05	63.93	5.08	78.26	5.06
Grand total		-	765,794	100.00	1,258.84	100.00	1,546.62	100.00

2.2 Products and Services

AQ Estate Public Company Limited and its subsidiaries operates business of real estate commercial and development by focusing on real estate development, primarily for housing. Either in the form of single detached houses, townhouses, commercial buildings and residential high-rise condominium with the amenities. different And home construction to its clients, which bought Land Company, the subsidiary of the Company. Also operates another Related to real estate development. The summary nature of business of the Group is as follows.

- 1) Buying- Land acquisition is characterized by large land then divided into plots allocated. Then, the management and development of projects to be completed before the roads and utilities. Then sell to retail buyers.
- 2) The land and buildings This includes the allocation of land area. Designing buildings Contractors To servicedifferent To add value to the land, such as the allocation of land, which is a house divided. Semi-detached houses, commercial buildings and condominiums.
- 3) Construction of houses for customers who buy land of the company by hiring a small contractor under the supervision of the company's officer.
- 4) Sales management for other real estate development projects, with revenue from sales management based on sales proportion.
- 5) Hotels and Resorts Business.
- 6) Operation of storage space rental business

The company and the Group's subsidiary companies include: Thanon Property Co., Ltd., Allied Technology Co., Ltd., Vitoon Thanakorn Co., Ltd., Aquarius Estate Co., Ltd., Villa Nakarin Co., Ltd. (The real estate development business group) conducts business with an emphasis on Commercial and Real Estate Development, focus on Real Estate development and residential. Both in the form of detached houses semi-detached townhouse and condominiums with amenities. Companies and a subsidiary of the company provide service cover Land management from large land. The building's design thru the other services to increase the value added of land both in term of behavior pattern of home projects and will be given the appropriate location and the target groups.

Real estate development group. Continue to develop the land by providing and gathering land, a large and divided the developed as well as road and land parcel utilities before sale to the purchaser which public utilities development projects at the preliminary land reclamation work include land conversion and street. Dirt and stone compaction task knead road. Stones and concrete road pavement installation, Electricity pole/headlines. Landscaping, Arch, Club and swimming pool, etc.

Infrastructure and public services. Operate by Real Estate Development Group of Companies in each company, as administrator, such aspects of the project, unless the Executive Club and swimming pool will be open to other companies to hire and manage tasks, to provide services to clients in the project. However, as of June 6, 2002 the Ministry of the Interior has issued act to registration of the establishment of administration, Merge and to withdraw Housing Estate Juristic Person 2002 (Act 2545/46A/ 17/17 June- 2002) where such regulations has resulted in land allocation Act 2000 this act more complete. Such act shall specify whether the allocation is free from the duty of maintenance

utilities, once established, "Housing Estate Juristic Person " or other legal entities to transfer such property to maintain. Within the time allocated land designated or authorized by the Board of Directors allocates land for Bangkok and provincial land allocation Committee, any operation to maintenance, utilities or transfer assets such as public interest, therefore, the establishment of housing estate juristic person act, it will help to reduce the burden of a group of real estate development in infrastructure and public service care.

Real estate in progress

Project	Project owner	Location	Product Categories in the project
Krisda Marina (Project 27)	The Company	Pinklao Road - Nakhon Chaisri, Entrance to Wat Rai Khing	Houses - Land
Krisda City Lake & Park (Project 30)	The Company	Theparak Road Km 16 Bangpla Sub-district, Bangplee District, Samutprakarn	Houses - Land
The Kris 6 (Last transfer in 2017)	Thanont Property	Huai Khwang sub-district, Huai Khwang District	8-storey condominium 170 units
The Kris 7 (Last transfer in 2017)	The Company	Huai Khwang sub-district, Huai Khwang District	8-storey condominium 178 units
Krisda Lagoon (Project 41)	Thanont Property	Rama 5 Road, Ku Wiang, Bang Kruay, Nonthaburi	House
Krisda Grand Park (Project 42)	Allied Technologies	Phaholyothin – Rangsit Road, Klongnueng, Klongluang, Pathumthani	House
AQ Shadi	Allied Technologies	Phaholyothin – Rangsit Road, Klongnueng, Klongluang, Pathumthani	Semi-detached 2 storey 86 units
Garden Rama 9	Vitoonthanakorn	Jaturatis Rd., Rama IX Rd.	7 storey condominium 4 building
AQ Welle	Vitoonthanakorn / Thanont Property / Allied Technologies	Jaturatis Rd., Rama IX Rd.	3-storey house of 18 houses.
Estate Rattanathibet	Aquarius Estate	Rattanathibet Road	36-storey condominium 475 units
Project 15 Gate	Aquarius Estate	Yothinpattana Road, Soi Yotin Pattana 11, Klongjan, Bangkok	3 detached houses, 15 units

Project	Project owner	Location	Product Categories in the project
Rangsit BIZ Park	The Company	Paholayothin road, Rangsit	498 detached house
AQ VIRAR	The Company	Siam Park 24	54 townhouses
Phureesala Project	The Company / Allied Technologies	Thalang District, Phuket Province	Detached house 18 plots
AQ Shadi - Chon Buri - Bypass	The Company	Muang District, Chonburi	Detached house 262 Plot
AQ Aria* Selling whole project Jun 16	The Company	Phetchaburi Road	Condominium 315 units
AQ ARBOR	Villa Nakrin	Suan Luang R 9 - Pattanakarn	3-storey house 114 units
ShaSa Resort & Residences, Koh Samui	Aquarius Hotel	Casa Vela Hotel Condominium, Laem Set Road, Maret sub-district, Koh Samui, Surat Thani	Villas and there are 32 suites. (5 Star Hotel)
Krisdadoi Chiang Mai (Renovation in Progress)	AQ Village	Samoeng Road away from the Lanna park	Resort 60 rooms
Malibu (Renovation in Progress)	Aquarius Estate	Phuket	Resort 32 rooms
ALIXE	Aquarius Hotel / Allied Technologies	Soi Soonwijai	Condominiums and hotels

Project Progress in Real Estate Group

Project Name	Project owner	Year started	Status	Project area (rai)	Products for sale		Value Million Baht 1	Cumulative sales		Sales for the year 2017		Investment value in project (Million Baht) 4	Construction progress		Sales value of Product sold but not yet transferred as of Dec 31, 2017 (Million baht)
					unit	Area (Square wah)		Value Million Baht 2	% of Product value available for sale 3=(2/(1)*100	unit	Product Value (Million Baht)		Money invested (Million Baht) 5	% of Finished work (6)=(5)/(4)*100	
Krisda Royal Park (Project 19) 3	The Company	1993	Still Available	34	127	14,171	310.64	238.07	76.64			147.00	147.00	100.00%	-
Thanont Golf View & Sports Club (P 25)	The Company	2006	Still Available	17	58	5,926	267.34	151.03	56.49			100.51	100.51	100.00%	-
Krisda Marina (Project 27) 3	The Company	1995	Still Available	134	206	28,085	905.88	548.42	60.54			811.66	706.31	87.02%	-
Krisda City Lake & Park (Project 30) 3	The Company	1995	Still Available	559	1189	172,225	3,348.07	1,035.80	30.94			2,820.00	2,756.00	97.73%	-
Rangsit - Phahon Yothin project 35	The Company	2014	Not available	82.2.77	498	33,077	1,785.63					1,540.19	413.59	26.85%	-
Krisda Lagoon (Project 41)	Thanont Property	2004	Still Available	69	166	17,626	692.38	692.38	100.00			750.75	750.75	100.00%	-
Krisda Grand Park (Project 42)1. 2	Allied Technologies	2004	Still Available	65.0.48	224	22,319	1,625.28	1,475.13	90.76	2	34.99	1,140.72	1,139.45	99.89%	6.99
Krisda Grand Park (Project 42) 3	Allied Technologies	2014	Still Available	15.0.48.62	86	3,210	355.90	70.66	19.85	7	43.83	302.43	278.76	92.17%	4.70
Krisda Prestige Project 49	The Company	2010	Still Available	3	23	1,231	46.63	46.63	100.00			18.94	18.94	100.00%	-
Rangsit Biz Park Project 50	The Company	2010	Still Available	7	34	2,934	274.16	274.16	100.00	4	38.58	176.42	176.42	100.00%	-
Phureesala Phuket Project 51	The Company	2014	Still Available	11.3-22	18	2,163	330.33	18.90	5.72			259.87	123.57	47.53%	-
Chonburi Bypass Project 52	The Company	2014	Still Available	48.0.36.8	262	19,237	978	210.01	21.47	12	55.30	835.17	495.98	59.39%	4.16
Siam park Project	The Company	2014	Not available	5.3-86	54	2,386	306.21	70.06	22.88	12	70.06	242.32	224.99	92.85%	-
ARBOR, Chalerm Phra Kiat Road	Villa Nakarin	2015	Not available	28-0-2	114	7,061	989.84	246.31	24.88	15	148.81	896.40	654.47	73.01%	35.23
15 Gate	Aquarius Estate	2014	Still Available	3-175.2	15	903.3	334.00	312.00	93.41	1	23.50	269.12	269.12	100.00%	-
AQ Welle	Thanont , Allied, Vitoon	2016	Still Available	4-1-16	32	1,637	690.00	36.58	5.30	1	36.58	580.96	464.39	79.93%	36.58
The Kris Ratchada 6	Thanont Property	2015	Closed sales	1	171	5,289	405.84	405.84	100.00	1	3.53	327.63	327.63	100.00%	-
The Kris Ratchada 7	The Company	2015	Closed sales	1	179	5,625	435.95	435.95	100.00	3	9.58	370.44	370.44	100.00%	-
The Kris Garden	Vitoonthanakorn	2013	Still Available	4	479	16,991	1,008.78	757.11	75.05	30	61.45	829.63	825.64	99.52%	10.11
Estets Ratanathibet	Aquarius Estate	2014	Closed sales	1.3.47	475	15,626	1,390.45					1,241.12	518.93	41.81%	
AQ ALIX	Aquarius Hotel	2016	Still Available	0-2-62	67	1,909	232.67	230.04	98.87			162.32	162.24	99.95%	70.68

2.3 Market and Competition

Kasikorn Research Center reported that the overview of the housing market during the first half of 2017 slowed for the second half of the year 2017, the housing market seems to be stable in the first half of the year. The purchasing power has not fully recovered with challenging issues for labor is also pushing to open a new housing project for sale. However, still need to invest housing projects. Contributes to the recognition of future income. As a result, during the second half of 2017, real estate entrepreneurs will still wait for the market to recover for investment housing projects carefully.

The outstanding amount of housing in Bangkok at the end of 2017 at a high level. The transfer of ownership of housing in Bangkok as part of the purchase of a real estate development in 2017 will shrink compared to the year 2016, resulting in a time-absorbing housing, outstanding long by Kasikorn Research Center expects the housing open in Bangkok at the end of 2017 would be at 170,000-177,000 units 4-8 % growth compared to the year 2016.

The number of outstanding housing tends to increase, resulting in challenges during the second half of 2017 seems to be the reduction of the outstanding housing. Kasikorn Research Center said real estate development enterprises should adjust its strategy to offer outstanding residence to a more diverse audience. The age group starts Working Group, Family group, Elderly including foreigners. The housing can be formed to accommodate the residents of diverse people groups. It is a group with the flexibility to adjust the height as projects under construction, the remaining units are sold as lots.

The real estate development enterprises still faces many challenges in the development of new housing in the next term challenges such as labor. Outstanding amount of housing in some areas is still high. Household debt is high. Interest rates may rise, etc., while the enterprises still need to close the sale of residential projects faster in order to maintain the liquidity of the business

The political result in the real estate business for the slow down

In the 2-3 years ago. The real estate business has slowed down from the politics. It also has the economic impacts of the global market and wage rates, including higher value materials. It is evident from the unit housing sales were dropping. In the field of real estate developers have adapted by focusing on distributed development project to all levels of the price. And the extended area wide more and more. To gain access to a new group of customers when coupled with support measures from the government. Therefore, the real estate market even slow down, but not much and expansion continued. Seen from the proportion of sales of real estate projects by genre launched in 2016 who didn't however much. And condominium is still popular in every price level.

Buyers change ages

This new generation bought the condo for more housing. Shifting base from buyers aged 35-55 years down the age range is 25-35 years less because of the desire to live along the Metro to work in order to facilitate the work. Especially the new generation who grew into middle age to create a truly urban lifestyles. However, this group is usually in the buyer market lower - middle. Some do not get loans from banks. Because financial institutions are more stringent in lending more. And the buyer was not enough purchasing power in spite of the demand is real.

Affect to some entrepreneurs who want to expand the buyer group is a group of new generation. In the second half, the game must be changed, so this turned to pull a group of middle-market on the 150,000-200,000 baht-price per square meter upwards. Some projects may be a Luxury-level Hi-end touch up to 300,000 baht per square meter, it can be seen, such as the Phrom Phong Ekamai Thonglor project open is a new average price 325,000 baht per square meter Ploenchit Chidlom Asoke average 278,000 baht per square meter. Hopes that this will level the market is in a group of people than the project, and must be located on the city CBD can be a source of really living.

Hotels and Restaurants

Hotels and restaurants expanded and accelerated by the growth of tourist arrivals and tourism receipts. In the fourth quarter of 2017, manufacturing, hotels and restaurants expanded by 15.3 %, accelerating from a 6.9 % expansion in the previous quarter. In this quarter there were 9.28 million foreign tourists, up 19.5 %, accelerating from a 6.4 % expansion in the previous quarter. This has been driven by the low base of dismantling the cocoon same quarter of the previous year. And visitors from key markets traveling in Thailand. Especially tourists from China (Percentage of 26.0, up 67.2 %), Russia (ratio of 5.0 %, up 21.0 %), South Korea (ratio of 4.7 %, up 21.6 %) and India (ratio of 4.0%, an increase of 23.6 %) combined. with the expansion of the tourist in Thailand resulting in this quarter. Total revenues from tourism 729 billion baht, an increase of 15.9%, accelerating from growth of 9.8 % in the previous quarter (1) Revenues from foreign tourists to 494 billion baht, up 23.2 %, with the support of the receipts of the tourism, China, Russia, South Korea, India and Cambodia are important. (2) Revenues from tourists Thailand THB 235 billion grew 1 % to 3 the average occupancy rate of 69.44%, an increase of 63.71 %. In the previous quarter and 66.97 % in the same quarter last year.

Including the year 2017, manufacturing, hotels and restaurants expanded by 8.5 % the total income from tourism are at 2,754 billion baht. Increased 9.5 %, divided into revenue from overseas tourists 1,824 billion. Increased 11.7 %, and revenue from tourists from Thailand 930 billion. Increased 5.4%, with the number of foreign tourists to 35.38 billion people. Increase of 8.8 %, and the average occupancy rate at 68.49 %.

2.4 Backlog

-None-

3. Risk Factors

3.1 Risks to business operation

3.1.1 Risk of land acquisition

Acquiring land plots to develop single detached houses, twin house, townhouses townhomes and condominiums. Companies chose to acquire land with high potential for development projects at the most reasonable price. The choices with least risks are land plots within city center or the ones along BTS or MRT stations both active stations and future stations including other established residential areas. The company is focusing mainly in Bangkok and Greater Bangkok to develop single detached houses, twin house, townhouses and condominiums with decent accessibility to mass transportation and community center. So, the risk comes from land acquisition at a reasonable price for generating future profit. The company's solution is to select good relationships with trustworthy land brokers and market analysis and comparative survey of land prices with factors and context are similar to minimize risk.

3.1.2 Risk from starting construction in advance of selling

The Company operates property development business with idea of building a house before the sale. As a result, the company needed more capital to build more houses because the company did not receive a down payment for working capital. Therefore, the Company is exposed to the following risk factors: future housing prices have increased due to higher construction costs and land prices, resulting in higher risk. currently analyzed selling value with actual prices in the future may be inaccurate. Moreover, due to the high competition from competitors, there is the risk of the completed houses being sold in the market and the higher maintenance cost over time. It also has a negative impact on financial liquidity, interest rates and profitability of companies. However, the company has taken a risk reduction approach by analyzing the market in the future, current property valuation and future changes. Also managed by real estate professionals in strategy.

3.1.3 Risk on production cost

Construction Materials Price Index has risen since 2014 due to significant growth in neighboring countries therefore, materials like cement, steel, construction machines are in great demands from Thailand's neighboring countries to serve their governments attempt to expand infrastructure ; mass rapid transit system, flood protection system which require massive amount of construction materials therefore material prices have increased, hence materials are essential to the development of real estate

projects therefore, an increase in material prices and price volatility affect directly to the cost of project development. The company is aware of such risks and measures to strictly control and reduce the risks arising from fluctuations in the prices of construction materials. Due to the procurement of construction materials, company will purchase directly from the manufacturers to compare prices, quality of materials and logistic cost in advance to reduce the risk from increasing material price. Including seeking more business partners to support company's expansion. The company will organize construction materials into categories to obtain bargaining power with traders. Moreover, the company puts product quality in top priority, the company establish the criteria to trade mainly with trustworthy major manufacturers and suppliers evaluated by comparing the capacity and potential to supply raw materials at reasonable prices to ensure that traders are able to supply materials that meet the standards in both quality and quantity aspects. The company will set up a team to control quality and to pursue company's high standard.

3.1.4 Risk from contractor's inability to timely and properly deliver

The Company is to pay the contractor in terms of construction periods, basing on success criteria of the work delivered specified in construction contract. After being accepted and approved for product quality control from company's inspectors, the company will pay the installment by deducting retentions in each period at 5% of the value of work delivered. The preferred contractors would be experienced medium or large construction firms unless the case of shortages in labors due to growing demands for labors in the other parts of the region. The company is trying to replace the original construction system by an alternative such as precast construction to replace skilled workers. The company will start constructing by precast system from compact houses.

3.1.5 Risk from financial factors

Under the economic slowdown, Financial Institutions have more careful in approving loans both property developers and consumers. In addition, there are also other factors such as unbalanced between supply and demand in many areas, slowdown of demand for housing and household debt sector is still high. However, it still has the supportive factors with expansionary monetary policy of Monetary Policy Committee for Bank of Thailand, causing the interest rates remained low together with the property developer delay investment to reduce the risk of oversupply. By the way, the company is able to manage financial risk. From researching and development of products with supporting information, it makes the product to meet the requirement of purchaser. The company has been supported by both financial institutions and investors as well.

3.1.6 Risk of construction permits

The risk of applying for a construction permit due to the inability to accurately determine the length of time. This resulted in a delay in construction and the liquidity in income recognition is slowing. The Company manages this risk by establishing a coordinating and continuous contact department. Setting a prepaid budget And the allocation of staff with specialized expertise in obtaining permits.

3.1.7 Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the consolidated financial statements. From the current situation, as described in Note 1 indicates that the AQ Estate Group may suffer from liquidity problems.

3.1.8 Foreign Currency Risk

The AQ Estate Group do not have commercial transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates.

3.1.9 Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle their financial and contractual obligations to the AQ Estate 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 consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

3.1.10 Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the AQ Estate Group. The AQ Estate Group's exposure to interest rate risk relates primarily to their cash and cash equivalents, restricted deposits with banks, loans to subsidiaries and interest receivable, loan to other, long - term liabilities under debt restructuring agreements, loans considered as default, loans from financial institutions, and liabilities under finance lease contracts, which bear interest. However, since most of the AQ Estate Group's financial assets and liabilities bear floating interest rates which are close to the market rates. The management considers that the interest rate risk is minimal, hence, the AQ Estate Group has no hedging agreement to protect against such risk.

3.2 Investment risk of securities holders

3.2.1 Risk that the company's operating results will be loss which may not be able to pay dividends in the near future.

In the year 2017, the Company reported a net loss of Baht (164.71) million , which is the net loss for the 4th consecutive year of the company. As a result, the Company has a deficit of Baht (6,415.62) million at the end of 2017. In the past 4 years, the Company has had a lot of losses because estimation of damages from litigation based on allegations for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. This makes the company has to compensate for damages according to the judgment of Supreme Court's Criminal Division for Persons Holding Political Positions of Baht 10,004.47 million to Krung Thai Bank Public Company Limited.

However, at this time, the company plans to raising funds by the capital increase to pay damages in accordance with the verdict of the Supreme Court's Criminal Division for Persons Holding Political Positions to Krungthai Bank Plc. and for the development of existing projects and future projects for expansion and continuing business. The company expects the implementation of the plan, will result the company can start to profit and will allow the Company to pay dividends to its shareholders.

Detail and schedule for use of fund from capital increase for Private Placement (PP)

Period	Detail	Amount (million Baht)
2017	Payment for damages from judicial order	10,004.47
2017	Development of Estes Rattanathibet project	976.90
2017	Development of Chonburi – Bypass project	457.37
2017	Development of AQ Welle	81.93
2017	Development of AQ ARBOR	397.79
2017	Development of AQ ALIX	303.89
2017	Purchase of the collateralized land	1,500.00
2018 - 2019	Investment in new projects	1,500.00
2018 - 2019	Working capital	500.00
		<hr/> 15,722.35 <hr/>

3.2.2 Risks from the offering of new ordinary shares

As the Extraordinary General Meeting of Shareholder's meeting No. 1/2017 was to be held on June 30, 2017 that the Board of Director had approved the allotment of 100,000 new ordinary shares to private placement by allocating a total of 72,640,000 shares and canceled the allocation of 27,360,000,000 new ordinary shares to private placement which allocated in Agenda No. 6.4.4

according to the resolution of the Extraordinary General Meeting No. 1/2017 on June 30, 2017 (Details of Agenda 6.4.4 regarding allocation of the remaining ordinary shares from the allotment to shareholders and the remaining from allotment to private placement.) Currently, the Board of Directors has not yet approved to offering. If the Company offers the entire shares, It will makes voting rights and control dilution decrease 24.28%.

3.2.3 Risks from the issuance of warrants AQ-W4

As the Extraordinary General Meeting of Shareholder's meeting No. 1/2017 on June 30, 2017, approved to issue and offer the warrants to purchase new ordinary shares No. 4 (AQ- W4) of 56,337,341,768 units and on October 6, 2017, the Board of Directors approved to cancel the allotment of shares to the private placement by the remaining of allocation of 27,360 million shares. The Company's paid-up capital before the allocation of warrants was 85,314,683,535 shares. Therefore, AQ-W4 allocated are 42,657,341,768 units with the exercise price of Baht 0.05 per share, exercise ratio is 1: 1. The warrants are valid for 1 year from the date of issuance and offering of warrants. Warrant holders can exercise their warrants one time after the warrants have maturity of 1 year from the date of issuing the warrants ("Exercise Date"). The exercise date is October 31, 2018. On January 15, 2018, AQ-W4 was trade on the Stock Exchange of Thailand. As of March 31, 2018, the remaining unexercised of AQ-W4 was 42,656,849,667 units.

However, if the exercise of warrants is made in accordance with the warrants AQ-W4 by non-existing shareholders whole number, as a result, the voting rights and controlling dilution will decrease 33.33%.

4. General information and other important information

4.1 General Information

1) General Information of the Company

Name	: AQ Estate Public Company Limited
Security Symbol	: AQ
Head office	: 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang Bangkok 10310
Nature of Business	: The Company undertakes business in property development and sales. The Company has both horizontal property projects and vertical projects and rent property.
Business Registration	: 0107536000471

Contact numbers	:	Telephone 02-033-5555
		Fax 02-033-5566
Website	:	www.aqestate.com
Registered Capital	:	147,006,012,651.50 Baht
Paid up Capital	:	42,657,341,767.50 Baht
Number of paid up shares	:	85,314,683,535 shares
Par value	:	0.50 Baht
Accounting period	:	1 January - 31 December

2) General information of Subsidiaries

- | | | | |
|-----|--------------------|---|--|
| (1) | Name | : | AQ Village Co., Ltd. |
| | Head office | : | 90 Moo 4, Ban Pong Sub-district, Hang Dong District, Chiang Mai Province 50230 |
| | Nature of Business | : | Recreational services and provides hotel and resort |
| | Contact numbers | : | Telephone 053-365-233 / 053-365-231-4
Fax 053-365-235 |
| | Registered Capital | : | 1,000,000 Baht |
| | Paid up Capital | : | 1,000,000 Baht |
| | Shareholding | : | 99.94% |
| | Related status | : | Direct Subsidiary |
| (2) | Name | : | AQ Marketing Service Co., Ltd. |
| | Head office | : | 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang Bangkok 10310 |
| | Nature of Business | : | Sale management services |
| | Contact numbers | : | Telephone 02-033-5555
Fax 02-033-5566 |
| | Registered Capital | : | 1,000,000 Baht |
| | Paid up Capital | : | 1,000,000 Baht |
| | Shareholding | : | 99.94% |
| | Related status | : | Direct Subsidiary |
| (3) | Name | : | AQ Property Management Co., Ltd. |

- | | | |
|--------------------|---|--|
| Head office | : | 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310 |
| Nature of Business | : | Management of commercial space |
| Contact numbers | : | Telephone 02-033-5555
Fax 02-033-5566 |
| Registered Capital | : | 1,000,000 Baht |
| Paid up Capital | : | 1,000,000 Baht |
| Shareholding | : | 99.93% |
| Related status | : | Direct Subsidiary |
- (4) **Name** : **Allied Technologies International Co., Ltd.**
- | | | |
|--------------------|---|--|
| Head office | : | 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310 |
| Nature of Business | : | Real estate trading |
| Contact numbers | : | Telephone 02-033-5555
Fax 02-033-5566 |
| Registered Capital | : | 100,000,000 Baht |
| Paid up Capital | : | 100,000,000 Baht |
| Shareholding | : | 99.90% |
| Related status | : | Direct Subsidiary |
- (5) **Name** : **Thanont Property Co., Ltd.**
- | | | |
|--------------------|---|--|
| Head office | : | 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310 |
| Nature of Business | : | Real estate trading |
| Contact numbers | : | Telephone 02-033-5555
Fax 02-033-5566 |
| Registered Capital | : | 50,000,000 Baht |
| Paid up Capital | : | 50,000,000 Baht |
| Shareholding | : | 99.80% |
| Related status | : | Direct Subsidiary |
- (6) **Name** : **Free Zone Asset Co., Ltd.**
- | | | |
|-------------|---|--|
| Head office | : | 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310 |
|-------------|---|--|

Nature of Business : Real estate for rent and service

Contact numbers : Telephone 02-033-5555

Fax 02-033-5566

Registered Capital : 1,000,000 Baht

Paid up Capital : 1,000,000 Baht

Shareholding : 99.98%

Related status : Direct Subsidiary

(7) Name : Aquarius Estate Co., Ltd.

Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310

Nature of Business : To sell, acquire, provide service and operate in real estate

Contact numbers : Telephone 02-033-5555

Fax 02-033-5566

Registered Capital : 54,000,000 Baht

Paid up Capital : 54,000,000 Baht

Shareholding : 99.99%

Related status : Direct Subsidiary

(8) Name : Villa Nakarin Co.,Ltd.

Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310

Nature of Business : Real estate trading

Contact numbers : Telephone 02-033-5555

Fax 02-033-5566

Registered Capital : 270,000,000 Baht

Paid up Capital : 270,000,000 Baht

Shareholding : 99.99%

Related status : Direct Subsidiary

(9) Name : Vitoonthanakorn Co., Ltd.

Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310

Nature of Business : Real estate trading

Contact numbers : Telephone 02-033-5555

- Fax 02-033-5566
- Registered Capital : 1,450,000,000 Baht
- Paid up Capital : 1,450,000,000 Baht
- Shareholding : 99.99%
- Related status : Indirect Subsidiary (held through Thanont Property Co., Ltd.)
- (10) Name : Baan Chidthara Co.,Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : Recreational services and provides hotel and resort
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 50,000,000 Baht
- Paid up Capital : 50,000,000 Baht
- Shareholding : 99.99%
- Related status : Indirect Subsidiary (held through AQ Village Co., Ltd.)
- (11) Name : Aquarius Hotel & Resort Co.,Ltd.**
- Head office : 102 Rimklong Bangkapi Road, Bangkapi, Huai Khwang
Bangkok 10310
- Nature of Business : To sell, acquire, provide service and operate in real estate
- Contact numbers : Telephone 02-033-5555
Fax 02-033-5566
- Registered Capital : 1,000,000 Baht
- Paid up Capital : 1,000,000 Baht
- Shareholding : 99.99%
- Related status : Indirect Subsidiary (held through Aquarius Estate Co., Ltd.)
- 3) Other References**
- Share Registrar : Thailand Securities Depository Company Limited
93 Ratchadaphisek Road,
Din Daeng, Bangkok 10400
Telephone : 0-2009-9000
Fax : 0-2009-9991
SET Contact center: 0-2009-9999

Website: <http://www.set.or.th/tsd>

E-mail: SETContactCenter@set.or.th

Auditor : Mr. Jadesada Hungsapruek C.P.A. Registration No. 3759
Mr. Jirote Sirirorote C.P.A. Registration No. 5113
Miss Kannika Wipanurat C.P.A. Registration No. 7305
Karin Audit Company Limited
138 Boonmitr Building 6th Fl. Room B1
Silom Rd. Kwang Suriyawong
Khet Bangrak Bangkok 10500
Telephone: 0-2634-2484-6
Fax : 0-2634-2668
Website : <http://www.karinaudit.co.th/>

4.2 Other important information

Investors can find out more information on the company's Form 56-1 that show on www.sec.or.th or the Company website www.aqestate.com.

5. Securities and Shareholders information

5.1 Registered capital and paid-up capital

Registered capital and paid-up capital as at March 31, 2018 as follows.

- ☐ Registered capital 147,006,012,651.50 Baht divided into
Ordinary shares of 294,012,025,303 shares
Par value of Baht 0.50 per share
- ☐ Paid-up capital 42,657,341,767.50 Baht divided into
Ordinary shares of 85,314,683,535 shares
Par value of Baht 0.50 per share

5.2 Shareholders

1) List of major shareholders

As at February 9, 2018 the Company has the list of top 10 major shareholders as follows.

No.	List of Shareholders	Number of shares	
		Shares	%
1	UOB KAY HIAN PRIVATE LIMITED	17,500,000,000	20.51
2	Mr. Natasa Chaleomtiarana	5,300,000,000	6.21
3	Mrs Jiratha Wattanawekin	3,900,000,000	4.57
4	Mr. Baworn Rungreongnaowarat	3,582,000,000	4.20
5	Mr. Chanon Wangtaal	3,340,000,000	3.91
6	Mr. Wittaya Jakpetch	3,100,000,000	3.63
7	Mr.Pichet Permsabhiran	2,670,000,000	3.13
8	Miss Thanutra Sueweerachai	2,226,622,600	2.61
9	Mr. Susichtak Ajchariyasombut	2,091,576,906	2.45
10	Miss Supaluck Setthapanich	2,060,000,000	2.41
	Total	45,770,199,506	53.63

2) Shareholders' agreement

-None-

5.3 Issuance of other securities

1) Warrant AQ-W2

The Company issued warrants (AQ-W2) of 1,030,899,500 units on June 20, 2012. The warrants were registered as listed securities in the stock exchange of Thailand ("SET") on July 16, 2012. The warrants are in registered form and transferable. The terms of the warrants is not exceed to three years from the date of issuing the warrants No.2 (June 20, 2012) and warrants can be exercised in every three-month which will be on last working day of March, June, September and December of each year, the first exercise date will be September 28, 2012 and the last exercise date will be June 19, 2015.

On September 16, 2014, the Company amended of the exercise price of warrant (AQ-W2). Because of the change in par value of common share Baht 10 to Baht 20.

- ☐ Old ratio: The warrant No. 2 (AQ-W2) 1 Unit has the right to purchase 1 common share (1:1:1) exercise price 1 Baht per 1 common share.
- ☐ New Ratio: The warrant No. 2 (AQ-W2) 1 Unit has the right to purchase 0.918 common share (1:0.918:1) exercise price Baht 1.090 per 1 common share.

Warrants (AQ-W2) have number of warrant holder's application 1 person, number of exercised warrants 9,384 units, the remaining warrants have not been exercised were 1,030,890,116 units, number

of share derived from this exercise 8,614 shares, number of remaining share reserved for warrants 946,286,216 shares. The warrants (AQ-W2) that have not exercised in full amount as above will be terminated on June 20, 2015 from the registered securities.

2) Warrant AQ-W3

The Company issued warrants (AQ-W3) of 2,624,546,758 units on May 20, 2013. The warrants were registered as listed securities in SET on June 24, 2013. The warrants are in registered form and transferable. The term of the warrants is equal to three years and warrants have no exercise price. The warrants can be exercised in every one year which will be on last working day of December of each year, the first exercise date will be December 30, 2013 and the last exercise date will be May 19, 2016.

Warrants of the Company 2,624,626,283 units, warrants shall be offered to the existing shareholders and existing shareholders who subscribe for as follows:

- ☐ The rights of existing shareholders in the ratio of 10 shares per 1 unit of warrant (AQ-W3) total 211,176,828 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- ☐ The right of existing shareholders who subscribe to newly issued shares in the ratio of 7 new shares to 4 warrants total of 2,413,449,455 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- ☐ New Ratio: 1 Unit has the right to purchase 1.028 common share (1:1.028:1) exercise price Baht 0.584 per 1 common share.

Warrants (AQ-W3) have number of warrant holder's application 27 persons, number of exercised warrants 692,209 units, the remaining warrants not yet been exercised were 2,697,322,486 units, number of share derived from this exercise 711,582 shares, number of remaining share reserved for warrants 2,697,393,397 shares. The warrants (AQ-W3) that have not exercised in full amount as above will be terminated on May 20, 2016 from the registered securities.

3) Warrant AQ-W4

The Company issued 42,656,849,667 warrants (AQ-W4) on November 1, 2017. The warrants were listed on the Stock Exchange of Thailand on January 15, 2018. The warrants are named and transferable. The term of warrants is not more than 1 year from the date of issuance and offering of warrants. AQ-W4 determined to exercise 1 time when the warrants 1 year maturity from the date of issuing the warrants. ("Exercise Date"). The exercise date is October 31, 2018, 1 unit of warrant can purchase 1 ordinary share, exercise price is 0.05 baht per share with a par value of 0.50 Baht.

As of 31 March 2018, there were the remaining unexercised warrants to purchase ordinary shares of AQ Estate Public Company Limited No.4 (AQ-W4) of 42,656,849,667 units.

6. Dividend Policy

The Company has a dividend payment policy of approximately 50% of net profit. However, the Company has a policy to reserve capital for working capital and the remaining from such fund will be considered to pay dividends to shareholders by articles of association specify as follows:

Article 41. Dividends shall not be divided from money other than profit. In case the Company still has deficit, dividends may not be distributed.

The information of dividend payment in the previous year as follows.

Dividend from annual operating results	2017	2016	2015	2014	2013
Earnings per share	(0.0036)	(0.2954)	(0.17)	(0.04)	0.03
Dividend per share	-	-	-	-	-
Dividend to earnings ratio (%)	-	-	-	-	-

Dividend payment policy of subsidiaries

Subsidiaries have a policy to pay dividends in the same way as the Company. From 1996 to the present, the Company and its subsidiaries do not pay dividends to their shareholders.

7. Management Structure

7.1 Board of Directors

As at December 31, 2017 Board of Directors of AQ Estate Public Company Limited consist of

1) Board of Directors

- | | | |
|----|-----------------------------|---|
| 1. | Mr. Somchai Kuvijitsuwan | Chairman of the Board of Directors |
| 2. | Mr. Apivut Thongkam | Vice Chairman of the Board of Directors |
| 3. | Mr. Somchai Meesen | Director |
| 4. | Dr. Suthad Chankingthong | Director |
| 5. | Dr. Ranchana Rajatanavin | Director |
| 6. | Mr. Vutti Phong Issaramalai | Independent Director |
| 7. | Miss Papasorn Mongkholmafai | Independent Director |
| 8. | Dr. Saranya Sanghiran | Independent Director |

2) Audit Committee

1. Mr. Vuttiiphong Issaramalai Chairman of the Audit Committee
2. Miss Papasorn Mongkholmafai Audit Committee
3. Dr. Saranya Sanghiran Audit Committee

Board of Directors as a representative of shareholders who is responsible for supervise the management of Company to comply with law, objectives and articles of association by determining vision, mission, strategies to create value for business including a return on investment under the expertise and ethics in business for maximize benefits of all stakeholders.

As at December 31, 2017, the Company had total of 8 directors which consists of 3 Executives Directors, 2 outside director who are not employee of the Company and 3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Limits on Authority of the Board of Directors

The Board of Directors has the authority to approve budget according to the laws of the Securities and Exchange, and regulations, announcement, the order or the terms of the Stock Exchange of Thailand.

Authorized signatory

Name and number of directors who are authorized to sign on behalf of the Company are Mr. Suthad Chankingthong or Miss Ranchana Rajatanavin or Mr. Apivut Thongkam or Mr. Somchai Meesen, 2 of these 4 directors sign together

Attending of meetings

In 2017, the Company provided the Board of Directors meeting of 15 times, and the Audit Committee meeting of 9 times with the directors attendance details as follows.

Name of Directors	Position	Meeting		Note
		Number of meeting	Number of attending	
1. Mr. Somchai Kuvijitsuwan	Chairman of the Board of Directors	15	15	Appointed Mar 8, 2016
2. Mr. Apivut Thongkam	Vice Chairman of the Board of Directors	15	12	Appointed 14 Sep 2016
3. Mr. Somchai Meesen	Director	14	12	Appointed 13 Jan 2017
4. Dr. Suthad Chankingthong	Director	15	15	Appointed 9 Oct 2015
5. Dr. Ranchana Rajatanavin	Director	15	12	Appointed 9 Oct 2015

Name of Directors	Position	Meeting		Note
		Number of meeting	Number of attending	
6. Mr. Vuttiaphong Issaramalai	Independent Director	15	11	Appointed 15 Feb 2017
	Chairman of the Audit Committee	8	6	Appointed 15 Feb 2017
7. Miss Papasorn Mongkholmafai	Independent Director	15	12	Appointed 9 Oct 2015
	Audit Committee	9	9	Appointed 9 Oct 015
8. Dr. Saranya Sanghiran	Independent Director	15	14	Appointed 27 Dec 2016
	Audit Committee	9	9	Appointed 27 Dec 2016

7.2 Executives

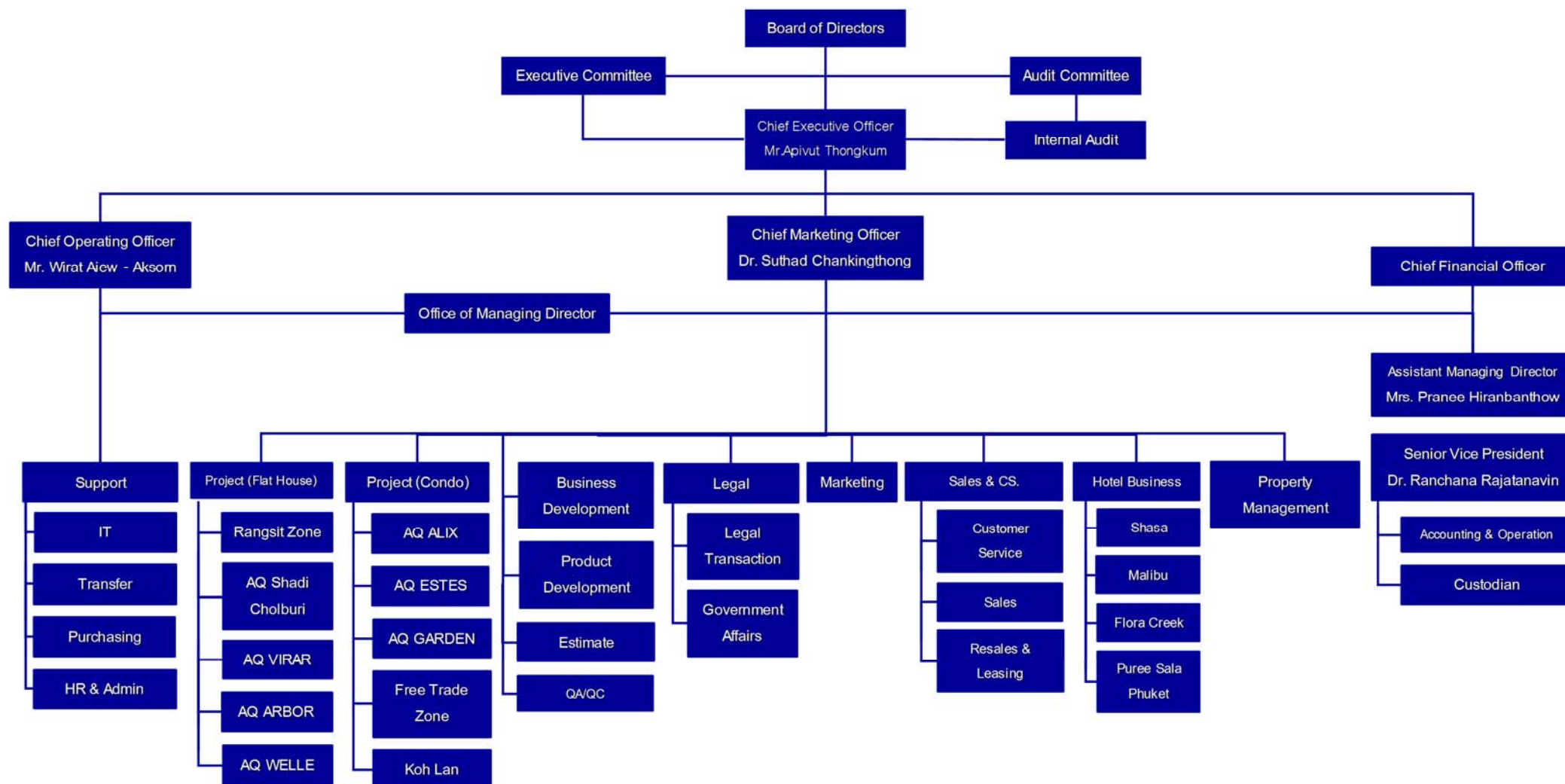
As at December 31, 2017 management team of AQ Estate Public Company Limited has 6 Executives as follows.

List of Executives	Position
1. Mr. Apivut Thongkam	Chief Executive Officer
2. Mr. Somchai Meesen	Executive Committee
3. Dr. Suthad Chankingthong	Executive Committee/Chief Marketing Officer
4. Dr. Ranchana Rajatanavin	Executive Committee
5. Mr. Wirat Aiew – Aksorn	Chief Operating Officer
6. Mrs. Pranee Hirunbanthow	Assistant Managing Director of Operations /Chief Financial Controller

Information about the management team is in the article 9, the detailed information about Directors, Executives, Control authority and Company Secretary.

Management structure

AQ Estate Public Company Limited and its subsidiaries as at December 31, 2017



7.3 Company Secretary

The Board of Directors Meeting in the year 2013 appointed Mr. Apirath Intrachoo to the position of Company Secretary with responsible according to the Securities and Exchange Act (No. 4) BE 2551 which is responsible for the preparation and storage of Director registration, notice of the Board meeting, minutes of the Board meeting and annual report of the Company, Notice of the Shareholders meeting and minutes of the Shareholders meeting, storage the stakeholders report that report by Directors or Executives as well as other actions as notification of the Capital Market Commission defined, on behalf of the Company or the Board of Directors. The qualifications of incumbent as Company Secretary are shown in the article 9, the detailed information about Directors, Executives, Control authority and Company Secretary.

7.4 Remuneration of Directors and Executives

The Annual General Meeting of Shareholders for the year 2017 on April 27, 2017 approved the remuneration of directors in accordance with the resolution of the Nominating and Remuneration Committee for the year 2017 of Baht 2,900,000.

1) Monetary remuneration

(a) Directors remuneration

Monetary remuneration for the Board of Directors consists of monthly remuneration and attendance fee paid by number of attending as follows.

List of Directors	Position	Directors Remuneration (Baht)			Note
		attendance fee	monthly remuneration	Total	
1. Mr. Somchai Kuvijitsuwan	Chairman of the Board of Directors	60,000	760,000	820,000	Appointed Mar 8, 2016
2. Mr. Apivut Thongkam	Vice Chairman of the Board of Directors * / Chief Executive Officer / Authorized Director / Nomination and Remuneration Committee	42,000	-	42,000	Appointed 13 Sep 2016 Appointed 15 Feb 2017*
3. Mr. Somchai Meesen	Director / Executive Committee / Authorized Director	72,000	290,833.33	362,833.33	Appointed 13 Jan 2017
4. Dr. Suthad Chankingthong	Authorized Director	60,000	-	60,000	Appointed 9 Oct 2015
5. Dr. Ranchana Rajatanavin	Authorized Director	60,000	375,000	435,000	Appointed 9 Oct 2015

List of Directors	Position	Directors Remuneration (Baht)			Note
		attendance fee	monthly remuneration	Total	
6. Mr. Vuttiiphong Issaramalai	Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee	72,000	525,000	597,000	Appointed 15 Feb 2017
7. Miss Papasorn Mongkholmafai	Independent Director / Audit Committee	72,000	300,000	372,000	Appointed 9 Oct 2015
8. Dr. Saranya Sanghiran	Independent Director / Audit Committee	84,000	300,000	384,000	Appointed 27 Dec 2016
9. Mr. Chaiwat Atsawintarangkun	Independent Director / Chairman of the Audit Committee	6,000	35,000	41,000	Resigned 1 Feb 2017
Total		528,000.00	2,585,833.33	3,113,833.33	

(b) Executive remuneration

In 2017, the Company paid remuneration consisted of salary and bonus to 5 executives totaling Baht 14,523,000.

Executives remuneration	Baht
Salary	12,321,000.00
Bonus	-
Remuneration for Special Projects	215,000.00
Meeting allowance	102,000.00
Reception Expenses	15,000.00
Consulting fees (internal management)	1,870,000.00
Total	14,523,000.00

2) **Other remuneration**

(a) Other remuneration of Directors

In 2017, the Company did not pay other remuneration to Directors.

(b) Other remuneration of Executives

☐ Provident Fund and Social Insurance Fund

The Company has provided a provident fund for the Executives by paid contributions at 5% of salary. In 2017, the Company paid contributions for provident fund and social insurance fund for the Executives of Baht 299,800 and Baht 36,750 respectively.

7.5 personnel

1) Number of employees

As at December 31, 2017 the Company and its subsidiaries had total staff of 354 people. The Company paid remuneration to employees that consists of salary, bonus, contribution to provident fund and group life insurance total amount of Baht 157.52 million. These include the portion that the subsidiaries has paid employees in the same way with the company totaling Baht 85.63

Primary line	Number of employees (person)	
	The Company	บริษัทย่อย 11 บริษัท
Operations / Services staff	-	179
Executive staff	27	54
Employees in Headquarters	64	30
Total	91	263
Employees remuneration (million Baht)	71.89	85.63

The Company has no significant labor disputes in the last 3 years.

2) Personnel development policy

The Company has the policy on recruitment, development and preservation of its personnel, as it has realized that the personnel are an important thing enabling the company to achieve the goal and success. So the Company has developed the personnel continuously by providing training/seminars internally and externally by qualified trainers, especially in the building conscience and training on teamwork, good service, love of organization, and development of the job system.

The Company has given priority to creation of morale and spirit and pride in working to the employees by setting the remuneration and progress in the organization based on knowledge, capability and equity, including providing suitable fringe benefit, as well as developing the livelihood of the personnel better.

8. Corporate Governance

8.1 Corporate Governance Policies

AQ Estate Public Company Limited determined a corporate governance of company's Board of Directors, the Audit committee and Executive are responsible for the good corporate governance which is the fundamental of sustainable growth and as important key leading to success including building confidence to our shareholders, investor and all parties concerned. The company has a good corporate governance system, international standard, meet the requirement of law and relevant regulations, business ethics as well as adequate disclosure to all parties concerned. The company established the structure of audit committee comprising professional individuals which is independent from company management. The audit committee will hold a meeting every quarter in order to monitoring the business operations constantly. However, this is based on the principle of transparency, honesty, independence, accountability, fairness and social responsibility. Regarding the progress in implementation of good corporate governance principles, the company has closely followed to perform duties in accordance with the policy strictly and covering 3 principles as the guidelines prescribed by the Stock Exchange of Thailand as follow.

1) Shareholder Rights

The company encourages the shareholders to fully exercise their rights, especially basic rights of shareholders both as investors in the securities and as owners of the company, the adequate access to information through the means that are universally acceptable and reliable such as buy and sell or transfer shares, profit shares of the company, open opportunity for shareholders to express opinions freely in meetings, shareholders' participation in consideration and decision making in significant matters for example; election commission or remove members of the Board, appointment auditor, allocate the dividend, modification of regulation and memorandum of association including approval significant transaction and affecting the directions of our business, hence, votes of shareholders will be calculated by numbers of shares held. Each share is entitled to one vote and no share shall benefit extra privilege differently from others. The rights are inclusive of followings;

- ☐ Profit Sharing Rights. The company has a policy to pay the dividend to shareholders not less than 50 % of net profit and no deficit at company.
- ☐ The right in receiving news of the company completely, accurately, adequately and reliable, abstain from any action to limit the shareholders in study of information of technology. In 2016, the company had provided the information regarding shareholders' meeting by

sending the notice of meeting, related information and opinion of the Board and Audit Committee before meeting not less than 14 days and not less than 7 days for special resolution. In case of consideration and approval general resolution as General Meeting Agenda of shareholder, the shareholders have to study the detail completely before decision to vote in company meeting day and the company published the information of meeting in newspaper and attached supporting documents to shareholders in advance adequately and timely as well as the online accessibility for information on company's website and also informed the Stock Exchange of Thailand for the of publicized information by website. The information that found on this website is the same as distributing to shareholders in other channel both individual shareholder and institutional investors including such notice of meeting which will provide the adequate details comprising date, time, venue and agendas as well as important information for consideration and decision alongside with the board opinions on each agenda, include a proxy of shareholders, etc.

- ☐ In 2017, the company held its annual meeting of shareholders on 27 April, 2017 which 8 directors attended in the meeting. The company deemed appropriate to hold shareholder meeting at the Army Club Makawan Rungsan room Zone AB 3rd Floor. However, the company has facilitated the shareholders to attend and ask questions as well as giving opinions at the same meeting causing the meeting proceeded smoothly and efficiently. Furthermore, the company also had given the information about business to shareholder acknowledge.
- ☐ The day of shareholder meeting, the company had given other company held meeting by using bar code system especially for the preparation of these forms for voting. Such forms are shown the name of shareholders and this way will be able to help shareholders at their convenience in the meeting as well as making rapidly in the registration process. For exercise their voting rights for each agenda, the company will collect a ballot of all shareholders as for abstention and disagree. After the end of meeting, the shareholders are able to verify the details and the company also has requested the cooperation from shareholders as a witness in counting of vote at each agenda.
- ☐ The Chairman has allocated sufficient and suitable time and conducted the meeting according to the agendas setting. During the meeting, the chairman encouraged shareholders to openly express their opinions and ask any questions relating to the meeting with the company.

- ☐ The Chairman and the Chairman of Audit Committee including all directors (unless the case of unavoidable necessity) attended and answered questions raised by shareholders.

2) Stakeholder Rights

The company has always realized that success and sustainable of company depending on stakeholder parties. Therefore, the company has determined the policy to encourage the promotion process for involvement with stakeholders by protection and preserve the rights of stakeholders groups fairly that entitled by the relevant law or agreement with the company. However, the company will not take any action the infringement of stakeholders and give the importance on the rights of every shareholders group such as employees, executives of the company including its subsidiaries as well as third parties; such as suppliers, governments, society, communities and the environment to ensure basic rights of these stakeholders are protected and taken care within the requirements of law including the framework for ethical conducts and professional ethics in the business; to prevent any violations of stakeholder rights, which is considered a key cornerstone in establishing the long-term success of the company. Details are as follows:

☐ Human Rights

The company respects human rights and the policy that treat employees fairly. Moreover, the company realizes that human resources are a key factor to create value-added products including improve the environment, working conditions for employees to have a good quality and the opportunity to show their potential as well as get a chance in training their skills on their job. In addition, the company encourages the employees to understand the principle of the international human right to perform properly. In the past, the company does not have any action the infringement of human rights.

☐ Employees

The company believe that employees are an important component and the company committees to make employees pride and confidence towards company. In the previous year, the company included employees from a subsidiary that company holds 99.99% share, move to a new headquarter, renovation and modernization of building and modern facilitated such as a swimming pool, greatly equipped fitness center to create a great working environment, as the company sees relaxation within workplace would lead to increasing productivity as well as reasonable rewards and benefits; welfare for the medical insurance, annual health check activities, monthly icebreaking activity, annual company outing trip. Moreover, the company supports the development of skills and the ability to work consistently with various training courses as well as the activity for working with concentration by mindfulness in organization to optimize and enjoyable working.

☐ Customers

The company is keen to develop quality products and services under the quality that serve the requirement of customers in a professional manner as well as establish a unit to contact and receive their suggestions or comments from customers. Furthermore, the company established online media like company website for customers to complain, thus, improvement that complaint, making the customers to have the confidence and satisfaction as well as consumer must be protected individual rights, personal information and others which must not be used without consent.

☐ Business partners

The company operates within the framework of competition with honesty by adhering to the compliance agreements, codes of conduct and strictly committed to company's partners and avoid dishonest methods to destroy competitors.

☐ Executives

The company realizes the importance of management, which is an important factor in successful business; the benefit structure is properly managed as well as the welfare of their families.

☐ Competitors

The company competes fairly and ethically with great professionalism and transparency. To obey law and not to violate or attempt to access competitors' confidential information and to measure disciplinary policies and practices to competitors as stated in the Code of Ethics.

☐ Creditors

The Company is keen to conduct business with creditors and suppliers of all types in a fair and ethical manner by following the terms and conditions under the agreement and the law.

☐ Social and environmental responsibility

The Company is committed to responsible business practices, care and attention to the community, society, and the environment as a whole to comply with relevant laws and regulations.

8.2 Committees

The management structure of the Company consisted of the Board of Directors and 5 committees such as (1) Audit Committee (2) Executive Committee (3) Nomination and Remuneration Committee (4) Risk Management Committee and (5) Purchasing Committees to study and scrutinize the work of the Board of Directors with details as follows.

1) Board of Directors

As at December 31, 2017 the Board of Directors consisted of 8 directors as follows.

No.	List of Directors	Position	Note
1.	Mr. Somchai Kuvijitsuwan	Chairman of the Board of Directors	Appointed Mar 8, 2016
2.	Mr. Apivut Thongkam	Vice Chairman of the Board of Directors	Appointed 13 Sep 2016
3.	Mr. Somchai Meesen	Director	Appointed 13 Jan 2017
4.	Dr. Suthad Chankingthong	Director	Appointed 9 Oct 2015
5.	Dr. Ranchana Rajatanavin	Director	Appointed 9 Oct 2015
6.	Mr. Vutti Phong Issaramalai	Independent Director	Appointed 15 Feb 2017
7.	Miss Papasorn Mongkholmafai	Independent Director	Appointed 9 Oct 2015
8.	Dr. Saranya Sanghiran	Independent Director	Appointed 27 Dec 2016
9.	Mr. Chaiwat Atsawintarangkun	Independent Director	Resigned 1 Feb 2017

As at December 31, 2017, the Company had total of 8 directors which consists of 3 Executives Directors, 2 outside director who are not employee of the Company and 3 independent Directors which is 37.50% of the total Directors. Therefore, it is enough to create the balance of power within Board of Directors of the Company in accordance with Notification of Capital Market Supervisory Board.

Mr. Apirath Intrachoo, Company Secretary oversees the activities of the Board of Directors, minutes of meeting and documenting about the meeting.

The Structure of Appointment the Board of Directors

Appointment of Directors Directors are elected by shareholders. One share is entitled to one vote.

Termination of Positions For the annual general meeting, the director who take the longest position have to resign after completing his one-third term which may be elected to take a new position or shareholders at meeting may pass the resolution to any director that resigned before reaching his term by voting not less than three fourths of attendance shareholders and the number of shares not less than a half of shareholders voting at the meeting.

Number of Directors The company have at least 5 but not more than 11 directors and not less than half of directors have a hometown in the Kingdom

2) Audit Committee

As at December 31, 2017 the Audit Committee consisted of 3 members as follows.

No.	List of Audit Committee	Position	Remarks
1.	Mr. Vuttiiphong Issaramalai	Chairman of the Audit Committee	Appointed 15 Feb 2017
2.	Miss Papasorn Mongkholmafai	Audit Committee	Appointed 9 Oct 2015
3.	Dr. Saranya Sanghiran	Audit Committee	Appointed 27 Dec 2016
4.	Mr. Chaiwat Atsawintarangkun	Chairman of the Audit Committee	Resigned 1 Feb 2017

Miss Papasorn Mongkholmafai is a member of the Audit Committee who have sufficiently knowledgeable and experienced in the field of accounting able to conduct a review to assess financial statement credibility in accordance with the Security Act (No. 4) B.E. 2551 and Mrs. Pranee Hiranbanthow, Assistant Managing Director of Operation and Executive Vice President of Accounting and Financial served as Secretary of Audit Committee who oversee the activities of Audit Committee, minutes of meeting and documenting about the meeting.

3) Executive Committee

As at December 31, 2017 the Executive Committee consisted of 4 members as follows.

No.	List of Executive Committee	Position	Remarks
1.	Mr. Apivut Thongkam	Chief Executive Officer	Appointed 13 Sep 2016
2.	Mr. Somchai Meesen	Executive Committee	Appointed 13 Jan 2017
3.	Dr. Suthad Chankingthong	Executive Committee	Appointed 9 Oct 2015
4.	Dr. Ranchana Rajatanavin	Executive Committee	Appointed 9 Oct 2015

4) Nomination and Remuneration Consideration Committee

As at December 31, 2017 the Nomination and Remuneration Consideration Committee which was appointed by resolution of the Board of Directors Meeting No. 4/2014 on 5 March 2014, consisted of 3 members as follows.

No.	List of Nomination and Remuneration Consideration Committee	Position	Note
1.	Mr. Vuttiiphong Issaramalai	Nomination and Remuneration Consideration Committee	Appointed 15 Feb 2017
2.	Dr. Saranya Sanghiran	Nomination and Remuneration Consideration Committee	Appointed 27 Dec 2016
3.	Mr. Apivut Thongkam	Nomination and Remuneration Consideration Committee	Appointed 13 Sep 2016

5) Risk Management Committee

As at December 31, 2017 the Risk Management Committee which was appointed by resolution of the Board of Directors Meeting No. 4/2014 on 5 March 2014, consisted of 3 members as follows

No.	Risk Management Committee	Position	Remarks
1.	Dr. Saranya Sanghiran	Risk Management Committee	Appointed 27 Dec 2016
2.	Mr. Vuttiaphong Issaramalai	Risk Management Committee	Appointed 15 Feb 2017
3.	Mr. Somchai Meesen	Risk Management Committee	Appointed 13 Jan 2017

6) Purchasing Committee

Purchasing Committees have the authority to approve the purchasing. The Purchasing Committee classified as below.

- ☐ The approval of financial amount less than or equal to 10 million consist of the Purchasing Committee as below.

Chairman Chief Operating Officer
 Committee Executive Vice President – Project Development
 Executive Vice President – Business Development
 Purchasing

The approval must be reported to Chief Executive Officer acknowledge

- ☐ The approval of financial amount more than 10 million consists of the Purchasing Committee as below.

Chairman Chief Executive Officer
 Committee Executive Vice President - Project Development
 Executive Vice President - Business Development Project
 Purchasing

The approval must be reported to Executive Board acknowledge.

- ☐ The approval of financial amount more than 20 million consists of the Purchasing Committee as below.

Chairman Chief Executive Officer
 Committee Executive Boards
 Chief Operating Officer
 Senior Executive Vice President - Special Business
 Executive Vice President - Project Development
 Executive Vice President - Business Development Project

Purchasing

The approval must be reported to Board of Director acknowledge

In case of off-budget purchasing, there are the workflows as the business operating regulations of AQ Estate Public Company Limited B.E. 2013 item. 5 as follow:

- 1) The Chief Operating Officer is able to authorize the financial amount not more than 10 million Baht
- 2) The Chief Executive Officer is able to authorize the financial amount more than 10 million Baht but not more than 20 million Baht.
- 3) The Executive Boards is able to authorize the financial amount more than 20 million but not more than 50 million Baht.
- 4) The Board of Directors is able to authorize more than 50 million Baht. The approval must be reported to Board of Director acknowledge.
- 5) The Managing Director authorizes sale of land or property and other operations including regular business of the company.

The Executive Boards or Managing Director authorizes the business operation which is not defined and proposes to the Board of Directors for consideration and approval in individual cases.

8.3 Nomination and appointment of Directors and Executives

The company has established a Nomination and Remuneration Consideration Committee in 2014 according to SEC rules and based on historical performance and features to be able to develop the company's business. Growth and prosperity It requires good governance principles as well. The Audit Committee shall have the following basic features.

Independent director, the company has stipulated stricter than the minimum requirements of SEC and the SET.

Director means a director who is independent to comment. The qualifying session to maintain the position.

1. This may be the shareholders of the company, but for no more than one percent of shares with voting rights. (Comply with SEC criteria, but concentrations than the SET criteria)
2. Director who is not a management in Company or a Subsidiary Company.
3. The directors who are independent of management and shareholders have a controlling interest.

4. Must not be a close relative or a person who has been or interests with management. Its major shareholders Or a control.
5. This is no business relationship with the company essences. Which can influence the opinion of an independent and must not be an employee or employees who receive regular salary during one year prior to maintain the position.

8.4 Supervision of Subsidiary and Affiliated Companies

The Company set up mechanism to supervise and oversee the operations of its subsidiary and affiliated companies as follows:

- (1) The Company sends representatives of the Company to serve as directors, executives, or authorized persons in such companies according to the ratio of shareholding by the directors of the parent company is director who is authorized to sign and decide on the business of the subsidiaries.
- (2) The Company has a policy to appoint the audits of the Company to serve as the audits of subsidiary and affiliated companies to regulate and ensure accuracy and completeness in the disclosure of financial status information and operation results, transactions between subsidiary companies and related persons, acquisition and disposal of assets or other important transactions, using the same criteria for disclosure of information and preparation of transaction used by the Company.

8.5 Control on the use of inside information

Directors must perform their duties in accordance with the law, objectives and regulations of the company as well as the resolution of the shareholders meeting. Disclosure of important information that effects on the Company. If it is an operational information, it to be approved by the Managing Director at the meeting of the Management Committee of the Company. However, if any information that affects the investor must be approved by the Board of Directors. Policies and procedures for monitoring the use of inside information for personal gain. The Company assigned to the Board of Directors to oversee and determine the offense in the case of Directors and / or Executives used inside information for personal gain. And assigned the Managing Director to consider the offense in cases where Employees use inside information for personal gain.

8.6 Audit fee

The Annual General Meeting of Shareholders 2017 on 27 April, 2017 approved the appointment of Karin Audit Co., Ltd as an auditor with 3 auditors as follow.

1. Mr. Jadesada Hungsapruet CPA No. 3759 or
2. Mr. Jirote Sirirorote CPA No. 5113 or
3. Ms. Kannika Wipanurat CPA No. 7305

By determined audit fee for AQ Estate PCL and 11 subsidiaries in amounting to Baht 5,258,000 as follows.

(1) Audit fee

Companies	Audit fee (Baht)			
	Quarterly	Total	Yearly	Total
Consolidated financial statements	225,000	675,000	275,000	950,000
AQ Estate PLC	210,000	630,000	700,000	1,330,000
AQ Village Co., Ltd.	36,000	108,000	240,000	348,000
AQ Marketing Service Co., Ltd.	25,000	75,000	120,000	195,000
AQ Property Management Co., Ltd.	25,000	75,000	120,000	195,000
Allied Technologies International Co., Ltd.	30,000	90,000	200,000	290,000
Thanont Property Co., Ltd.	30,000	90,000	200,000	290,000
Free Zone Asset Co., Ltd.	25,000	75,000	100,000	175,000
Vitoonthanakorn Co., Ltd.	35,000	105,000	150,000	255,000
Baan Chidthara Co.,Ltd.	10,000	30,000	60,000	90,000
Aquarius Hotel & Resort Co.,Ltd.	60,000	180,000	240,000	420,000
Aquarius Estate Co., Ltd.	60,000	180,000	320,000	500,000
Villa Nakarin Co.,Ltd.	30,000	90,000	130,000	220,000
Total		2,403,000	2,855,000	5,258,000

(2) Non-audit fee

In 2017 the Company paid non-audit fee which includes transportation cost and office supplies for the auditor total of Baht 379,895.

9. Information about Directors, Executives, Control authority and Company Secretary

Qualification List of Directors, Executives, Control authority and Company Secretary as at December 31, 2017.

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
1. Mr. Somchai Kuvijitsuan Chairman of the Board of Directors Appointed on 14 Mar 2016 2 years 1 month (As of April 2018)	67	<input type="checkbox"/> Bachelor of Laws, Ramkhamhaeng University <input type="checkbox"/> The Thai Bar (Class 27) at Institute of Legal Education, The Thai Bar Associate <input type="checkbox"/> Provincial Chief Public Prosecutor (Class 9/2530) <input type="checkbox"/> Master Degree of Public Administration, National Institute of Development Administration <input type="checkbox"/> Director Certification Program (DCP) (Class 76) <input type="checkbox"/> Course of Senior Executive at Capital Market Academy (Class 9) <input type="checkbox"/> Training for the Role of the Chairman Program <input type="checkbox"/> Training for the Role of the Nomination and Governance Committee <input type="checkbox"/> Course for Senior Executive at Thailand Energy Academy	None	None	14 Mar 16 – Present 2008 –Present 2008 –Present 1980 –Present 2011 - Present 2015 - Present Jan 16 – Present 2015 – Feb 2017 Present 2013- Sep 2015 2011-2013	Chairman of the Board of Directors Honorary Director Chairman of the Audit Committee Honorary Honorary Director Director / Chairman of the Audit Committee Director Director Independent Director Independent Director / Audit Committee Director General of the Prosecutor Director General of the Prosecutor	AQ Estate PLC The Securities and Exchange Commission The Securities and Exchange Commission Trial Appeal Committee Customs Department PTT Global Chemical PLC Thonburi Hospital Co.,Ltd. Primamarin Co.,Ltd. WP Energy PLC Apple Wealth Holdings PLC Department of Economic Crime Litigation Department of Public Prosecutor Commission
2. Mr. Apivut Thongkam Vice Chairman Chief Executive Officer Executives Committee	56	<input type="checkbox"/> Master of Laws, American University, USA <input type="checkbox"/> Master of Comparative Law, Howard University, USA	None	None	Sep 2016 – present Feb 2017 – present 3 Jan 2018 - present present	Executive Director / Chief Executive Officer Vice Chairman Independent Director and Audit Committee Independent Director	AQ Estate PLC AQ Estate PLC Nation Multimedia Group PLC Eternal Energy PLC

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
Authorized Director Appointed on Sep 14, 2016 1 year, 5 months (As of April 2018)		<input type="checkbox"/> Thai Bar Association			present	Executive Director	Glory Acme Co., Ltd.
		<input type="checkbox"/> Bachelor of Laws, Ramkhamhaeng University			present	Executive Director	FBLP legal consulting services Co., Ltd.
		<input type="checkbox"/> Diploma in Intellectual Property, World Intellectual Property Organization, Switzerland			present	Director	Allessey Capital Co., Ltd.
		<input type="checkbox"/> Diploma in Computer Crime Trends and Crime, School of Criminal Justice, University of Michigan			present	Director	Head Quarters Co., Ltd.
		<input type="checkbox"/> Executive Diploma Program "Thammasat for Society" 2nd class			present	Director	Darby Private Equity Co., Ltd.
		<input type="checkbox"/> Diploma in Executive Course "Senior Executives of Thammasat Golf Course for Society" 2nd class			present	Director	A.L.C. (Thailand) Co., Ltd.
		<input type="checkbox"/> Diploma of Advanced Security Management Program, Class 6, National Defense College National Defense Institut			present	Director	Environ Mental Solutions Integrator Co., Ltd.
		<input type="checkbox"/> National Defense College, National Institute of Defense (WorPorOr class 54)			present	Director	Dawson Media Direct Co., Ltd.
		<input type="checkbox"/> (PorRorOr Class 24), National Defense College - Class 24, National Defense College, 2011-2012			2015-2017	Vice Chairman	News Network Corporation PLC
		<input type="checkbox"/> Diploma in Modern Technology and Copyright Law Enforcement in Denpasar, Indonesia			2014	Audit Committee	AQ Estate PLC
					2011-2013	Honorary Advisor to the Energy Commission	House of representatives

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
		<input type="checkbox"/> Seminar on High-Level Taxation for Lawyers and Businessmen, Class 1, Central Tax Court <input type="checkbox"/> Technical training, negotiation, dispute resolution and crisis resolution, 1st class, Ministry of Justice <input type="checkbox"/> DCP Course 89/2007, Thai Institute of Directors Association <input type="checkbox"/> CDC Course 3/2008, Thai Institute of Directors Association					
3. Dr. Suthad Chankingthong Director / Authorized Signatory Director Chief Marketing Officer Appointed on 9 Oct 2015 2 years, 7 months (As of April 2018)	48	<input type="checkbox"/> Master Degree of Business Administration (MBA), Western University <input type="checkbox"/> Master Degree of Business Administration, Suan Dusit Rajabhat University <input type="checkbox"/> Bachelor Degree of Business Administration, Suan Dusit Rajabhat University	None	None	9 Oct 15 – Present Present Present Present Jan 2017 - Present Jan 2017 - Present Jan 2017 - Present Mar 2017 - Present Jan 2017 - Present Jan 2017 - Present Jan 2017 - Present Jan 2017 - Present Mar 2017 - Present	Authorized Signatory Director Managing Director Advisor for Gen.Ongat Pongsak Secretary Chief Marketing Officer Director Director Director Director Director Director Director	AQ Estate PLC SJ Capital Auto List Co., Ltd. Member of the National Legislative Assembly The Board of Legal Directors Justice and police affairs AQ Estate PLC AQ Village Co., Ltd. AQ Marketing Service Co., Ltd. AQ Property Management Co., Ltd. Aquarius Estate Co., Ltd. Villa Nakarin Co., Ltd. Vitoonthanakorn Co., Ltd. Baanchidtara Co., Ltd. Aquarius Hotel & Resort Co., Ltd.
4. Dr. Ranchana Rajatanavin Director / Authorized Signatory Director	47	<input type="checkbox"/> Doctor of Philosophy(International Business), Concentration: Finance and	None	None	9 Oct 15 – Present 2013 - Present	Authorized Signatory Director Director	AQ Estate PLC Business Plan Committee for ABI

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
Appointed on 9 Oct 2015 2 years, 7 months (As of April 2018)		Marketing Asian, Institute of Technology , 2004 <input type="checkbox"/> M.B.A. (Business Administration),Salem State College, Massachusetts, U.S.A. ,1996 <input type="checkbox"/> Bachelor Degree of Business Administration (Finance and Banking), Ramkhamhaeng University <input type="checkbox"/> Director Accreditation Program (DAP) in 2007			2012 - Present 2008 – Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present Nov 2017 -Present	Director Chairman of the Audit Committee Chief Financial Officer Director Director Director Director Director Director Director Director Director Director	Project of Thai-BISPA Association of Business Incubators and Thai Science Park Simat Technology PLC AQ Estate PLC AQ Village Co., Ltd. AQ Marketing Service Co., Ltd. AQ Property Management Co., Ltd. Thanon Property Co., Ltd. Free Zone Asset Co., Ltd. Aquarius Estate Co., Ltd. Villa Nakarin Co., Ltd. Vitoonthanakorn Co., Ltd. Baanchid tara Co., Ltd. Aquarius Hotel & Resort Co., Ltd.
5. Mr. Somchai Meesen Director / Authorized Director Appointed on Jan 13, 2017 1 year, 3 months (As of April 2018)	50	<input type="checkbox"/> Master of Political Science (Politics), Thammasat University <input type="checkbox"/> Bachelor of Arts (History), Chiang Mai University	None	None	13 Jan 16 – present 1994 – 2014 3 Jan 2018- present present present present present present	Authorized Director Independent radio operator Director and Chief Executive Officer Chairman of the Board Director Director Director Director	AQ Estate PLC Nation Multimedia Group PLC Max Metal Corporation PLC AQ Village Co., Ltd. Aquarius Estate Co., Ltd. Baanchid tara Co., Ltd. Aquarius Hotel & Resort Co., Ltd.
6. Mr. Vuttiphong Issaramalai Independent Director / Chairman of the Audit Committee Appointed on Feb 15, 2017	59	<input type="checkbox"/> Bachelor of Laws, Thammasat University <input type="checkbox"/> Thai Bar	None	None	15 Feb 17 – present present 1984 - present	Independent Director / Chairman of the Audit Committee Head of Law Office	AQ Estate PLC Chatrapee -

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
1 year, 2 months (As of April 2017)						Legal advisors and law firms to Limited company and public company	
7. Miss Papasorn Mongkholmafai Independent Director / Audit Committee Appointed on 9 Oct 2015 2 years 6 months (As of April 2018)	32	<input type="checkbox"/> Master of Business Administration in Management, Ramkhamhaeng University <input type="checkbox"/> Bachelor Degree of Accounting, Loei Rajabhat University <input type="checkbox"/> Director Accreditation Program Class 140/2017, Thai Institute of Directors	None	None	9 Oct 15 – Present 2009 – Present 2009 – Present 2009 – Present 2009 – Present 2009 – Present	Independent Director / Audit Committee Freelance Accountant Freelance Accountant Freelance Accountant Freelance Accountant Freelance Accountant	AQ Estate PLC Smart Tax Communication Co., Ltd G-Track Co., Ltd. Work Communication Co., Ltd. Accounting Office and International Taxation STD Caliper Brake Co., Ltd.
8. Dr. Saranya Sanghiran Independent Director / Audit Committee Appointed on Dec 27, 2016 1 year 4 months (As of April 2018)	46	<input type="checkbox"/> Ph.D. of Media & Governance, Keio University, Japan <input type="checkbox"/> M.S. Master of Media & Governance, Keio University, Japan <input type="checkbox"/> Bachelor of Political Science, Chulalongkorn University	None	None	Dec 27, 16 – present 2014 – present 2013 2011-2013	Independent Director / Audit Committee Special lecturer Chief Strategy Office-CSO Deputy Managing Director	AQ Estate PLC Leading University Total Access Communication PLC Seed MCOT Co., Ltd.
9. Mr. Wirat Aiew-Akson Chief Operating Officer	65	<input type="checkbox"/> Master Degree of Business Administration (MBA), Kasetsart University <input type="checkbox"/> Faculty of Law, Ramkhamhaeng University <input type="checkbox"/> Bachelor of Science (Agricultural Economics), Kasetsart University	None	None	Oct, 2013 – present 30 Jan 17 - present 2013 – present 2013 – present 2013 – present 2013 – present May 2011 – Present May 2011 – Present May 2011 – Present Sep 2011 - present Jan 2017 - present May 2011 - Oct 9, 2015	Chief Operating Officer Director Director Director Director Director Director Director Director Director Executive Director	AQ Estate PLC Vitoonthanakorn Co., Ltd. AQ Village Co., Ltd. Baan Chidthara Co.,Ltd. Aquarius Estate Co., Ltd. Aquarius Hotel & Resort Co.,Ltd. AQ Property Management Co., Ltd. AQ Marketing Service Co., Ltd. Thanont Property Co., Ltd. Free Zone Asset Co., Ltd. Villa Nakarin Co.,Ltd. AQ Estate PLC

Name - Last Name / Position / Appointed date	Age (Years)	Educational background	Share holding (%)	Family relationship between Directors and Executives	Work experience		
					Period	Position	Company / Corporate
					2013 – Oct, 2015 May 2011 – Oct, 2013 May 2011 – Jun 2012 May 2011 – Jun 2012	Director Director and Managing Director Acting Managing Director and Director Director	Vitoonthanakom Co., Ltd. AQ Estate PLC AQ Estate PLC Allied Technologies International Co., Ltd.
10. Mrs. Pranee Hirunbanthow Assistant Managing Director of Operations / Chief Financial Controller	62	<input type="checkbox"/> Master Degree of Business Administration (MBA), Ramkhamhaeng University <input type="checkbox"/> Bachelor of Business Administration (Accounting), Ramkhamhaeng University	0.0003% (25,000 shares)	None	2006 - Present 2005 - Present	Assistant Managing Director of Operations Chief Financial Controller	AQ Estate PLC AQ Estate PLC
11. Mr. Apirath Intrachoo Company secretary Appointed on 2013	50	<input type="checkbox"/> Bachelor of Laws, Ramkhamhaeng University	None	None	2013 – Present 2013 – Present 1998 - 2013	Company secretar Assistant Legal Manager Senior lawyer	AQ Estate PLC AQ Estate PLC AQ Estate PLC

Note: Include shares of spouse and underage children.

Details on the tenure as Directors and Executives in Subsidiaries, Associates and Related companies as of December 31, 2017

No.	List of Directors	The Company	Subsidiaries											Associates (None)	Related Companies (None)
			1	2	3	4	5	6	7	8	9	10	11		
1.	Mr. Somchai Kuvijitsuwan	X													
2.	Mr. Apivut Thongkam	Y,I,II													
3.	Dr. Ranchana Rajatanavin	I,II	I	I	I		I	I	I	I	I	I	I		
4.	Dr. Suthad Chankingthong	I,II	I	I	I				I	I	I	I	I		
5.	Mr. Somchai Meesen	I	I						I			I	I		
6.	Mr. Vuttiaphong Issaramalai	I													
7.	Dr. Saranya Sanghiran	I													
8.	Miss Papasorn Mongkholmafai	I													
9.	Mr. Wirat Aiew-Akson	II	I	I	I		I	I	I	I	I	I	I		
10.	Mrs. Pranee Hirunbanthow	II													

Notes

- (1) X = Chairman of the Board Y = Vice Chairman I = Director II = Executive
- (2) Related Companies shall mean juristic person definition of the person who may have a conflict of this announcement.

List of subsidiaries

- 1) AQ Village Co., Ltd.
- 2) AQ Marketing Service Co., Ltd.

- 3) AQ Property Management Co., Ltd.
- 4) Allied Technologies International Co., Ltd.
- 5) Thanont Property Co., Ltd.
- 6) Free Zone Asset Co., Ltd.
- 7) Aquarius Estate Co., Ltd.
- 8) Villa Nakarin Co.,Ltd.
- 9) Vitoonthanakorn Co., Ltd.
- 10) Baan Chidthara Co.,Ltd.
- 11) Aquarius Hotel & Resort Co.,Ltd

10. Corporate Social Responsibilities

The company gives priority to the rights of stakeholders, whether they are internal stakeholders include employees and executives of the company and subsidiaries or external stakeholders include the rival creditors. The Government and other relevant agencies, because the company is aware of strong support from the various stakeholders to create competitiveness and profitability for the company, which is considered to be a long-term success of the company. The details are as follows:-

Employees: The Company had presented to staff with equality fair and appropriate compensation, including welfare for employees, such as health insurance/support staff activities to develop the body as a venue for sustainable development.

Partners: The Company has to purchase goods and services from the partner is subject to the terms and conditions for trade, including compliance with the contract partner.

Creditors: The Company comply with the terms of the agreement.

Customer: The Company cares and is responsible to the customer. Maintain customer confidentiality and there are agencies or individuals who are responsible for receiving customer complaints to hurry the customer as soon as possible. The company has developed a project to be shady, safe and secure in the project. To ensure that customers had confidence and comfortable.

Rivals: The Company complies with the competition rule. Maintain the norms of conduct on competition requirements. Avoid dishonest methods to destroy competitors.

Community: The Company had to responsible for social and community environments.

The fight against corruption, the company has managed to avoid corruption, by having the Committee considering procurement so that consideration is transparent and audited.

Business ethics

The company has issued rules regarding the Board's code of ethics. Management and employees (Code of Conduct) so the people involved as the guiding principle of the company's mission with integrity and impartially, both operating companies and stakeholders, the public and society by those involved to sign to acknowledge and agree to abide by, and the company has to communicate with employees regularly and track compliance with such guidelines is regularly, as well as set forth by discipline.

Conflict of interest

To prevent the conflicts of interest, Committee be carefully monitoring when incurred, which may have conflict of interests by formulating policies and approval procedures related to policies and methods of supervising the management and associated data within the company to use in order to benefit as follows:

- ☐ Items may have a conflict of interest: When the committee acknowledge there is a conflict of interest and related transaction and consider appropriate all have to follow the guidelines of the SET by entering transaction with a third party; (Arm's Length Basis) , and has revealed the details. Value, Partners The reasons and necessity in the annual report and in the year 2017 , the company does not have a conflict of interest in the list. .
- ☐ Monitoring Company's inside information
- ☐ Define executives reported changes in securities pursuant to section 59 of the Securities and Exchange Act 1992.
- ☐ The Company not allow Executives or agencies which has internal information to expose internal information to third parties or who are not involved.

11. Internal Control and Risk Management

The Company's Board of Directors, The Audit Committee and the management is responsible for the internal control system efficiency continuously. By the Board of Directors is reviewing policies and delegated to the Audit Committee to review and evaluate the system of internal control, transparency reduces business risk and management of company assets efficiently. In the practice of internal audit internal audit Department has reviewed the internal control system of each unit of the company that placed with sufficient accuracy. If there is a fault with the performance of the duties of the essence will make a report to the Audit Committee and the Board of Directors of the company consider the Edit command. In addition, the company has the policy of the Board of Directors. Executives and employees comply with the code of conduct in the performance of the duties of good faith and fair regularly and not to take part in combined action, or conceal any actions that pose a risk to the company if they have a serious mistake, and if found, the person above has led the company to use inside information to benefit will be punished according to the regulations, an employee of the company.

1) Controls to the Management's operation.

The company has the separation of responsibilities between the Board of Directors of the company with the management team clearly. By the Board of Directors is responsible for formulating

policies and overseeing the implementation of management policies, therefore, Chairman. And the Managing Director is party guys each other by both positions must be selected by the Board to obtain the most appropriate addition. The Board of Directors also established administrations in various fields and commissioned operation under various policies assigned to it and is responsible for the overall operating result. Control costs and investment to the extent that the Board approve the annual budget plan. Action policy. To solve a problem or a conflict affecting the Organization, internal accounting and administrative information, and storing the property to verify each other. The company has prepared a manual for practitioners. The related transaction of listed companies on the company's major shareholders. Director Executives or people related to such persons it considers as with third parties and in accordance with the principle of securities market's committee, and Securities Commission and the securities market supervision.

2) Information and communication systems

The company has organized various important information sufficient for decision making by the Board of Directors, in a meeting with accounting literature, complete and stored base on categories and organized according to accounting generally policies accepted accounting principles and business suits, as well as the company has used in the computer system to control, the Internal Audit Division can be reviewed every transaction.

3) Monitoring and evaluation

The company has a process and tools that support the management and Board of Directors to monitor development performance. The assessment according to defined standards, criteria, scorecards, monitoring results Key Performance Indicators (KPI), the Board compared the performance of HR management is according to defined business goals. If that occurs, there is no difference from a target. The company has undertaken to resolve within a reasonable period, as well as to comply with the internal control system regularly and reporting inspection results each quarter offers the Audit Committee and the Audit Committee to operate freely. The analysis report of the last year by the company to operate prudently enough.

4) Risk management.

The company has defined the objectives of the organization which clearly covers what the organization wants to achieve the objectives associated with the activity level, the important work of the Organization and in accordance with the objectives and associated plans, strategy of the organization. Executive corporate risks identified and covered in the level of critical activities.

5) Shareholders' rights

The company's policy recognize basic shareholder rights the same shareholders and shareholders ' meeting, procedures and guidelines of the stock exchange of Thailand.

In the year 2017, the company held a shareholders meeting 3 times is the annual general meeting of shareholders 2017, the extraordinary general meeting of shareholders No. 1/2017, and the extraordinary general meeting of shareholders No.2/2017 that the company has delivered invitation letter 1/2016, along with supporting information, data and meeting agenda provided to shareholders prior to the meeting date, The Company was informed to shareholders approximately 14 working days prior to the meeting date. Each agenda was present together with committee commenced by minute of meeting. So that the shareholders can trace back. The Company was agree to shareholders to present a proxy in case the shareholders was unable to attend the meeting. In the other hand the company has published minute of meeting information to the shareholders ' meeting was listed in the company's website, shareholders can submit questions about the company's operation through the website before the date of the shareholders ' meeting.

11.1 The Board of Directors' Comment regarding the internal control system

The Board of Directors' meeting No. 2/2018 held on February 27, 2018 by independent director and audit committee includes 3 members attended the meeting. The Board has assessed the Company's internal control system by questioning information from the management and inspection documents from the management including the assessment of the management and preparation of the report of the Audit Committee. The conclusion after an assessment of the internal control of the company in various five components: (1) Internal organization control (2) risk assessment (3) The operational control (4) Information and Communication system, and (5) Tracking and trace back system.

The Board of Directors concluded that the Company's internal control systems are adequate and appropriate. The Company has provided sufficient personnel to implement the system effectively. The internal control system can monitor the operations of its subsidiaries to protect the Company's assets and its subsidiaries by illegally used or without authority of the directors or executives as well as sufficiently monitor the transactions with persons who may have conflicts of interest and related party. For other internal control subjects, the Board of Directors considered that the Company has sufficient internal control as well.

However, the auditor, Mr. Jadesada Hungsapruet, Certified Public Accountant, Registration No. 3759 from Karin Audit Company Limited who is an auditor of quarterly and annual financial statements for 2017 Qualified Opinion in Independent Auditor's Report as follows.

I have audited the financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statement of financial position as at December 31, 2017, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statement, including a summary of significant accounting policies.

In my opinion, exception for the effect of any adjustments that might opinion paragraph the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of AQ Estate Public Company Limited and its subsidiaries as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

- (1) As discussed in Note 17 to the financial statements, the Company engaged an independent appraiser to appraise such leasehold right in July 2013, using Income Approach, the discounted value of leasehold right is Baht 275 million. This method is calculated using the discounted cash flows of the revenues for the year of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On May 4, 2016 The Company entered into the contract with a non-related party to transfer a leasehold right of beach front amounting to Baht 10 million. The hotel management contract requires the company to provide beach front area for hotel customer, then the Company has complied to the contract. Currently, the transfer of leasehold rights is in progress with the relevant authority. On February 5, 2015, the indirect subsidiary company entered into a letter of intent with a foreign company for entering into a hotel management agreement.

However, on March 24, 2016, such foreign company postponed to enter into a hotel management agreement until the Stock Exchange of Thailand lifts its suspension of trading of the Company's shares. This matter caused the project has been suspended. However such foreign company terminated a hotel management agreement on September 22, 2016, then refunded partial deposit payment of US 60,000 dollars. The Indirect subsidiary recorded loss on deposit of Baht 2.04 million. In March 2017, the indirect subsidiary company has engaged an independent appraiser to re-appraised the leasehold right, using Income Approach on Profit Rent Method determined

by renting such leasehold right at the market rental rate, discounted to present value to be Baht 79.40 million. Such appraisal was based on the assumption that the Company's credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1 to the financial statements. The market information of comparative land of same size and condition was limited and there was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 23.3 years plus risk premium in investment in assets. The AQ Estate Group recognized the impairment loss on such leasehold right in the consolidated statement of comprehensive income as at December 31, 2017, amounting to Baht 153.73 million. However, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of rental rate to determine the fair value because such appraisal is under unusual assumption as discussed above which has significant uncertainty when such situation will be resolved. In addition, the indirect subsidiary has no rental rate actually occurred at the present and no market price of rental rate basing the same size of area to be compared with the rental rate on such leasehold right as the area is very huge, which these factors may have material effects to the assessment of fair value of such leasehold right.

- (2) As discussed in Note 14 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. Which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2017, amounting to Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty on ability to continue its operation as a going concern, resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances, I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.

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 Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

11.2 The opinion of the Audit Committee

As the assessment of the internal control systems above, the Independent Director and Audit Committee do not have any further observations from the Board of Directors.

11.3 Head of Internal Audit and supervisors overseeing the company's operation

The Audit Committee meeting in 2013 appointed Miss Kasinee Tanyoopaiboon to serve as head of the Company's internal auditor because of experience in internal audit work in a business / industry similar to the company and have been trained in courses related to operational aspects of internal audit as well as having an understanding of the Company's activities and operations, it is deemed appropriate to properly perform such duties.

However, the consideration and approval of the appointment, removal, transfer the incumbent head of internal audit of the company must be approved by the Audit Committee.

12. Related Party Transaction

12.1 Related transactions with related parties that may lead to conflicts in the past year.

-None-

12.2 Measures for transactions with related parties

According to the company policy, The process of entering into a related transaction between the Company or Subsidiaries and person who may have conflict of interest, must be proposed to the meeting of the Board of Directors for consideration. By such meeting must have member of the Audit Committee attended the meeting to consider and approve the related transactions. Such related transactions must comply with the law governing securities and exchange and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand by the person who may have conflicts of interest or stakeholders in such related transaction, without the right to vote on the transaction.

12.3 Policy and trends for transactions in the future.

The company has a policy not to cause related transactions in the future. Except the transactions continued from the past such as collection of liabilities and repayment of debts to persons who may have conflict and project management services, construction contract, sales administration, advertising to persons who may have conflicts carrying out the project named "Krisda Nakorn". However, the

Company has a policy not to allow other people except the Company and its subsidiaries use the name "Krisda Nakorn" to carry out the project anymore.

If there is a related transaction, the Company will set various terms and conditions in making such related transaction to comply with normal commercial terms and market prices that can be compared to the price charged to third parties. The Company will provide the Audit Committee or the Company's auditor or independent experts, as the case may be, to consider, review and comment on the suitability of the price and the reasonableness of the transaction.

Any related transactions that may occur in the future, the Board of Directors shall comply with the law governing securities and stock exchange and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand as well as compliance with the disclosure requirements of related transactions and the acquisition or disposal of important assets of the Company. If the Company has related transactions between persons who may have conflicts in the future, The Company will arrange the Audit Committee to comment on the appropriateness of transaction. If the audit committee is not proficient in the consideration of related transactions, The company will provide person with special expertise such as the Company's auditors or independent experts to comment on such transactions. Opinion of the Audit Committee or persons with special expertise will be used for the decision of the Board or shareholders, as the case may be. The Company will disclose such related transactions in the notes to the financial statements and Form 56-1 of the Company.

Because in the past, the company has a structure that may cause conflict of interest and there are many related transaction with people who may have conflicts. The Company has prepared the plan for eliminate conflict of interest and conflict prevention measures which was considered and approved by the shareholders meeting of the Company. The plan was approved by more than three-fourths of the total number of shareholders attending the meeting.

In 2017, the Company has no transactions between persons with conflict of interest.

13. Key Financial Information

13.1 Summary Financial Statements

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015 - 2017

	In Thousand Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	828,670	78,138	74,664	516,788	6,655	3,445
Current investments	1,426,009	243,988	445,155	1,115,500	193,988	504
Trade accounts and other current receivable	133,229	150,090	14,516	484,476	443,357	375,756
Inventories - net	2,338,392	3,062,467	3,373,879	1,113,138	1,196,770	1,549,323
Assets held for sale	-	-	30,000	-	-	-
Current tax assets	48,012	46,604	-	28,217	26,704	-
Apartment and Land Deposits - net	-	-	-	-	-	-
Accrued interest income from subsidiaries - net	-	-	-	-	-	366,023
Advance payment to contractors	-	-	324,229	-	-	172,736
Other current assets	-	-	79,841	-	-	15,766
Total current assets	4,774,312	3,581,287	4,342,284	3,258,119	1,867,474	2,483,553
NON-CURRENT ASSETS						
Investments in subsidiaries - net	-	-	-	-	-	-
Deposits at bank pledged as collateral	89,206	95,467	144,981	51,012	57,273	56,839
Trade accounts and other non-current receivable	9,318	5,698	-	1,632	1,726	-
Long-term loans	-	-	-	3,194,911	2,950,282	-
Investments property - net	141,051	148,307	155,400	282,023	287,121	278,172
Property, plant and equipment - net	1,077,955	1,075,171	909,250	35,651	42,275	52,059
Leasehold rights - net	101,796	119,220	116,645	-	-	-
Intangible assets - net	3,225	5,995	7,360	1,864	2,784	3,707
Deferred tax assets	353	8,225	4,881	-	-	-
Other non - current assets	739,950	297,763	43,184	10,076	-	22,477
Land held for development - net	-	-	465,604	-	-	37,878
Investments in common shares of subsidiaries - net	-	-	-	-	-	480,565
Long - term loans to subsidiary companies - net	-	-	-	-	-	2,839,750
Long - term loan to third party	-	-	30,085	-	-	-
Total non-current assets	2,162,854	1,755,846	1,877,390	3,577,169	3,341,461	3,771,447
TOTAL ASSETS	6,937,166	5,337,133	6,219,674	6,835,288	5,208,935	6,255,000

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2015 - 2017

	In Thousand Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
LIABILITIES AND SHAREHOLDERS EQUITY						
CURRENT LIABILITIES						
Short term loans from financial institutions	-	500	-	-	10	-
Trade accounts and other current payable	235,296	244,194	103,030	218,957	209,845	223,409
Current portion of long - term liabilities						
under debt restructuring agreements	1,012	992	972	1,012	992	972
Loans considered as default	-	26,718	30,021	-	26,718	30,021
Current portion of long-term loans	62,197	119,358	171,880	-	-	-
Current portion of liabilities						
under finance lease contracts	2,615	3,414	2,390	776	997	956
Short-term borrowings	-	-	-	24,854	24,854	-
Provision for litigation	2,989,194	4,650,717	1,610,975	2,988,431	4,649,990	1,610,284
Advance deposits from customer	-	-	120,532	-	-	61,935
Accrued interest expenses						
- Subsidiary companies	-	-	-	-	-	24,854
- Financial institutions and others	-	-	688	-	-	53
Accrued expenses	-	-	47,729	-	-	14,192
Retentions payable	-	-	69,001	-	-	28,465
Other current liabilities	-	-	65,832	-	-	23,600
Total current liabilities	3,290,314	5,045,893	2,223,050	3,234,030	4,913,406	2,018,741
NON CURRENT LIABILITIES						
Long term loans	-	40,000	-	-	-	-
Liabilities under finance lease contracts - net	1,477	4,137	4,030	-	776	1,773
Trade accounts and other non current payable	2,374	2,339	-	-	-	-
Deferred tax liabilities	2,649	2,853	3,119	-	-	-
Non current provisions for employee benefits	1,858	3,716	4,077	1,581	3,474	3,508
Estimate liabilities payable to former shareholders	46,168	46,168	46,168	46,168	46,168	46,168
Total non-current liabilities	54,526	99,213	57,394	47,749	50,418	51,449
TOTAL LIABILITIES	3,344,840	5,145,106	2,280,444	3,281,779	4,963,824	2,070,190

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2015 - 2017

	In Thousand Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
SHAREHOLDERS EQUITY						
Share capital						
- Authorized share capital						
2015-2016 : 23,318.36 million common share, Baht 0.50 par value		11,659,181	11,659,181		11,659,181	11,659,181
2017 : 294,012.03 million common share, Baht 0.50 par value	147,006,013			147,006,013		
- Issued and paid up						
2015 : 12,673.97 million common shares, Baht 0.50 per share			6,336,985			6,336,985
2016 : 12,674.68 million common shares, Baht 0.50 per share		6,337,341			6,337,341	
2017 : 85,314.68 million common shares, Baht 0.50 per share	42,657,341			42,657,341		
Premium (Discount) on common shares	(32,754,991)	4	4	(32,754,991)	4	4
Premium on common shares from capital reduction	153,537	153,537	153,477	153,537	153,537	153,477
Discount from increase in shareholding in subsidiary	(47,939)	(47,939)	(47,939)	-	-	-
Deficit	(6,415,622)	(6,250,916)	(2,503,297)	(6,502,378)	(6,245,771)	(2,305,656)
Equity Attributable to Owners of the Parent - Net	3,592,326	192,027	3,939,230	3,553,509	245,111	4,184,810
Non - controlling interests	-	-	-	-	-	-
Equity - Net	3,592,326	192,027	3,939,230	3,553,509	245,111	4,184,810
TOTAL LIABILITIES AND EQUITY	6,937,166	5,337,133	6,219,674	6,835,288	5,208,935	6,255,000

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015 -2017

	In Thousand Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
REVENUES FROM SALES AND SERVICES						
Revenues from sales of property	538,908	1,088,366	1,343,484	135,917	753,183	488,074
Income from hotel business	83,504	75,299	74,852	-	-	-
Revenues from property rental operations and related services	17,540	13,993	13,649	-	-	-
Revenues from consult and sales management	-	325	15,731	-	-	-
Total revenues from sales and services	639,952	1,177,983	1,447,716	135,917	753,183	488,074
COSTS OF SALES AND SERVICES						
Costs of property sold	(423,190)	(1,354,885)	(1,058,471)	(104,712)	(660,106)	(413,983)
Costs of service from hotel business	(106,936)	(114,376)	(98,984)	-	-	-
Cost of property rental operations and related services	(10,886)	(10,570)	(36,700)	-	-	-
Costs of consult and sales management	-	(3)	(473)	-	-	-
Total cost of sales and services	(541,012)	(1,479,834)	(1,194,628)	(104,712)	(660,106)	(413,983)
Gross profit (Loss)	98,940	(301,851)	253,088	31,205	93,077	74,091
Management fee income	9,697	13,514	12,122	30,400	46,400	45,600
Interest income	46,815	3,416	8,517	181,197	131,782	100,381
Other income	69,330	63,927	78,263	52,479	40,305	30,432
Profit (Loss) before expenses	224,782	(220,994)	351,990	295,281	311,564	250,504
Distribution costs	(49,972)	(142,780)	(171,915)	(22,195)	(94,634)	(89,014)
Administrative expenses	(310,489)	(295,977)	(392,554)	(143,211)	(130,829)	(153,691)
Doubtful debts	(600)	(30,685)	(13,710)	(381,910)	(484,778)	(367,067)
Impairment loss of investments in subsidiaries	-	-	-	-	(480,565)	(314,034)
Loss reserve for litigation claim	(3,808)	(3,057,273)	(1,631,743)	(3,772)	(3,057,237)	(1,631,672)
Impairment loss of goodwill	-	-	(202,981)	-	-	-
Impairment loss of leasehold rights	-	-	(143,730)	-	-	-
Total expenses	(364,869)	(3,526,715)	(2,556,633)	(551,088)	(4,248,043)	(2,555,478)
Loss before financial cost and income tax	(140,087)	(3,747,709)	(2,204,643)	(255,807)	(3,936,479)	(2,304,974)
Finance cost	(16,951)	(410)	(11,661)	(800)	(126)	(682)
Loss before income tax	(157,038)	(3,748,119)	(2,216,304)	(256,607)	(3,936,605)	(2,305,656)
tax expense (income)	(7,668)	3,610	(510)	-	-	-
Loss for the years	(164,706)	(3,744,509)	(2,216,814)	(256,607)	(3,936,605)	(2,305,656)
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
Other Components for other comprehensive income	-	(3,110)	-	-	(3,510)	-
Total components of other comprehensive income that will not be reclassified to profit	-	(3,110)	-	-	(3,510)	-
Other comprehensive income for the years, net of tax	-	(3,110)	-	-	(3,510)	-
Total comprehensive income for the years	(164,706)	(3,747,619)	(2,216,814)	(256,607)	(3,940,115)	(2,305,656)
Loss for the year attributable to :						
Owners of the parent	(164,706)	(3,744,509)	(2,216,814)	(256,607)	(3,936,605)	(2,305,656)
Non - controlling interest	-	-	-	-	-	-
	(164,706)	(3,744,509)	(2,216,814)	(256,607)	(3,936,605)	(2,305,656)
Total comprehensive income attributable to:						
Owners of the parent	(164,706)	(3,747,619)	(2,216,814)	(256,607)	(3,940,115)	(2,305,656)
Non - controlling interests	-	-	-	-	-	-
Total comprehensive income for the years	(164,706)	(3,747,619)	(2,216,814)	(256,607)	(3,940,115)	(2,305,656)
Basic earning per share						
Basic earnings per share from continuing operations	(0.0036)	(0.2954)	(0.1749)	(0.0057)	(0.3106)	(0.1819)

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015 - 2017

	In Thousand Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit for the periods	(164,706)	(3,744,509)	(2,216,814)	(256,607)	(3,936,605)	(2,305,656)
Adjustment to reconcile income to cash provided by operating activities						
Profit from operating before changes in operating assets and liabilities						
Trade accounts and other current receivable (increase) decrease	21,687	234,754	2,220	(41,152)	109,641	(46,747)
Trade accounts and other non-current receivable decrease (increase) decrease	(3,621)	-	-	93	-	-
Inventories (increase) decrease	366,997	241,483	(71,824)	86,345	363,229	(88,668)
Non - other current assets (increase) decrease	-	-	(52,635)	-	-	(9,653)
Advance payment to contractors	-	-	(324,229)	-	-	(172,736)
Restricted deposits with banks	-	-	(73,508)	-	-	(39,747)
Other non - current assets	3,745	15,151	2,674	-	859	1,938
Trade accounts and other current payable (increase) decrease	(17,634)	(127,159)	26,378	9,112	(141,145)	(52,230)
Trade accounts and other non-current payable increase	35	-	-	-	-	-
Advance deposits from customer	-	-	1,428	-	-	32,891
Accrued expenses	-	-	7,076	-	-	6,376
Provision for litigation	-	-	(69,467)	-	-	(69,467)
Other current liabilities	-	-	46,301	-	-	22,641
Depreciation and amortization	88,464	55,703	53,172	19,131	10,600	10,798
Revenue from written off liabilities	-	-	(8,139)	-	-	-
Impairment loss of investments in subsidiaries	-	-	-	-	480,565	314,034
(Reversal of) allowance on impairment of fixed assets	13,302	(1,295)	77,408	-	-	-
(Reversal of) allowance of diminution in value in inventories	(74,757)	318,727	(3,951)	(1,847)	55,945	6,014
(Reversal of) allowance of deposits	(12,076)	-	-	(12,076)	-	-
Allowance on impairment of deferred charges	-	2,038	-	-	-	-
Allowance on impairment of land held for development	-	-	4,079	-	-	-
Impairment loss of leasehold rights	-	7,425	143,730	-	-	-
Impairment loss of goodwill	-	-	202,981	-	-	-
Provision for litigation	(1,645,867)	(17,242)	-	(1,645,867)	(17,242)	-
(Reversal of) provisions for employee retirement benefit	586	288	(41)	521	215	651
Provision for compensation for housing estate juristic persons	-	-	241	-	-	-
(Reversal of) provision for compensation for housing estate juristic persons	27	(87)	-	-	-	-
Estimated expense from contract termination income	-	666	-	640	630	-
Unrealized gain on the changes in fair values of short - term investments	-	32	(2,224)	-	32	(7)
Gain on sales short-term investments	-	-	(20,953)	-	-	(18,518)
Loss on fair value adjustment on investment property	-	-	33,508	-	-	-
Allowance for doubtful accounts	-	-	13,710	-	-	367,067
(Reversal of) allowance for doubtful accounts	(600)	30,685	-	381,910	484,778	-
(Reversal of) loss reserve for litigation claim	3,132	3,056,198	1,631,743	3,132	3,056,198	1,631,672
Loss on deposits	-	16,942	-	-	-	-
Gain on sales of projects	-	(26,815)	-	-	(26,815)	-
(Profit) Loss on disposal of fixed assets	5,078	(255)	(533)	(5)	(42)	(2)
Other income	(206)	(2,054)	-	-	(205)	-
Contract termination income	(18,788)	(284)	-	(19,464)	(284)	-
Write-off withholding tax refundable	-	-	18,723	-	-	-
Tax expense (income)	7,668	(3,610)	510	-	-	-
Cash received for apartment and Land Deposits - Net	2,000	-	7,000	2,000	-	7,000
Interest income	(46,815)	(3,417)	(8,517)	(181,197)	(131,782)	(100,381)
Interest expense	16,950	410	11,661	800	126	682
Total adjustment to reconcile net profit	(1,455,399)	53,775	(568,292)	(1,654,531)	308,698	(502,048)

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015 - 2017

	In Thousand Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
Cash from (used in) operating activities						
Income tax paid	(6,692)	(28,298)	(20,393)	(1,513)	(6,811)	(6,503)
Employee benefit	(2,414)	(3,759)	-	(2,415)	(3,759)	-
Net cash from (used in) operating activities	(1,464,505)	21,718	(588,685)	(1,658,459)	298,128	(508,551)
CASH FLOWS FROM INVESTING ACTIVITIES						
Restricted deposits with banks increase (decrease)	6,261	49,514	-	6,261	(434)	-
Current investments (increase) decrease	(1,182,021)	201,135	892,086	(921,512)	(193,516)	1,332,085
Cash paid for investment property	-	(163)	(908)	(878)	(10,826)	(128,002)
Cash received for property, plant and equipment	65	5,450	2,781	15	4,955	2
Cash paid for property, plant and equipment	(72,992)	(253,073)	(330,316)	(181)	(2,931)	(11,030)
Cash paid for intangible assets	(83)	(330)	(4,138)	-	-	(578)
Cash paid for purchases of leasehold rights	-	(10,000)	(28,890)	-	-	-
Cash paid for loans to related parties	-	-	-	(578,992)	(1,303,128)	(3,179,920)
Decrease in long - term loans to subsidiaries	-	-	-	-	-	1,943,732
Increase in long - term loans to third party	-	-	(30,000)	-	-	-
Cash paid for land held for development	-	-	(305,782)	-	-	-
Cash received from loans to related parties	-	-	-	91,846	1,216,163	-
Interest income	42,766	10,547	8,667	39,277	723	6,749
Net cash provided by (used in) investing activities	(1,206,004)	3,080	203,500	(1,364,164)	(288,994)	(36,962)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash received from capital	3,565,005	416	9	3,565,005	416	9
Cash received from in long- term loans	-	40,539	30,480	-	539	30,480
Cash paid for long-term loans	(130,189)	(56,364)	(158,884)	(30,000)	(3,842)	(13,558)
Cash paid for liabilities under hire-purchase and financial lease agreements	(3,725)	(3,409)	(3,120)	(997)	(956)	(966)
Interest expense	(10,050)	(2,506)	(23,105)	(1,252)	(2,081)	(2,345)
Net cash provided by (used in) financing activities	3,421,041	(21,324)	(154,620)	3,532,756	(5,924)	13,620
Net increase in cash and cash equivalents	750,532	3,474	(539,805)	510,133	3,210	(531,893)
Cash and cash equivalents at beginning of the year	78,138	74,664	614,469	6,655	3,445	535,338
Cash and cash equivalents at end of the year	828,670	78,138	74,664	516,788	6,655	3,445

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015 - 2017

	In Thousand Baht					
	Consolidated Financial Statements			Separate Financial Statements		
	2017	2016	2015	2017	2016	2015
Supplemental disclosure of cash flows information :						
1) During the year, interest capitalized to inventories	2,064	45,631	11,927	464	1,927	2,345
2) Fixed assets acquired by means of:						
- Liabilities under finance lease contracts	-	4,540	884	-	-	-
- Cash payment	72,992	253,073	330,316	181	2,931	11,030
Total	72,992	257,613	331,200	181	2,931	11,030
3) During this year long - term loans have been reclassified to loans considered as defaultas discussed in Notes 1 and 21.	-	26,718	30,021	-	26,718	30,021
4) In 2017, the Company had transferred inventories of Baht 434.30 million as non other current asset. Because construction interruption and construction plan within year.						
5) In 2017, the Company had transferred deposits of Baht 10.08 million as non other current asset. Because transfer of ownership of the condominium.						

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015 – 2017

Consolidated Financial Statements (In Thousand Baht)

	Issued and Paid-up Share Capital	Premium (Discount) on Common Shares	Premium on Common Shares from Capital Reduction	Discount from Increase in Shareholding in Subsidiary	Deficit	Total Equity Attributable to Owner of the Company	Non-Controlling Interests	Net
Balance as at January 1, 2015	253,479,266	(245,651,276)	-	(47,939)	(1,624,016)	6,156,035	-	6,156,035
Capital reduction	(247,142,285)	245,651,275	153,477	-	1,337,533	-	-	-
Increase in common shares	4	5	-	-	-	9	-	9
Total comprehensive loss for the year	-	-	-	-	(2,216,814)	(2,216,814)	-	(2,216,814)
Balance as at December 31, 2015	<u>6,336,985</u>	<u>4</u>	<u>153,477</u>	<u>(47,939)</u>	<u>(2,503,297)</u>	<u>3,939,230</u>	<u>-</u>	<u>3,939,230</u>
Balance as at January 1, 2016	6,336,985	4	153,477	(47,939)	(2,503,297)	3,939,230	-	3,939,230
Increase in common shares	356	-	60	-	-	416	-	416
Total comprehensive loss for the year	-	-	-	-	(3,747,619)	(3,747,619)	-	(3,747,619)
Balance as at December 31, 2016	<u>6,337,341</u>	<u>4</u>	<u>153,537</u>	<u>(47,939)</u>	<u>(6,250,916)</u>	<u>192,027</u>	<u>-</u>	<u>192,027</u>
Balance as at January 1, 2017	6,337,341	4	153,537	(47,939)	(6,250,916)	192,027	-	192,027
Increase in common shares	36,320,000	(32,754,995)	-	-	-	3,565,005	-	3,565,005
Total comprehensive loss for the year	-	-	-	-	(164,706)	(164,706)	-	(164,706)
Balance as at December 31, 2017	<u>42,657,341</u>	<u>(32,754,991)</u>	<u>153,537</u>	<u>(47,939)</u>	<u>(6,415,622)</u>	<u>3,592,326</u>	<u>-</u>	<u>3,592,326</u>

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015 - 2017

Separate Financial Statements (In Thousand Baht)

	Issued and Paid-up Share Capital	Premium (Discount) on Common Shares	Premium on Common Shares from Capital Reduction	Deficit	Net
Balance as at January 1, 2015	253,479,266	(245,651,276)	-	(1,337,533)	6,490,457
Capital reduction	(247,142,285)	245,651,275	153,477	1,337,533	-
Increase in common shares	4	5	-	-	9
Total comprehensive loss for the year	-	-	-	(2,305,656)	(2,305,656)
Balance as at December 31, 2015	6,336,985	4	153,477	(2,305,656)	4,184,810
Increase in common shares	356	-	60	-	416
Total comprehensive loss for the year	-	-	-	(3,940,115)	(3,940,115)
Balance as at December 31, 2016	6,337,341	4	153,537	(6,245,771)	245,111
Increase in common shares	36,320,000	(32,754,995)	-	-	3,565,005
Total comprehensive loss for the year	-	-	-	(256,607)	(256,607)
Balance as at December 31, 2017	42,657,341	(32,754,991)	153,537	(6,502,378)	3,553,509

13.2 Financial Ratios

Key Financial Ratios as at 31 December 2015 - 2017

Financial Ratios		2017	2016	2015
LIQUIDITY RATIO				
Current ratio	(round)	1.45	0.69	1.95
Quick ratio	(round)	0.73	0.07	0.24
Cash flow ratio	(round)	(0.35)	0.02	(0.45)
Accounts receivable turnover ratio	(round)	4.52	29.98	63.19
Average collection period	(days)	80.75	12.17	5.78
Inventory Turnover ratio	(round)	0.20	0.47	0.36
Average sale period	(days)	1,825.00	783.45	1,023.57
Payable turnover ratio	(round)	2.26	19.42	13.29
Repayment period	(days)	161.50	18.80	27.46
Cash Cycle	(days)	1,744.25	776.83	1,001.89
PROFITABILITY RATIO				
Gross profit margin	(%)	15.46	(25.62)	17.48
Operating profit margin	(%)	(21.89)	(318.15)	(153.09)
Other income ratio	(%)	16.43	6.42	6.39
Cash to profitability	(%)	N/A	N/A	N/A
Net profit margin	(%)	(21.51)	(297.46)	(143.33)
Return on equity	(%)	(8.70)	(181.28)	(43.92)
EFFICIENCY RATIO				
Return on assets	(%)	(2.68)	(64.80)	(33.67)
Return on fixed assets	(%)	(9.40)	(371.78)	(286.30)
Assets turnover	(round)	0.12	0.22	0.23
FINANCIAL POLICY RATIO				
Debt to Equity ratio	(round)	0.93	26.79	0.58
Interest coverage ratio	(round)	N/A	34.65	N/A
Debt service coverage ratio	(round)	N/A	0.23	N/A
Dividend payout ratio	(%)	N/A	N/A	N/A

14. Management Discussion and Analysis

14.1 Overview

1) Summary of operations and the factors that result in significant changes

Status of the Company

- (a) On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower, Golden Technology Industrial Park Co., Ltd., ("Golden") (the 19th defendant) and K & V SRS Garden Home Company Limited ("Garden Home") the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of such land net of commission fee on sales would be Baht 8,924.30 million and in year 2016 the management expects that the forced sale value of such land would be Bath 5,800 million. The Legal Execution Department has set a date for the sale of collateral on December 27, 2017 however on that date, the Enforcement Officer has been notified of the order refraining from enforcement of the Supreme Court Criminal Division of Political Position ("Supreme Court") ,dated December 25, 2017. The abstention of the case will be effective until the Supreme Court to change the order so that the Enforcement Officer has rescinded the sale of collateral under the order of the Supreme Court. The Supreme Court has no order to enforce the case because the third defendant filed a petition to stay execution to the Supreme Court on December 21, 2017. The Supreme Court held a hearing on the petition on December 25, 2017 and has ordered the copy of the petition to the Enforcement Officer and all stakeholders for acknowledge and they can filing an objection period related parties know the partner involved to object to the petition within 15 days from the date of receiving a copy of the petition and also to postpone the hearing of case to investigate the petition

on 5 and 8 March 2018 and ordered to stop the execution during the Supreme Court ruling on the petition until the Supreme Court orders otherwise changed.

- (b) On September 25, 2015, the Company filed the repetition for suspension of the order of enforceable action to the general meeting of the Supreme Court to appeal in determination of that damage. The Company requested the general meeting of the Supreme Court to reconsider the damage by deducting (1) the amount obtained from warrants, since such government bank did not declare when additional common shares of the Company of 13.17 million shares and warrants of the Company of 118.57 million units were subsequently sold and how much cash received from such sale were, and (2) the amount of deposit for purchase of additional common shares of the Company of Baht 197.62 million which Grand Computer and Communication Co., Ltd. (the 22nd defendant) paid on behalf of such government bank. On July 5, 2016, the general meeting of the Supreme Court denied such appeal.
- (c) On October 16, 2015, the Company, "Golden" and Progress Property Management Co., Ltd. ("Progress") a major shareholder (68% shareholding) of Golden have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of Golden in order that the land was not confiscated, partial repayment of debts of "Garden Home" and the expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and Golden agreed to return to the Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to Golden at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from Progress before disposal of such land. Once the Company and Golden are free from any liabilities with such government bank, both parties agree not to claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, Progress agrees to transfer shares and authorities of the directors of Golden to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to Progress as the original status. The Company agrees to let its subsidiary to provide loan to a relative of a director of Golden at Baht 30 million within October 31, 2015 which due within 3 years. This

loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, Progress has already transferred the shares of Golden to the Company and has authorized one director of the Company to be director of Golden. However, the Company and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition the board of directors meeting No12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore the officer will report to the court to lift this bankruptcy case according.

On June 22, 2017, the Company was filed the lawsuit in the civil court and the plaintiff filed (1) to nullify the Asset Management and Profit Sharing Agreement (the "Agreement") dated October, 16, 2015 (2) to nullify the appointment and registration of directors (3) to nullify the resolution of the Board of Directors from April, 8, 2016 and (4) to nullify the resolution of the Board of Directors from 19 October 2015. The Court scheduled to settle issues in court and to determine the litigation process guideline on August, 28, 2017. The legal advisor of the Company has the opinion for this litigation that the purpose of the Asset Management and Profit Sharing Agreement is for the Company to have the right to manage for the 3rd Defendant in order for the debt restructuring and the sale of land for payment of damage to the Bank and to minimize the impact from the capital increase to pay for the damages to the Bank. However, after the date of the Agreement in October 2015, there has not been any impact. In consideration for the fact that the land is mortgaged to the Bank, the sale of land depends on (1) the 3rd Defendant as the owner of the land can process with the consent from the Bank as the creditor or (2) the Bank can enforce the asset seizure and sale of land according to the Supreme Court's judicial order which is final and enforceable. From the past, the Company has negotiated with the Bank and mutually agreed for the guideline for debt restructuring including the sale of land without the consent from the 3rd Defendant. Even if the Agreement is nullified, it will not affect the debt restructuring plan or the status financial of the Company. In addition, it will release the Company from the profit sharing under the Agreement.

- (d) According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2016, such default loans amounting to Baht 26.72 million, respectively was presented as loans

considered as default under current liability in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided credit facilities to the Company and the subsidiaries have temporarily suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

The board of direction meeting No. 12/2016, dated October 13, 2016 acknowledged that the company submitted the regent of debt restructure to one bank. The Company will was non-performing land additional pledge value Baht 1,000 million, and will complete the debt restructure within one year. The Company request the right to sell the pledged land to repay bank loan. However the company in waiting bank approved. In addition the meeting acknowledged that the surveyor reported that there are one hundred and seventy-seven land intruders the company recorded additional production of Baht 51.93 million for selling this land.

And then, according to minute of board of director's meeting No. 15/2016, dated on November 24, 2016 acknowledged that on November 22, 2016, the Company has met and acknowledged bank requirement to changes the conditions of debt restructure. The bank would like Golden to enter into debt restructure at civil case in whole amount (approximately by Baht 20,000 million) and pay for Baht of 1,000 million, and then allow the Company ask for a party in civil case in order to manage sell the pledged land. Also, the meeting acknowledged if Gloden could not enter into debt restructure above within November 2016, the bank will send the case into office of the Attorney, Office of the National Anti - Corruption Commission, Office of the Auditor General of Thailand, and night being legal execution of assets of the Company. At present, Gloden has not yet entered the debt restructure and the Company has not been informed about legal execution of assets of the Company.

On January 5, 2017, the bank informed the Company and Golden that the bank cannot accept the proposals of the Company regarding debt restructuring. And on April 5, 2017, the bank informed

- (1) Golden has to enter the debt restructuring as civil black case number Tor. 268/2549 in whole amount, under the condition of Por-Kor-Sor .007/2560 dated on January 5, 2017 within April 2017.
- (2) the Company has to follow the judgmental of the Supreme Court's Criminal Division for Persons Holding Political Positions as case red number. Or-Mor. 55/2558 and repayment for damage fee amount of Baht 10,004,467,480 to the bank within June 2017.

If there have no any proceeding, the bank might proceed the legal execution for every case.

The Company arranged and met with the management of the Bank on May 9, 2017 to clarify that the Company has prepared for the capital increase. Should there has no further issues or comments, the Company believes it can process for initial capital increase which should be sufficient for payment of damages to the bank and/or mutually discuss the terms and conditions for the payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

On August 10, 2017 the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

4. The company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
5. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the company.
6. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank.

The attorney general has filed a request for confiscation at Supreme Court on August 24, 2017, and the court issued the enforcement order to seize and freeze the defendant's property. The plaintiff has investigated the defendant's property and found the nineteenth defendant, which the court sentenced to joint liability in the amount of Baht 8,368.73 million holds ownership of land located in Samutprakarn province, totaling 97 plots. However, the legal advisor of company explained that the enforcement is just one step in the execution of this case because the process will also require a collateral land survey, draw map of property, set the final auction date and open auction. In this case, the collateral land is located in the jurisdiction of Samutprakarn province. Therefore, the plaintiff must ask the court to have order to court of Samutprakarn for taking action instead. By lawsuit has ended, the debt or owed amount that the court sentenced the company to repay the debt to the financial institution is the same amount with civil case. This amount is the balance that the financial institution has been filed at the Civil Court according to the report of proceedings. In case of selling collateral, the money must be paid to settle the judgment of court first because the court issue writ of execution. When the financial institutions receive such funds, it must be offset

against the debt on the part of civil litigation which is considered that financial institution has been partially paid off.

Thus, the civil case which Krungthai Bank Public Company Limited as a plaintiff accused Golden Technology Industrial Park Co., Ltd. (the 1st defendant) and others, totaling 4 persons (according to Black Case No. Tor. 268/2549, Red Case No. Tor. 2687/2550) is still valid and enforces the defendants to repay the debt of Baht 10,234,752,863.31 together with interest of principal amount of Baht 8,368,732,100 at the rate of 15% per annum, since the date after filling date until completion of debt repayment and on September 28, 2017 Sentenced Golden Technology Industrial Park Company Limited to pay 8,409,601,319.09 plus 10% interest on the principal amount of Baht 8,368,732,100 from May 31, 2004 until payment is completed and bring Golden Technology Industrial Park Company Limited money paid on November 1, 2004 amounting to Baht 39 million deducted by the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring money to pay management fee of Baht 9,700,000 plus 10% of interest on the principal as mentioned above starting from the next date of filing (February 9, 2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction. In case of this is not enough, it make another confiscation of Golden Technology Industrial Park Company Limited. The Company's lawyer has an opinion that this case has no any effect to the Company because they are separate entities. Golden Technology Industrial Park Company Limited filed an appeal on February 9, 2018 and The court granted the appeal.

As disclosed in Note 24 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12 - 14, 2017 and Baht 1,925 million on July 17 - 21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2017 as follows:

		(Unit :In Million Baht)
Compensation as per Court sentence		10,004.47
<u>Add</u>	Necessary expenses for selling land as per a contract for the asset management	125.35
	Specific Business Tax (At forced sale value)	191.40
	Withholding income tax (At forced sale value)	58.00

Transferring fee (At Land Department price)	110.61
<u>Less</u> Forced sale value*	(5,800.00)
Compensation for damages	(1,635.74)
Estimated the damage - net	<u>3,054.09</u>

* The Company appraise the valuation of collateral land by appraisal report of SL. Standard Appraisal Co.,Ltd. dated on May 5, 2017, comparative market price method amount of appraised price Baht 11,600 million and amount of forced sale value by Baht 5,800 million. (In year 2015 the appraised value and the forced sale value of such collateral land as appraisal report dated on May 25, 2016, amount by Baht of 12,749 million and 8,924 million, respectively).

The actual damage will substantially depend on the Company's ability to sell such collateral land at the estimated price and Garden Home will not make a claim against the Company and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million. (Incidentally, the exactly amount of the company's obligation may be changed up or down, depending on the auction price to be auctioned in the future).

Utilization of capital increase fund

The Company received the proceeds from allotment of new ordinary shares to private placement as approval by the Extraordinary General Meeting of Shareholders No. 1/2017 on 30 June 2017 that has allocated and offering of new 100,000 million ordinary shares to the private placement. The Company has increased capital of THB 72,640 million at the price of THB 0.05 per share, totaling THB 3,632 million. The total expenses and fees were THB 63.73 million. The capital increase after deducting expenses amounted to THB 3,568.27 million. Details of the utilization of capital increase fund as follows:

The proceeds from the capital increase	3,568.27	Million Baht
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Deduct use of capital increase as of 31 December 2017

<input type="checkbox"/> Settle debts under the judgment	(1,635.74)	Million Baht
Remaining capital increase fund as of 31 December 2017	<u>1,932.53</u>	Million Baht

The capital increase has invested in bills of exchange. The auction has been postponed due to the petitioner, Mr. Viroj Nualkhae, filed a petition for the sale of the pledge to the Supreme Court on December 21, 2017. Therefore, the enforcement officer had to stop auctioning land plots of 4,300 rai, as ordered by the Supreme Court. The Supreme Court has ordered to stay execution and move the case to hearing the petition on 5 and 8 March, 2018 including the order to refrain from enforcing the case

while the Supreme Court ruled the decision until the order changes. The company still does not know the exact amount from the sale of assets and the additional payment, so the company has to reserve this amount before. Thus, the company has invested such balance in the bill of exchange.

2) Industry and economic conditions that affect the operation

Kasikorn Research Center reported that the overview of the housing market during the first half of 2017 slowed for the second half of the year 2017, the housing market seems to be stable in the first half of the year. The purchasing power has not fully recovered with challenging issues for labor is also pushing to open a new housing project for sale. However, still need to invest housing projects. Contributes to the recognition of future income. As a result, during the second half of 2017, real estate entrepreneurs will still wait for the market to recover for investment housing projects carefully.

The outstanding amount of housing in Bangkok at the end of 2017 at a high level. The transfer of ownership of housing in Bangkok as part of the purchase of a real estate development in 2017 will shrink compared to the year 2016, resulting in a time-absorbing housing, outstanding long by Kasikorn Research Center expects the housing open in Bangkok at the end of 2017 would be at 170,000-177,000 units 4-8 % growth compared to the year 2016.

The number of outstanding housing tends to increase, resulting in challenges during the second half of 2017 seems to be the reduction of the outstanding housing. Kasikorn Research Center said real estate development enterprises should adjust its strategy to offer outstanding residence to a more diverse audience. The age group starts Working Group, Family group, Elderly including foreigners. The housing can be formed to accommodate the residents of diverse people groups. It is a group with the flexibility to adjust the height as projects under construction, the remaining units are sold as lots.

The real estate development enterprises still faces many challenges in the development of new housing in the next term challenges such as labor. Outstanding amount of housing in some areas is still high. Household debt is high. Interest rates may rise, etc. , while the enterprises still need to close the sale of residential projects faster in order to maintain the liquidity of the business

The political result in the real estate business for the slow down

In the 2-3 years ago. The real estate business has slowed down from the politics. It also has the economic impacts of the global market and wage rates, including higher value materials. It is evident from the unit housing sales were dropping. In the field of real estate developers have adapted by focusing on distributed development project to all levels of the price. And the extended area wide more

and more. To gain access to a new group of customers when coupled with support measures from the government. Therefore, the real estate market even slow down, but not much and expansion continued. Seen from the proportion of sales of real estate projects by genre launched in 2016 who didn't however much. And condominium is still popular in every price level.

Buyers change ages

This new generation bought the condo for more housing. Shifting base from buyers aged 35-55 years down the age range is 25-35 years less because of the desire to live along the Metro to work in order to facilitate the work. Especially the new generation who grew into middle age to create a truly urban lifestyles. However, this group is usually in the buyer market lower - middle. Some do not get loans from banks. Because financial institutions are more stringent in lending more. And the buyer was not enough purchasing power in spite of the demand is real.

Affect to some entrepreneurs who want to expand the buyer group is a group of new generation. In the second half, the game must be changed, so this turned to pull a group of middle-market on the 150,000-200,000 baht-price per square meter upwards. Some projects may be a Luxury-level Hi-end touch up to 300,000 baht per square meter, it can be seen, such as the Phrom Phong Ekamai Thonglor project open is a new average price 325,000 baht per square meter Ploenchit Chidlom Asoke average 278,000 baht per square meter. Hopes that this will level the market is in a group of people than the project, and must be located on the city CBD can be a source of really living.

Hotels and Restaurants

Hotels and restaurants expanded and accelerated by the growth of tourist arrivals and tourism receipts. In the fourth quarter of 2017, manufacturing, hotels and restaurants expanded by 15.3 %, accelerating from a 6.9 % expansion in the previous quarter. In this quarter there were 9.28 million foreign tourists, up 19.5 %, accelerating from a 6.4 % expansion in the previous quarter. This has been driven by the low base of dismantling the cocoon same quarter of the previous year. And visitors from key markets traveling in Thailand. Especially tourists from China (Percentage of 26.0, up 67.2 %), Russia (ratio of 5.0 %, up 21.0 %), South Korea (ratio of 4.7 %, up 21.6 %) and India (ratio of 4.0%, an increase of 23.6 %) combined. with the expansion of the tourist in Thailand resulting in this quarter. Total revenues from tourism 729 billion baht, an increase of 15.9%, accelerating from growth of 9.8 % in the previous quarter (1) Revenues from foreign tourists to 494 billion baht, up 23.2 %, with the support of the receipts of the tourism, China, Russia, South Korea, India and Cambodia are important. (2) Revenues from tourists Thailand THB 235 billion grew 1 % to 3 the average occupancy rate of 69.44%, an increase of 63.71 %. In the previous quarter and 66.97 % in the same quarter last year.

Including the year 2017, manufacturing, hotels and restaurants expanded by 8.5 % the total income from tourism are at 2,754 billion baht. Increased 9.5 %, divided into revenue from overseas tourists 1,824 billion. Increased 11.7 %, and revenue from tourists from Thailand 930 billion. Increased 5.4%, with the number of foreign tourists to 35.38 billion people. Increase of 8.8 %, and the average occupancy rate at 68.49 %.

3) SET lifts SP, NP and posts NR sign on AQ's securities

As SET has posted an SP sign on AQ Estate Public Company Limited (AQ)'s securities since November 17, 2015 because AQ is unable to submit its interim financial statements for the period ended September 30, 2015 and the financial statements of the following periods to the SET within specified deadlines. Presently, AQ has already submitted all financial statements. On October 6, 2017, AQ has submitted its interim financial statements for the period ended June 30, 2017, which the auditor expressed a qualified opinion with an emphasis of matters concerning that the company's going concern operations depends greatly on AQ's ability to repay its debts under the Supreme Court's judgment, ability to increase the capital, and ability to sell a pledged land at the net price as AQ estimated. The summaries of operating results are shown as follows;

- ☐ Financial statements for the year ended 2015 shows net losses at THB 2,216.81 million
- ☐ Financial statements for the year ended 2016 shows net losses at THB 3,744.51 million
- ☐ The interim financial statements for the period ended March 31, 2017 shows net losses at THB 61.96 million.
- ☐ The interim financial statements for the three-month period ended June 30, 2017 shows net losses at THB 54.66 million.
- ☐ The interim financial statements for the six-month period ended June 30, 2017 shows net losses at THB 116.62 million.

In addition, during July 12-14 and July 17-19, 2017, the company allocated additional shares as Private Placement (PP) for 72,640 million shares at the price of THB 0.05 per share, totaling THB 3,632 million. Therefore, SET requires the investors to carefully study the following information before making investment decision.

- (1) The information in the financial statements for the year ended 2015, for the year ended 2016 and interim financial statements for the periods ended March 31, 2017 and June 30, 2017.
- (2) The company's clarification on the financial statements for the year ended 2016, clarification on the debts that AQ has to pay to the creditor according to the Supreme Court's Criminal Division for Holders of Political Positions and the right of recourse between the joint

defendants on the mentioned case. Also, the investors should monitor the progress of repayment to the bank according to the Supreme Court's judgment (THB 10,004 million). (Detail as shown in AQ's news on July 31, September 27 and 29, 2017)

In order to allow AQ's securities to be trading in actual condition, according to Clause 29(3) of the regulations on the Stock Exchange of Thailand Re: Trading, Clearing and Settlement of Securities in the Exchange B.E. 2555 (2012), there will be no ceiling & floor price of AQ's securities on October 9, 2017.

4) Change in key accounting policy

In 2017, the Company did not change its accounting policy. However, significant accounting policies for the preparation of consolidated and separate financial statements. Details are in Note 5 to the financial statements.

5) Non-recurring items

-None-

14.2 Operating results and profitability

In 2017, the Company and its subsidiaries had net loss Baht (164.71) million increased from the last year which had net loss Baht (3,744.51) million. The change in performance is more than 20% compared to the last year. The main causes are as follows.

Revenue

In Thousand Baht	2017	Changed (%)	2016	Changed (%)	2015
<input type="checkbox"/> Revenues from sales of property	538,908	(50.48)	1,088,366	(18.99)	1,343,484
<input type="checkbox"/> Income from hotel business	83,504	10.90	75,299	0.60	74,852
<input type="checkbox"/> Revenues from property rental operations and related services	17,540	25.35	13,993	2.52	13,649
<input type="checkbox"/> Revenues from consult and sales management	-	-	325	(97.93)	15,731
Total revenues from sales and services	639,952	(45.67)	1,177,983	(18.63)	1,447,716
Management fee income	9,697	(28.24)	13,514	11.48	12,122
Interest income	46,815	1,270.46	3,416	(59.89)	8,517
Other income	69,330	8.45	63,927	(18.32)	78,263
Total revenues	765,794	(39.17)	1,258,840	(18.61)	1,546,618

1) Revenues from sales and services

The Company and its subsidiaries had revenues from sales and services of Baht 639.95 million, decrease of Baht (538.03) million or (45.67)% from the last year that divided into (1) Revenues from sales of property 84.21% of revenues from sales and services (2) Income from hotel business 13.05%, and (3) Revenues from property rental operations and related services 2.74%

The main cause that makes revenue from sales and services decreased because revenues from sales of property decreased by Baht (549.46) million or (50.48)% from the last year. In 2016, the company sold the condominium project on Asoke Road by selling the entire project.

2) Management fee income

The Company and its subsidiaries had management fee income of Baht 9.70 million which decreased of Baht (3.82) million or (28.24)% from the last year.

3) Interest income

The Company and its subsidiaries had interest income of Baht 46.82 million which increased of Baht 43.40 million or 1,270.46% from the last year.

4) Other income

The Company and its subsidiaries had other income of Baht 69.33 million which increased of Baht 5.40 million or 8.45% from the last year with details as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Gain on sales of short - term investments				
for trading	2,551	3,597	2,138	21
Unrealized gain(loss) of short - term investments	509	(32)	-	(32)
Rental income	5,588	5,755	15,603	10,971
Revenue from sale of merchandises				
in convenient store	12,403	406	-	284
Profit from the sale of project	-	13,010	-	-
Reversal of allowance for land deposit	12,076	-	12,076	-
Revenue from provision for litigation	19,464	-	19,464	-
Others	16,739	41,191	3,198	29,061
Total	69,330	63,927	52,479	40,305

Expenses

In Thousand Baht	2017	Changed (%)	2016	Changed (%)	2015
□ Costs of property sold	(423,190)	(68.77)	(1,354,885)	28.00	(1,058,471)
□ Costs of service from hotel business	(106,936)	(6.50)	(114,376)	15.55	(98,984)
□ Cost of property rental operations and related services	(10,886)	2.99	(10,570)	(71.20)	(36,700)
□ Costs of consult and sales management	-	-	(3)	(99.37)	(473)
Total cost of sales and services	(541,012)	(63.44)	(1,479,834)	23.87	(1,194,628)
Distribution costs	(49,972)	(65.00)	(142,780)	(16.95)	(171,915)
Administrative expenses	(310,489)	4.90	(295,977)	(24.60)	(392,554)
Doubtful debts	(600)	(98.04)	(30,685)	123.81	(13,710)
Loss reserve for litigation claim	(3,808)	(99.88)	(3,057,273)	87.36	(1,631,743)
Impairment loss of goodwill	-	-	-	-	(202,981)
Impairment loss of leasehold rights	-	-	-	-	(143,730)
Finance cost	(16,951)	4,034.39	(410)	(96.48)	(11,661)
Income tax income (expense)	(7,668)	(312.41)	3,610	(807.84)	(510)
Total expenses	(930,500)	(81.40)	(5,003,349)	32.95	(3,763,432)

1) Cost of sales and services

The Company and its subsidiaries had cost of sales and services of Baht 541.01 million, decreased of Baht (938.82) million or (63.44)% from the last year, divided into (1) costs of property sold of 78.53% of revenues from sales of property (2) costs of service from hotel business of 128.06% of income from hotel business and (3) cost of property rental operations and related services of 62.06% of revenues from property rental operations and related services.

In 2017, cost of sales and service was THB 541.01 million decreased of Baht (938.82) million or (63.44)% from the last year because in 2016, the cost of sales and service that shown in the financial statements was THB 1,479,834 million. This amount included the impairment of inventories to THB 519.010 million. After deducting the impairment of inventories, the actual cost of sales and service was THB 960.824 million.

2) Distribution costs

The Company and its subsidiaries had distribution costs of Baht 49.97 million which decreased of Baht (92.81) million or (65.00)% from the last year.

3) Administrative expenses

The Company and its subsidiaries had administrative expenses of Baht 310.49 million which increased of Baht 14.51 million or 4.90% from the last year.

4) Doubtful debts

The Company and its subsidiaries had doubtful debts of Baht 0.60 million which decreased of Baht (30.09) million or (98.04)% from the last year because in 2016, the subsidiary recognised allowance for doubtful debt of long - term loan to third party amount of Baht 30 million due to Anti - Money Laundering Office informed the subsidiary to explain for transaction of freeze asset which the borrower use for such loan guarantee.

5) Loss reserve for litigation claim

The Company and its subsidiaries had loss reserve for litigation claim of Baht 3.81 million which decreased of Baht (3,053.47) million or (99.88)% from the last year because in 2016 the Company and its subsidiaries had been estimated from lawsuit in amounting to Baht 3,057.27 million.

6) Finance cost

The Company and its subsidiaries had finance cost of Baht 16.95 million which increased of Baht 16.54 million or 4,034.39% from the last year.

7) Income tax income (expense)

The Company and its subsidiaries had Income tax income of Baht 7.67 million according to TAS 12 (Revised 2014) regarding Income Taxes.

PROFITABILITY RATIO		2017	2016	2015
Gross profit margin	(%)	15.46	(25.62)	17.48
Operating profit margin	(%)	(21.89)	(318.15)	(153.09)
Other income ratio	(%)	16.43	6.42	6.39
Cash to profitability	(%)	N/A	N/A	N/A
Net profit margin	(%)	(21.51)	(297.46)	(143.33)
Return on equity	(%)	(8.70)	(181.28)	(43.92)

Gross profit margin is 15.46% which increased from the year 2016 that gross profit margin is (25.62)% because the decrease in sales and service income was (45.67)% compared to the year 2016 while cost of sales and services decreased by (63.44)% comparing to the year 2016. This makes the cost of sales and services representing of 84.54% of sales and service income because in 2016, the cost of sales and service that shown in the financial statements was THB 1,479,834 million. This amount

included the impairment of inventories to THB 519.010 million. After deducting the impairment of inventories, the actual cost of sales and service was THB 960.824 million.

Operating profit margin is (21.89)% which increase from the year 2016 that operating profit margin is (318.15)% as result of in 2016, the Company and its subsidiaries had been estimated from lawsuit in amounting to Baht 3,057.27 million and the liabilities to banks amounted to Baht 3,056.20 million due to the company has assessed the value of collateral land with a decrease in value, thus affecting the amount of debt payable Baht 10,004.47 million. However, the company and its subsidiaries appraised value of the property which some assets have decreased value. When assets are reduced, they must be impaired in accordance with the accounting standards, Therefore, the company and its subsidiaries have the impairment of property amount of Baht 598.51 million.

Other income ratio is 16.43% increased from 2016 that other income ratio is 6.42% by most of income was from Revenue from sale of merchandises in convenient store, Profit from the sale of project, Reversal of allowance for land deposit, Revenue from provision for litigation, and Others.

Net profit margin is (21.51)% and Return on equity is (8.70)% increase from last year as result of loss reserve for litigation claim of Baht 3,057.27 million in 2016.

14.3 Ability to manage assets

1) Receivables Management

In 2017, the Company had trade accounts and other current receivable of Baht 133.23 million that decreased of Baht (16.86) million or (11.23)% from the last year, consisted of trade account receivables - net of Baht 16.68 million and other account receivables - net of Baht 116.55 million with overdue receivables over 12 months of Baht 8.46 million, increased of Baht 1.62 million from the last year.

Accounts receivable are stated at invoice amount net of allowance for doubtful accounts. The AQ Estate Group provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables. Details are as follows:

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Other company - net				
- Trade account receivables - net	16,675	15,101	-	-
- Other account receivables - net	116,554	134,989	484,476	443,357
Trade and other account receivables - net	133,229	150,090	484,476	443,357

The aging analyses of trade and other account receivables - other companies as at December 31, 2017 and 2016 are as follows:

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Trade account receivables - other company				
Trade account receivables within credit term				
Overdue				
- Not over 3 months	5,033	3,698	-	-
- Over 3 months to 6 months	1,639	2,229	-	-
- Over 6 months to 12 months	1,594	2,388	-	-
- Over 12 months	8,463	6,840	-	-
Total trade account receivables	16,729	15,155	-	-
<u>Less</u> Allowance for doubtful accounts	(54)	(54)	-	-
Net	16,675	15,101	-	-
Other account receivables current				
Other account receivables	129,028	128,087	124,602	124,413
Other account receivables - claim for litigation cases	33,600	33,600	33,600	33,600
Revenue receivables	35,664	31,182	-	-
Advance payment to construction	53,167	66,906	29,115	29,362
Accrued interest income	3,762	276	2,699	173
Prepaid expenses	10,798	11,426	1,474	4,199
Other	8,986	21,574	3,712	6,418
Total	275,005	293,051	195,202	198,165
<u>Less</u> Allowance for doubtful accounts	(158,451)	(158,062)	(158,451)	(158,062)
Net	116,554	134,989	36,751	40,103
Trade related and other account receivables net	-	-	447,725	403,254

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Trade and other account receivables - net (Note 6.)	133,229	150,090	484,476	443,357

Other account receivables - other company

Due to the Company was prosecuted for the litigation claim as sale agent of the project as discussed in Note 20, the Company recorded account receivables for the former related company as it was the owners of the land and the houses. However, such company has already discontinued its operations, the Company provided allowance for doubtful accounts at full amount.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle their financial and contractual obligations to the AQ Estate 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 consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

2) **Inventory and deterioration or obsolescence**

In 2017, the Company had inventories - net of Baht 2,338.39 million decreased of Baht (724.08) million or decreased (23.64)% compared to the last year.

Inventory Valuation

- ☐ Inventories of real estate business are valued at the lower of cost by using specific method or net realizable value.
- ☐ Inventories of service business are values at the lower of cost by using the moving average method or net realizable value.
- ☐ Cost of inventory for real estate business comprises all cost of land, design fees, utilities, construction costs, and directly related finance cost and expenses.
- ☐ Cost of service business comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.
- ☐ Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

- ☐ The AQ Estate Group provides an allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.
- ☐ The AQ Estate Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

Details are as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Inventories in real estate business				
Cost	2,721,157	3,575,663	1,205,897	1,291,376
Less: allowance of declining value	(469,091)	(598,515)	(130,637)	(132,484)
Net	2,252,066	2,977,148	1,075,260	1,158,892
Inventories in food and beverage business	11,217	10,262	-	-
Inventories in decoration	503	451	-	-
Total	2,263,786	2,987,861	1,075,260	1,158,892

Land held for development

Balance as at January 1,	199,375	294,799	158,568	158,568
Addition	-	1,106	-	-
Transferred In(out) from inventory	-	(96,530)	-	-
Balance as at December 31,	199,375	199,375	158,568	158,568
Allowance for declining value	(124,769)	(124,769)	(120,690)	(120,690)
Land held for development-net	74,606	74,606	37,878	37,878
Total inventories - net	2,338,392	3,062,467	1,113,138	1,196,770

As at December 31, 2017 and 2016, the partial of land held for development at cost amount of Baht 5.02 million with net book value amount of Baht 5.02 million are pledged at the Court for litigation.

During the year ended December 31, 2017, the AQ Estate Group have following movements in real estate under development.

	(Unit : Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at December 31, 2016	2,977,148	1,158,892
Recorded cost of construction and utility cost during the year	130,346	20,616
Borrowing costs capitalized during the year	2,064	464
Transferred to be cost of goods sold during the year	(468,209)	(106,559)
Write-down of merchandises recognized as a part of cost of sales during the year	(4,452)	(4,452)
Reversal of write-down inventories during the year	49,469	6,299
Transferred allowance inventories to non - other current assets	84,407	-
Transferred inventories to non - other current assets	(518,707)	-
Balance as at December 31, 2017	2,252,066	1,075,260

Movements in the allowance for loss on diminution in value of projects for the year ended December 31, 2017 are summarized below.

	(Unit : Thousand Baht)	
	Consolidated	Separate
	Financial Statements	Financial Statements
Balance as at January 1, 2017	598,515	132,484
<u>Add</u> allowance inventories	4,452	4,452
<u>Less</u> Reversal of allowance of diminution in value of inventories	(49,469)	(6,299)
Transferred allowance inventories to non - other current assets	(84,407)	-
Balance as at December 31, 2017	469,091	130,637

In year 2016, the Company has hired many independent appraisers. The appraisal value appraised in real estate under development by analyzing market value and cost method and revealed that some real estate under development net book values are exceeding the appraisal value appraised. As at December 31, 2017 reversal of allowance of diminution in value of inventories amount of Baht 469.09 million in consolidated financial statements and amount of Baht 130.64 million in separate financial statements.

The AQ Estate Group have mortgaged certain land and structures thereon to secure loans as discussed in Note 21 and pledged at Court for litigation of the AQ Estate Group, of which net book values as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Loans from financial institution				
(Note 21)	265,316	563,855	-	188,000
Pledged at Court for litigation	6,892	6,892	6,892	6,892
Total	272,208	570,747	6,892	194,892

From the current situation of the Company as discussed in Note 1 the Company's credit facilities were suspended from various financial institutions. Hence, in April, 2016, the Company sold a project under development which had total cost of Baht 373 million to a non-related company amount of Baht 586 million (Consisted of selling price was Baht 444 million and advance for construction net of advance received from customer and others totaling Baht 142 million) for using as working capital of the AQ Estate group. The Company has transferred ownership to the buyer in June 2016, and the Company paid for commission expense to non - related company amount of Baht 25 million.

On April 28, 2016, and May 18, 2016, the Company has entered into the Commission Fee and the Sole Agency with a local non - related company to sell collateral land of the lawsuit as discussed in Note 1. The commission fee is 2.5% of the total agreed purchase price and the sole agent fee is 1.5% of the total agreed purchase price but not over than amount of Baht 150 million. Such company will receive the payment of those fees only when successfully sale of such land. However on June 16, 2016, this company changed the payment term of sole agent fee by asking the Company to make a payment on a monthly basis amount of Baht 1.50 million per month for 4 months since June to September 2016, totaling Baht 6.0 million. Total monthly sole agent fee is considered as a part of sole agent fee to be paid to such company.

On October 27, 2016, the company issued letter to one contractor to terminate one construction contract effective on November 1, 2016. As at September 30, 2016, the Company still had a commitment with respect to the construction contract of Baht 453.41 million. On November 16, 2016, the contractor asked for a pending advance payment of Baht 80,013,403.32 (balance as at September 30, 2016) which would be treated as payments for the following items.

1. Construction works in August 2016 amount of Baht 35,867,382.16
2. Construction works in September 2016 amount of Baht 29,763,708.64

3. Accumulated retentions until September 2016 amount of Baht 11,360,420.10
4. Additional works amount of Baht 3,052,667.74

The contractor provided the details of expenses including materials, dismantling expenses, and etc. amount of Baht 23.44 million, and claimed for loss compensation amount of Baht 70.42 million. Presently, the Company is in the process of works inspection and negotiates with the contractor.

However, based on the results of works inspection, the Company will pay for Clause 2 amount of Baht 28,986,169.66 only. The pending advance will be used for net offsetting with the items in Clause 1 and 2.

For the retention noted in Clause 3 amount of Baht 11,321,543.15, the Company has not yet considered this item.

And for the additional works noted in Clause 4 amount of Baht 3,052,667.74, the Company has assigned a working team to assess the actual value of such additional works.

In addition, the board of directors had a resolution to refund reservation fees to customers who want to terminate the reservation contracts of such project.

3) Current investments

In 2017, the Company had current investments of Baht 1,426.01 million, increased by Baht 1,182.02 million or 484.46% from the last year. The details as follows.

	(Unit : Thousand Baht)					
	Rate of interest (%)		Consolidated		Separate	
			Financial Statements		Financial Statements	
	2017	2016	2017	2016	2017	2016
Fixed deposit	1.50	2.50	20,000	50,000	-	-
Private fund	5 - 5.5	-	1,115,500	-	1,115,500	-
Investment in						
Open ended Fund						
As at January 1,			193,988	395,155	193,988	504
Purchase during						
the year			2,260,045	1,009,500	1,874,495	385,000
Disposal during						
the year			(2,164,033)	(1,210,635)	(2,068,483)	(191,484)
Unrealized gain(loss)						
on revaluation of						
investments			509	(32)	-	(32)

As at December 31,	290,509	193,988	-	193,988
Total	1,426,009	243,988	1,115,500	193,988

As per the resolution of the Board of Directors' meeting No. 15/2017 held on November 14, 2017 approved to reduce the burden on the company and the Company has entered into an agreement to appoint a private fund management company with an unrelated company to manage the investment in short-term bills of exchange, for not exceeding 6 months and fund management fee is charged at 0.25% per annum of the fund's net asset value at the end of the day as a base for calculate.

4) Investments in subsidiaries - net

Investments in subsidiaries as at December 31, 2017 and 2016 were as follows:

	Paid-up Share Capital (Million Baht)	Percentage of Ownership		(Unit : Thousand Baht)	
		Separate Financial Statements			
		Cost Method			
		2017	2016	2017	2016
Allied Technologies International Co., Ltd.	100	99.90	99.90	100,315	100,315
Thanont Property Co., Ltd.	25	99.80	99.80	23,612	23,612
AQ property management Co., Ltd.	1	99.93	99.93	1,000	1,000
AQ Marketing Services Co., Ltd.	1	99.94	99.94	1,000	1,000
AQ Village Co., Ltd.	1	99.94	99.94	999	999
Free Zone Asset Co., Ltd.	1	99.98	99.98	42,105	42,105
Aquarius Estate Co., Ltd.	54	99.99	99.99	480,998	480,998
Villa Nakarin Co.,Ltd.	270	99.99	99.99	170,232	170,232
Total				820,261	820,261
<u>Less</u> Allowance for impairment of investments				(820,261)	(820,261)
Net				-	-

During the year 2016, the Company recognized impairment loss of investment in Thanont Property Co., Ltd. Amount of Baht 23.61 million, Allied Technologies International Co., Ltd. Amount of Baht 88.03 million, Aquarius Estate Co., Ltd. Amount of Baht 198.69 million and Villa Nakarin Co.,Ltd. amount of Baht 170.23 million.

INVESTMENT IN SUBSIDIARY (AQUARIUS ESTATE CO., LTD.)

On July 12, 2013, the Company has acquired a business of Aquarius Estate Co., Ltd. which was unanimously approved by the Board of Directors' Meeting no. 7/2013 held on June 25, 2013, from former shareholder by 85 percent of the share capital of Aquarius Estate Co., Ltd. in value of Baht 400 million. The Company has paid the shares on July 11, 2013 at amount of Baht 54 million and the rest was paid on July 19, 2013 at amount of Baht 346 million. Aquarius Estate Co., Ltd. has invested in shares in Aquarius Hotel and Resort Co., Ltd. by 100 percent of the share capital in value of Baht 1 million. As at the acquisition date, net book value of assets net from liability of indirect subsidiary company is lower than investment amount of Baht 0.28 million.

On February 11, 2014 the Company obtained additional control of Aquarius Estate Co., Ltd. (Aquarius) a real estate trading company, by acquiring 15% of the shares and voting interests in the company at total amount of Baht 81.00 million. As a result, the Group's equity interest in Aquarius increased from 85% to 99.99%. The Company paid for the shares on February 12, 2014.

Taking control of Aquarius will enable the Group to have efficiency in management control.

INVESTMENT IN SUBSIDIARY (VILLA NAKARIN CO., LTD.)

The Board of Directors' meeting No. 9/2014 held on September 26, 2014, has approved the investment in Villa Nakarin Co., Ltd. amount of 2.70 million shares, with totaling approximately amount of Baht 170 million or price per share of Baht 62.96, from its former shareholders representing 99.99% of the total paid-up shares. Costs consisted of first payment at Baht 124.06 million and the compensation from operation result afterwards the Company agreed to pay the compensation to the seller at 80% of profit after deducting cost of goods sold, selling and administrative expenses as specified in the agreement. which shall be determined when the project is completed and sold or not more than 30 months commencing from the agreement date. Due to on March 31, 2017 (At present during under negotiation extend for a while.) The management of the Company has estimated such compensation to former shareholders of at amount of Baht 46.17 million. On October 1, 2014, the Company has already paid for the shares at amount of Baht 119.79 million and recorded liabilities at amount of Baht 50.44 million and registered the transfer of shares with the Ministry of Commerce on October 6, 2014.

The Company recorded acquisition of investment should be treated as an asset acquisition. The following summarizes the major classes of consideration transferred for such asset acquisition.

	(Unit : Thousand Baht)
Cash paid	119,786
Provision for indemnity guarantee	4,278
Estimate liabilities payable to former shareholders	46,168

Total Consideration transferred

170,232

The carrying amount of assets and liabilities that consideration transferred to the Company as at the assets acquisition date are as below;

(Unit : Thousand Baht)			
	Net carrying amount as at acquisition date	Adjust valuation of purchasing price	Book value as at acquisition date
Assets			
Cash and cash equivalents	30,092	-	30,092
Other account receivables	23,102	-	23,102
Inventories	424,000	(61,477)	362,523
Other current assets	695	-	695
Assets held for sale	30,000	-	30,000
Restricted deposit with bank	4,697	-	4,697
Equipment	13	-	13
Total assets	512,599	(61,477)	451,122
Liabilities			
Trade account payables	72,760	-	72,760
Advances received from customers	30,000	-	30,000
Other current liabilities	6,250	-	6,250
Loans from financial institution	171,880	-	171,880
Total liabilities	280,890	-	280,890
Assets-net	231,709	(61,477)	170,232

5) Key component of other assets

In 2017 the Company had the key component of other assets (excluding Current investments, Trade accounts receivable and other current receivables, and Inventories – net) as consolidated financial statements ended December 31, 2017 as follows.

In Thousand Baht	2017	Changed (%)	2016	Changed (%)	2015
CURRENT ASSETS					
Cash and cash equivalents	828,670	960.52	78,138	4.65	74,664
Assets held for sale	-	-	-	-	30,000
Current tax assets	48,012	3.02	46,604	-	-
Advance payment to contractors	-	-	-	-	324,229
Other current assets	-	-	-	-	79,841

In Thousand Baht	2017	Changed (%)	2016	Changed (%)	2015
NON-CURRENT ASSETS					
Deposits at bank pledged as collateral	89,206	(6.56)	95,467	(34.15)	144,981
Trade accounts and other non-current receivable	9,318	63.53	5,698	-	-
Investments property - net	141,051	(4.89)	148,307	(4.56)	155,400
Property, plant and equipment - net	1,077,955	0.26	1,075,171	18.25	909,250
Leasehold rights - net	101,796	(14.61)	119,220	2.21	116,645
Intangible assets - net	3,225	(46.21)	5,995	(18.55)	7,360
Deferred tax assets	353	(95.71)	8,225	68.51	4,881
Other non - current assets	739,950	148.50	297,763	589.52	43,184
Land held for development - net	-	-	-	-	465,604
Long - term loan to third party	-	-	-	-	30,085

Current assets

☐ Cash and cash equivalents

In 2017, the Company had Cash and cash equivalents of Baht 828.67 million increased of Baht 750.53 million or increased 960.52% compared to the last year. Details are as follows:

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Cash	1,098	1,277	209	269
Cash at bank - savings accounts	94,270	56,409	5,818	6,317
Cash at bank - current accounts	24,989	13,145	10,761	69
Cash at bank - fixed accounts	7,522	7,307	-	-
Bill of exchange not over 3 months	700,791	-	500,000	-
Total	828,670	78,138	516,788	6,655

☐ Current tax assets

The Company and its subsidiaries had current tax assets of Baht 48.01 million, increased by Baht 1.41 million or 3.02% from the last year.

Non-current assets

☐ Restricted deposits with banks

The Company and its subsidiaries had restricted deposits with banks of Baht 89.21 million decreased of Baht (6.26) million or decreased (6.56)% compared to the last year that have been pledged as collaterals for letters of guarantee issued by the banks.

☐ Trade accounts and other non-current receivable

The Company and its subsidiaries had trade accounts and other non-current receivable of Baht 9.32 million increased of Baht 3.62 million or decreased 63.53% compared to the last year.

☐ Investment property - net

The Company and its subsidiaries had investment property - net of Baht 141.05 million decreased of Baht (7.26) million or decreased (4.89)% compared to the last year. Details are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2017	2016	2017	2016
Land and building - Krisada Doi	-	-	282,023	287,121
Leasehold right on warehouse - Bangkok				
Free		148,307	-	-
Trade Zone	141,051			
Total	141,051	148,307	282,023	287,121

☐ Property, plant and equipment - net

The Company and its subsidiaries had property, plant and equipment - net of Baht 1,077.96 million increased of Baht 2.78 million or increased 0.26% compared to the last year, consisted of Land of Baht 295.11 million, Buildings and improvements of Baht 488.15 million, Sports clubs and other of Baht 11.66 million, Furniture fixtures and office equipment and vehicles of Baht 63.81 million and Asset under installation of Baht 219.23 million. Details are as Notes to Financial Statements No. 16.

☐ Leasehold rights - net

The Company and its subsidiaries had Leasehold rights - net of Baht 101.80 million decreased of Baht (17.42) million or decreased (14.61)% compared to the last year. As at December 31, 2017 and 2016, leasehold rights consisted of:

	(Unit : Thousand Baht)	
	Consolidated Financial Statements	
	2017	2016
Leasehold rights of land		
A) Leasehold right of land in Koh Larn, Chonburi	74,179	87,439
B) Leasehold right of land in project the Malibu Beach Resort - Koh Samui	19,260	23,112
C) Leasehold right of land in project Shasa Retreat Hotel (Note 16)	8,357	8,669

	(Unit : Thousand Baht)	
	Consolidated Financial Statements	
Total	101,796	119,220

☐ Intangible assets - net

The Company and its subsidiaries had Intangible assets - net of Baht 3.23 million decreased of Baht (2.77) million or decreased (46.21)% compared to the last year which was software licences whole amount.

☐ Deferred income tax assets

The Company and its subsidiaries had Deferred income tax assets of Baht 0.35 million decreased of Baht (7.87) million or decreased (95.71)% compared to the last year.

☐ Other non - current assets

The Company and its subsidiaries had Other non - current assets of Baht 739.95 million increased of Baht 442.19 million or increased 148.50% compared to the last year.

EFFICIENCY RATIO		2017	2016	2015
Return on assets	(%)	(2.68)	(64.80)	(33.67)
Return on fixed assets	(%)	(9.40)	(371.78)	(286.30)
Assets turnover	(เท่า)	0.12	0.22	0.23

Return on assets is (2.68)% and Return on fixed assets is (9.40)% which increased from the year 2016 as result of in 2016, the Company's net loss from loss reserve for litigation claim of Baht 3,057.27 million.

Assets turnover is 0.12 round, decreased from the last year because total revenue decreased (39.17)% and total assets increased 29.98% from the last year.

14.4 liquidity and Suitability of Capital Structure

1) Sources and uses of funds

In 2017 the Company's capital structure acquired from cash flows from financing activities of Baht 3,421.04 million with details of sources and uses of funds for the year 2017 as follows.

In Thousand Baht	2017	Changed (%)	2016	Changed (%)	2015
Net cash from (used in) operating activities	(1,464,505)	(6,843.28)	21,718	(103.69)	(588,685)
Net cash from (used in) investing activities	(1,206,004)	(39,255.97)	3,080	(98.49)	203,500
Net cash from (used in) financing activities	3,421,041	(16,143.15)	(21,324)	(86.21)	(154,620)
Net increase (decrease) in cash and cash equivalents	750,532	21,504.26	3,474	(100.64)	(539,805)
Cash and cash equivalents at beginning of year	78,138	4.65	74,664	(87.85)	614,469
Cash and cash equivalents at end of year	828,670	960.52	78,138	4.65	74,664

- ☐ Net cash used in operating activities is Baht (1,464.51) million while in 2016 Net cash from operating activities is Baht 21.72 million by mostly used in judgment debt settlement as provision for liabilities from litigation of Bhat (1,645.87) million.
- ☐ Net cash used in investing activities is Baht (1,206.00) million while in 2016 Net cash from investing activities is Baht 3.08 million by mostly used in Current investments of Baht (1,182.02) million and Cash paid for property, plant and equipment of Baht (72.99) million.
- ☐ Net cash from financing activities is Baht 3,421.04 million while in 2016 Net cash used in financing activities is Baht (21.32) million by majority financing of the company in 2017 is Cash received from capital increased.

2) Investment expenditure

In 2017 the Company had investment expenditure of Baht (1,255.01) million from Current investments (Private fund) of Baht (1,182.02) million and Cash paid for property, plant and equipment of Baht (72.99) million.

3) Suitability of Capital Structure

LIQUIDITY RATIO		2017	2016	2015
Current ratio	(round)	1.45	0.69	1.95
Quick ratio	(round)	0.73	0.07	0.24
Cash flow ratio	(round)	(0.35)	0.02	(0.45)
Accounts receivable turnover ratio	(round)	4.52	29.98	63.19
Average collection period	(days)	80.75	12.17	5.78
Inventory Turnover ratio	(round)	0.20	0.47	0.36
Average sale period	(days)	1,825.00	783.45	1,023.57
Payable turnover ratio	(round)	2.26	19.42	13.29
Repayment period	(days)	161.50	18.80	27.46
Cash Cycle	(days)	1,744.25	776.83	1,001.89

Current ratio is 1.45 round increased from the last year that shows the Company's current assets include cash, accounts receivable and inventories more than short-term liabilities. It makes the flexibility for short-term liabilities repayment higher than the year 2016.

Quick ratio is 0.73 round increased from the last year, reflect the actual liquidity that the Company has assets that can be converted into cash (Cash and cash equivalents, Current investments, and Trade accounts and other current receivable) less than short-term liabilities of the Company and Cash flow ratio is (0.35) round decreased from the last year of 0.02 round. That shows the Company has insufficient operating cash flow to pay its short-term liabilities.

Accounts receivable turnover ratio is 4.52 with Average collection period 80.75 days that shows the Company can billing from the sales on credit slower than the year 2016 as result of in 2017 the Company's revenue from sales and services decreased (45.67)%, and Trade accounts receivable and other current receivables decreased (11.23)%.

Inventory Turnover ratio is 0.20 round with Average sale period 1,825.00 days show that the Company can sell products slower than 2016 because in 2017, the Company's cost of sales and services decreased by (63.44)% and inventories - net decreased by (23.64)%.

Payable turnover ratio is 2.26 round with repayment period 161.50 days that longer than the year 2016 with repayment period of 18.80 days because in 2017 the Company had cost of sales and services decreased (63.44)%, and trade account payable and other payables decreased (3.64)%.

The Company's cash cycle is longer to 1,744.25 days compared to the last year by main reason is average sale period is very long.

4) Ability to repayment

The Company and its subsidiaries had Total liabilities of Baht 3,344.84 million decreased from the last year with Total liabilities of Baht 5,145.11 million or decreased of Baht (1,800.27) million or (34.99)%. Most of the liabilities are from estimate Liabilities from litigation amounted to Baht 2,989.19 million.

On December 17, 2009, the Court of First Instance passed a verdict ordering the Company to compensate for the claim amount together with interest of approximately as at December 31, 2016 amount of Baht 26.07 million for breaching of the sale and purchase land and land development contract and the house building contract. (included interest that calculated up to December 31, 2016 was Baht 15.60 million). On March 1, 2012 the Appeal Court made a verdict as the Court of First Instance. On August 4, 2017, the company has compromised with the law enforcement department and paid

damages of Baht 7 million. As of December 31, 2017, the Company recorded the reversal of provision for litigation under "Other income" in the statement of comprehensive income with Baht 19.46 million (Baht 26.46 million offset by expenses Baht 7 million).

As discussed in Note 1, on November 16, 2015, the Board approved the management of the Company estimated compensation on such damage and recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2015 at amount of Baht 1,630.50 million (net of the collateral value). As the actual compensation will substantially depend on the Company's ability to sell such collateral land at the estimated price. During of 2016 the company recorded additional permutation of Baht 3,056.20 million per selling this pledged land. During of quarter 3, 2017 the company recorded additional preutation of Baht 3.13 million per selling this pledaed land. The Company paid damages to Krung Thai Bank amounting to Baht 1,635.74 million.

At present, the Company's capital structure is derived from cash received from capital increase to use as working capital for business operation and settle the judgment debt. From the past operation, the Company can repay the debt under conditions and have enough ability to repay.

FINANCIAL POLICY RATIO		2017	2016	2015
Debt to Equity ratio	(เท่า)	0.93	26.79	0.58
Interest coverage ratio	(เท่า)	N/A	34.65	N/A
Debt service coverage ratio	(เท่า)	N/A	0.23	N/A
Dividend payout ratio	(%)	N/A	N/A	N/A

The primary objective of the AQ Estate Group's capital management is to ensure that it has sustained good cash flows management and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2017 and 2016, the AQ Estate Group's debt-to-equity ratio was 0.93 and 26.79, respectively (and of the separate of financial statement's debt-to-equity ratio was 0.92 and 20.25, respectively).

No changes were made in the AQ Estate Group's objectives, policies or processes during of the years ended December 31, 2017 and 2016.

14.5 Liabilities obligations and off balance sheet liabilities management

The Company had commitments and contingent liabilities which disclose in notes to the financial statements article 31 of the financial statements 2017 as follows.

1) BANK GUARANTEES

As at December 31, 2017 and 2016, the AQ Estate Group had obligations under bank guarantees approximately Baht 89.11 million and Baht 95.79 million, respectively, (The Company: Baht 47.62 million and Baht 54.14 million, respectively), which concerning obligation under normal businesses. The bank guarantees are collateralized by the Company's fixed deposits with the banks and also guaranteed by directors of the AQ Estate Group.

2) COMMITMENTS AND CONTINGENT LIABILITIES

2.1) As at December 31, 2017 and 2016, the AQ Estate Group had outstanding litigation claims from customers and creditors for breaching of the agreements to buy and to sell, the hire of work agreements and repayments retention for a total amount of Baht 13.38 million and Baht 34.50 million, respectively. The outcome of these litigations could not presently be determined. In addition, the AQ Estate Group are in the process of negotiating with certain customers claiming for repayments of cash paid in advance to the AQ Estate Group. The AQ Estate Group, however, believes that the provisions made in the accounts are adequate to cover any damage for such litigation. As the ex-shareholder of indirect-subsiary also guaranteed for the contingent liability of the indirect subsidiary at approximately Baht 0.33 million.

2.2) Commitments

2.2.1) The AQ Estate Group had pledged fixed deposits with bank, most of their inventories, which represent immovable properties for sale, construction in progress and land and buildings as collaterals for credit facilities granted by financial institutions.

2.2.2) Direct subsidiaries' credit facilities from financial institutions have been guaranteed by the Company.

2.2.3) As at December 31, 2017 and 2016, the AQ Estate Group had commitments under construction contracts amounting to Baht 674.84 million and Baht 994.39 million, respectively. (The Company : Baht 163.12 million and Baht 174.95 million, respectively), which were utilities and condominium units amounting to Baht 510.98 million and houses construction amounting to Baht 163.85 million (December 31, 2016 : utilities and condominium units amounting to Baht 637.68 million and houses construction amounting to Baht 356.71 million) and of the Company, utilities and condominium units amounting to Baht 26.79 million and houses construction amounting to Baht 136.33

million (December 31, 2016 : utilities and condominium units amounting to Baht 31.12 million and houses construction amounting to Baht 143.83 million).

As at December 31, 2017 and 2016, total contract price amounted to Baht 1,588.13 million and Baht 2,353.90 million, respectively, and of the Company amounted to Baht 451.95 million and Baht 525.87 million, respectively.

- 2.2.4) As at December 31, 2017 and 2016, the AQ Estate Group has entered into several operating lease. The terms of the agreements are generally between 26 years 8 month to 30 years. The future minimum payments required under these non-cancellable operating leases were as follows.

	(Unit: Thousand Baht)	
	December 31, 2017	December 31, 2016
Payable with in less than 1 year	4,126	4,056
Payable within 1- 5 years	17,421	16,868
Payable over 5 years	88,200	92,878
Total	109,747	113,802

- 2.2.5) As at December 31, 2017 and 2016, a subsidiary company had sub - lease commitment under sub-lease contract with a non – related party to pay for land rental for the period of 30 years at amount of Baht 15.66 million and Baht 16.14 million, respectively.
- 2.2.6) As at December 31, 2017 and 2016, a subsidiary company has commitment under sub-lease contract with a non - related person to pay for land rental for the period of 4 years 6 month and 19 days at Baht 10.01 million and period of 5 years 6 month and 19 days at Baht 12.21 million respectively.

14.6 Factors that affect the operating results in future

Kasikorn Research Center reported that although in the year 2018 Thailand's economy seems to be recovering continuously. Result in the development of entrepreneurship, real estate sales and new housing projects, but the direction of competition in the residential market remains severely. In addition, the expansion of the number of backlog of housing is also a factor pushing the target area entrepreneurs to open new residential project sales carefully. Kasikorn Research Center, expects the number of new housing sales in Bangkok and vicinity in 2018 probably 100,000-108,000 0-2 % expansion unit from the

year 2017 for strategy of enterprises in the year is also probably 2018 investment residential developments by area mass transit routes. By the progress of extending the path mass transit projects. Examples of extensions is a MTR station to open new areas, entrepreneurs can develop new housing projects.

The real estate development enterprises adjust the investment strategy, development and sale housing according to different segments. Entrepreneurs have to land on potential locations, downtown and business center can choose to invest development of residential projects in the form Mixed-use on Project to generate income in the form of rental space more. Even the upscale condominium market is a market where buyers are purchasing housing but also limit market size coupled with demand for upper-level condominiums were already absorbing one part. Result in the upper-level condominiums investment in year 2018 should carefully.

For strategy in investment and housing development in year 2018 seems to be intermediate in recruiting suitable location. Even outside of area mass transit routes, but can travel in many ways, or access to the mass transit system easily. The design includes a function of habitat intact to meet its value. The sales strategy project may be targeted at young people entering the labor market. No burden of debt repayment and look for housing on their own first. Range of a new generation begins entering the labor market does not yet have the burden of repayment of liabilities and looking for housing on their own after the first. While the strategy of selling low-rise projects be targeted at expanding family planning, including a group of teens who have more money and wanted to move out to live in a condominium, townhouse or house came a single point may top a flexible living space compared to a condominium, such as flange housing that can be adapted or extended.

In the housing market, lower level in 2018 should be slow. Contribute to a real estate development enterprises should slow down investment and housing development at lower levels, while at the same time should continue to accelerate the market to vent housing hold together.

15. Report of Audit Committee

The Company has established the audit committee structure (Audit Committee), consisting of the judiciary, which is independent from the Executive and have the qualifications set by the stock exchange of Thailand. Current Audit Committee of the company has the number 3 by Mr. Vuttiphong Issaramalai is the Chairman of the Audit Committee receive locations when there are members in the February 15, 2017 and the Audit Committee are Miss Papasorn Mongkholmafai and Dr. Saranya Sanghiran.

In the year 2560, the Audit Committee has held 9 times to perform its duties as assigned by the Board of Directors by a duty independently. There are no restrictions on the information and the cooperation of the companies as well. In accordance with the requirements of the stock exchange of Thailand. Each meeting invitation by participating managers discuss the agenda as well as relevant as there has been consultation with management and the internal auditors and the external auditors, as appropriate. The meeting with the external auditor is independent from the Executive meeting of the company.

The Audit Committee supports the Board of Directors to implement the responsibility to be a success. The track and encourage good governance. The performance and operation of the Audit Committee with a mission summarized as follows

1. **Control Environment** The Company has determined that there is an environment of good internal control. The organizational structure and clear lines of command right. Including targeting business and measurable success indicators (Key Performance Indicators: KPI) to evaluate the efficiency of operations in accordance with the goals of the organization. Including the rules Charts and manual operation of the system is written as a guide for practitioners.

The company also cultivated, executives and employees of the company are aware good corporate governance by the assigned policy is good governance. Business Ethics: business with honesty, the facts about the quality of the goods. Do the contracts or agreements that have been negotiated with the client, then the production of the goods or services are provided by quality, regardless of the impact on customers. Product pricing, fair, and not create environmental pollution, waste water, Toxic air Product or service quality, By planting trees to create shade with residents. Provide a club. Gym, swimming pool, and the other to provide residents with recreational, perfect health and happy life. The company also has responsibility for the project within the community and social activities of the community.

The board of directors, all employees must also have a code of conduct for shareholders. By duties with integrity. Use your skills and abilities to the full. To manage the assets of any loss or depreciation in value. Non benefits for themselves or others from duty. Status report and results of operations of the Company to complete the Questionnaire. It also requires ethics to customers. The need to clarify the terms and conditions of products and services. Ad with the correct information. The company also promotes the training of all staff on an annual basis. To have knowledge about the product. The service is great, so is customer satisfaction. And a step in the construction of the company.

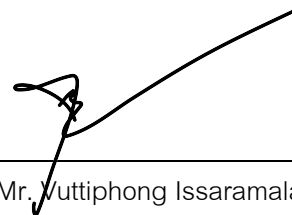
2. **Risk Assessment** The importance of risk management, which is regarded as an important mechanism and management tools that will make the organization achieve the objectives and targets defined. By the risk management policy, which focuses on the development of the risk management system according to the guidelines of good governance (Good Corporate Governance) without the company having to consider the issues and risks. Employment in construction, and high-concept and direction. Solutions to control and reduce risk by allowing multiple contractors come to tender for construction work in each category. Which has a Board of Directors, purchasing/ procurement, as the administrator, and consider action. Consists of executives from each Division, including the internal audit department. Both these contractors are selected for their experience, expertise required. In the past, the portfolio quality. Personnel in the operation and the low price of the company's budget.
3. **Control Activity** The management policies, measures and methods to be used in practical applications and when reviewing the performance of various departments within the organization. Operators have to comply with both internal and external organizations, such as laws, regulations, orders, standards, policies, plans, and how the company has set. Most of the units are now operational efficiency is the approval authority to review the reconciliation of the audited results of operations, "but sometimes the job potential errors up. This was mainly caused by the mistakes of others (Human Error) when it is detected, then the operators will continue to improve and fix it immediately. If the error is serious, the operators will be punished by heavy measures and rules of the company. In recent years, the project has employees who do not comply with the rules, resulting in errors which cause damage to the company. Therefore punish out. As well as has issued a warning to the project manager with the book as supervisors.
4. **Information and Communication** The company has to focus on information systems and data communication. Promote and develop continuously. So that the information is accurate and current. The performance of individual units have used the system Oracle to assist in the control of

responsibility. This system has the function of classification work can cross check each other in the same department and between departments. So in practice, so cannot work only one person which is to reduce the risk in operation, such as payment system cannot pay again. As well as all of the check as a check payable by the recipient, and identified with A / C PAYEE ONLY. The company also has the annual budget to control costs. Using the system Oracle in budget control makes each unit cannot be used over budget. When any agencies need to use more budget to do with the approval and explain why you want to use. The information technology has also brought the document storage system Alfresco used as channels of communication within the organization to publish the policy. Regulations, orders, and guide the practice. As well as information thoroughly the entire organization.

5. **Monitoring** The company has to provide a system of internal control, covering all the aspects such as accounting and financial operations. The practice of law / regulations. And take care of the property. The internal audit tracking performance as the goal. Report to the Committee. The external auditor with the audit committee of the company every quarter. The financial audit of the company in accordance with the accounting standards adopted by general and in accordance with the standard office of the Securities and Exchange Commission. (SEC) as well as the Stock Exchange.
6. **Consider the External Auditor in year 2018.** In the past year, the Audit Committee are satisfied with the result of the auditors who have knowledge. Professional and get suggestions about internal control system and risk as well as operational independence.

In summary, the Audit Committee's duties as assigned by the Board of Directors, using abilities fully and act independently. There are no restrictions on all news from the Committee. Executives, employees and related persons

The Audit Committee is confident that the company is committed to developing, operating system updates are continuously improved. Which shall be pushed, the WTO has a good management system is based on the principles of good corporate governance Transparency in the work. And maintain the interests of the people involved all parties.



(Mr. Wutti Phong Issaramalai)
Chairman of Audit Committee

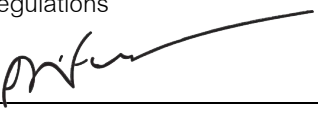
16. Report of the Board of Directors' Responsibility in Financial Statement

The Company's Board of Directors is responsible for financial statements of AQ Estate Public Company Limited and its subsidiaries, including the financial information that appears within their annual reports. The financial statements have been prepared according to generally accepted accounting standards. An appropriate accounting policy has been selected, applied and consistently adhered to under cautious consideration. In addition, an effective internal control system has been set up. Material information has been adequately disclosed in the Notes to the Financial Statements. These are implemented for benefits of shareholders and investors, with an aim to create confidence in the Company's financial statements, to take care and keep good maintenance of the Company's assets, and to prevent dishonest acts or any irregular operations of material substance.

The financial statements of the Company and its subsidiaries have been audited by Mr. Jadesada Hungsapruet, the Certified Public Accountant from Karin Audit Company Limited who has been certified by the Securities and Exchange Commission. The Company has provided information and various documents to the auditor to enable him to conduct the audit and express his opinion in accordance with generally accepted auditing standards. The auditor's opinion appears in the Report of the Certified Public Accountant within the Annual Report.

The Company's Board of Directors appointed the Audit Committee to be responsible for reviewing the Company's accounting policies, quality of financial reports, internal control system, internal audit system and risk management system. The opinion of the Audit Committee on this matter appears in the Audit Committee's Report within the Annual Report.

The Company's Board of Directors believes that the Company's overall internal control system is at satisfactory level. Financial statements of AQ Estate Public Company Limited and its subsidiaries as at 31 December 2017 substantially portray the Company's financial position, operating performance and cash flow in an accurate and reasonable manner and comply with generally accepted accounting principles and related laws and regulations




(Mr. Apivut Thongkam)

Director



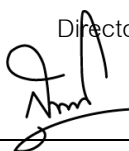
(Dr. Ranchana Rajatanavin)

Director



(Mr. Somchai Meesen)

Director



(Dr. Suthad Chankingthong)

Director

17. Independent Auditor's Report

To the Shareholders of AQ Estate Public Company Limited

Qualified Opinion

I have audited the financial statements of AQ Estate Public Company Limited and its subsidiaries, and of AQ Estate Public Company Limited which comprise the consolidated and separate statement of financial position as at December 31, 2017, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statement, including a summary of significant accounting policies.

In my opinion, exception for the effect of any adjustments that might opinion paragraph the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of AQ Estate Public Company Limited and its subsidiaries as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

- 1) As discussed in Note 17 to the financial statements, the Company engaged an independent appraiser to appraise such leasehold right in July 2013, using Income Approach, the discounted value of leasehold right is Baht 275 million. This method is calculated using the discounted cash flows of the revenues for the year of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On May 4, 2016 The Company entered into the contract with a non-related party to transfer a leasehold right of beach front amounting to Baht 10 million. The hotel management contract requires the company to provide beach front area for hotel customer, then the Company has complied to the contract. Currently, the transfer of leasehold rights is in progress with the relevant authority. On February 5, 2015, the indirect subsidiary company entered into a letter of intent with a foreign company for entering into a hotel management agreement.

However, on March 24, 2016, such foreign company postponed to enter into a hotel management agreement until the Stock Exchange of Thailand lifts its suspension of trading of the Company's shares. This matter caused the project has been suspended. However such foreign company terminated a hotel management agreement on September 22, 2016, then refunded partial deposit payment of US 60,000 dollars. The Indirect subsidiary recorded loss on deposit of Baht 2.04 million. In March 2017, the indirect subsidiary company has engaged an independent appraiser to re-

appraised the leasehold right, using Income Approach on Profit Rent Method determined by renting such leasehold right at the market rental rate, discounted to present value to be Baht 79.40 million. Such appraisal was based on the assumption that the Company's credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1 to the financial statements. The market information of comparative land of same size and condition was limited and there was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 23.3 years plus risk premium in investment in assets. The AQ Estate Group recognized the impairment loss on such leasehold right in the consolidated statement of comprehensive income as at December 31, 2017, amounting to Baht 153.73 million. However, there are limitations by circumstances; I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of rental rate to determine the fair value because such appraisal is under unusual assumption as discussed above which has significant uncertainty when such situation will be resolved. In addition, the indirect subsidiary has no rental rate actually occurred at the present and no market price of rental rate basing the same size of area to be compared with the rental rate on such leasehold right as the area is very huge, which these factors may have material effects to the assessment of fair value of such leasehold right.

- 2) As discussed in Note 14 to the financial statements, the Company estimated liability to former shareholders of Villa Nakarin Co., Ltd. Which was presented under non-current liabilities in the consolidated and separate statements of financial position as at December 31, 2017, amounting to Baht 46.17 million. However, based on the current situation of the Company, which has material uncertainty on ability to continue its operation as a going concern, resulted in inability to prepare the correct and appropriate estimated income of project by using the current market situation. Hence, there are limitations by circumstances, I was unable to perform other auditing procedures to satisfy myself as to the appropriateness of such estimated liability.

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 Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in

accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, I have determined the matter described below to be the key audit matters to be communicated in my report.

Cost of property development for sale and considering the adequacy of allowance for diminution in value

Risk

The Group has to determine the expected net realizable value of inventories. As disclosed in Note 10 to the financial statements, there are indications of impairment in accordance with Thai Financial Reporting Standards. This impairment test has significant implications for audits. The Group's net book value before less allowance for diminution in value of inventories as of December 31, 2017, was Baht 2,721 million ,representing 39.22% of total assets ,and also the process of the management must be very discretionary and depending on the assumptions, which can change according to economic conditions and competition in the market.

Auditor's Risk Response

My key audit procedures included testing the incremental costing that should be recorded as cost of inventory by checking the relevant accounting records, review basis of allowance for diminution in value of inventories, the consistency of the criteria used , analysis detail of sales items after the date of the financial statements to compare with the cost of each project cost, , review the estimated recoverable amount provided by the management or the independent appraiser

Impairment of Property, Plant and Equipment

Risk

The Group has to perform impairment test of property, plant and equipment as described in the Note 16 to the financial statements if there is an indication of impairment in accordance with Thai Financial Reporting Standards. The impairment test is significant to the audit. As at December 31,

2017, the Group had a net book value of property, plant and equipment before allowance for impairment of Baht 1,163 million, representing 16.77% of total asset. Moreover, the assessment process of management is complicated and required more judgment, and also the assessment is subject to assumptions that may change according to economic situation and future market conditions.

Auditor's Risk Response

My key audit procedures included using an expert to assess assumptions. I focused on the sufficiency of data disclosure of the Group in relation to the assumptions that are the most important to sensitivity of impairment test and also have significant impact to recoverable amounts of property, plant and equipment.

Provision of contingent liabilities from lawsuit

Risk

The Group has disclosed the policy on contingent liabilities in accordance with the law or other liabilities, as Note 20 to the financial statements. I considered estimation of legal liabilities or other contingent liabilities was a significant risk in the audit. As at December 31, 2017, the Group had a net book value of Baht 2,989 million, representing 89.37% of total liabilities. The assessment process of management is required more judgment, and also is subject to assumptions that can be changed based on the forced sales value of the collateral.

Auditor's Risk Response

My key audit procedures included testing the estimate of damages from a court case, testing the increase in cost accounting records which is necessary to sell the collateral land under the property management contract with examining the accounting documents related, testing the expected costs may be incurred from the sale of the land as collateral by estimating of selling price on the forced sales value of the land collateral. The estimated selling price of collateral land is provided by the management by independent appraisers to evaluate sales force. I have evaluated reliably and appropriately on consideration of provision of contingent liabilities from lawsuit.

Emphasis of matter

Without change in qualifying my opinion as above, I draw attention to note that;

- (1) As discussed in Note 1 to the financial statements that, On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions ("the Supreme Court") sentenced a case

which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower (the 19th defendant) and the subsidiary of the 19th defendant have mortgaged their land.

On October 16, 2015, the Company, the 19th defendant and a major shareholder (68% shareholding) of the 19th defendant have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of the 19th defendant in order that the land was not confiscated, partial repayment of debts of the subsidiary of the 19th defendant and expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and the 19th defendant agreed to return to Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to the 19th defendant at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from the major shareholder of the 19th defendant before disposal of such land. Once the Company and the 19th defendant are free from any liabilities with such government bank, both parties agree to not claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, the major shareholder of the 19th defendant agrees to transfer shares and authorities of the directors of the 19th defendant to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to the major shareholder of the 19th defendant as the original status. The Company agrees to let its subsidiary to provide loan to relatives of a director of 19th defendant at Baht 30 million within October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, the major shareholder of the 19th

defendant has already transferred the shares of the 19th defendant to the Company and has authorized one director of the Company to be the director of the 19th defendant. However, the Company and the 19th defendant have not obtained a letter from the subsidiary of the 19th defendant to confirm that it will not claim for any liabilities for selling land to compensate the damage because the subsidiary of the 19th defendant was sentenced as bankruptcy. On June 22, 2017, the Company was filed the lawsuit in the civil court and the plaintiff filed (1) to nullify the Asset Management and Profit Sharing Agreement (the "Agreement") dated October 16, 2015 (2) to nullify the appointment and registration of directors (3) to nullify the resolution of the Board of Directors from April 8, 2016 and (4) to nullify the resolution of the Board of Directors from October 19, 2015. The Court scheduled to settle issues in court and to determine the litigation process guideline on August 28, 2017. The legal advisor of the Company has the opinion for this litigation that the purpose of the Asset Management and Profit Sharing Agreement is for the Company to have the right to manage for the 3rd Defendant in order for the debt restructuring and the sale of land for payment of damage to the Bank and to minimize the impact from the capital increase to pay for the damages to the Bank. However, after the date of the Agreement in October 2015, there has not been any impact. In consideration for the fact that the land is mortgaged to the Bank, the sale of land depends on (1) the 3rd Defendant as the owner of the land can process with the consent from the Bank as the creditor or (2) the Bank can enforce the asset seizure and sale of land according to the Supreme Court's judicial order which is final and enforceable. From the past, the Company has negotiated with the Bank and mutually agreed for the guideline for debt restructuring including the sale of land without the consent from the 3rd Defendant. Even if the Agreement is nullified, it will not affect the debt restructuring plan or the status of the Company. In addition, it will release the Company from the profit sharing under the Agreement.

According to the sentence of the Supreme Court, loans from financial institutions of the Company and its subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and its subsidiaries breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2016, such default loans amounting to Baht 26.72 million were presented as loans considered as default under current liabilities in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all financial institutions that previously provided credit facilities to the Company and its subsidiaries have temporarily

suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

On August 10, 2017 the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

1. The company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
2. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the company.
3. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank.

The attorney general has filed a request for confiscation at Supreme Court on August 24, 2017, and the court issued the enforcement order to seize and freeze the defendant's property. The plaintiff has investigated the defendant's property and found the nineteenth defendant, which the court sentenced to joint liability in the amount of Baht 8,368.73 million holds ownership of land located in Samutprakarn province, totaling 97 plots. However, the legal advisor of company explained that the enforcement is just one step in the execution of this case because the process will also require a collateral land survey, draw map of property, set the final auction date and open auction. In this case, the collateral land is located in the jurisdiction of Samutprakarn province. Therefore, the plaintiff must ask the court to have order to court of Samutprakarn for taking action instead. By lawsuit has ended, the debt or owed amount that the court sentenced the company to repay the debt to the financial institution is the same amount with civil case. This amount is the balance that the financial institution has been filed at the Civil Court according to the report of proceedings. In case of selling collateral, the money must be paid to settle the judgment of court first because the court issue writ of execution. When the financial institutions receive such funds, it must be offset against the debt on the part of civil litigation which is considered that financial institution has been partially paid off.

The civil case which a financial institution as a plaintiff accused a borrower (the 19th dependant in case of Supreme Court Criminal Division of Political Position Holders and others, totalling 4 persons,

according to Black Case No. Tor. 268/2549, Red Case No. Tor. 2687/2550, is still valid and enforces the defendants to repay the debt of Baht 10,234,752,863.31 together with interest of principal amount of Baht 8,368,732,100.00 at the rate of 15% per annum, since the date after filling date until completion of debt repayment and on September 28, 2017, Sentenced a borrower to pay 8,409,601,319.09 plus 10% interest on the principal amount of Baht 8,368,732,100 from May 31, 2004, until payment is completed and bring a borrower money paid on November 1, 2004, amounting to Baht 39 million deducted by the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring money to pay management fee of Baht 9,700,000 plus 10% of interest on the principal as mentioned above starting from the next date of filing (February 09, 2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction. In case of this is not enough, it make another confiscation of borrower. The Company's lawyer has an opinion that this case has no any effect to the Company because they are separate entities.

As disclosed in Note 24 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12 - 14, 2017 and Baht 1,925 million on July 17 - 21, 2017.

In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of such land net of commission fee on sales would be Baht 8,924.30 million and in May 2017, the management expects that the forced sale value of such land would be Bath 5,800 million. References to independent appraisers, the Company has recorded the liabilities, according to the judgment of Supreme Court Criminal Division of Political Position Holders, less estimated value of collateral to be sold as mentioned above and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million. Incidentally, the exactly amount of the company's obligation may be changed up or down, depending on the auction price to be auctioned in the future.

- (2) As disclosed in Note 7 and 8 to the financial statements, as per the resolution of the Board of Directors' meeting No. 10/2017 held on July 11, 2017, the Board of Directors approved the Company to invest in debt securities of three unrelated companies totaling Baht 1,600 million (unsecured), bearing interest rate 5 - 6 per annum to maturity date August 11-17, 2017 and the

Company has renewed some debt instruments for Baht 500 million until March 31, 2018 (As per the resolution of the Board of Directors' meeting No. 15/2017 dated November 14, 2017).

As per the resolution of the Board of Directors' meeting No. 15/2017 held on November 14, 2017 approved to reduce the burden on the company and the Company has entered into an agreement to appoint a private fund management company with an unrelated company to manage the investment in short-term bills of exchange, for not exceeding six months and fund management fee is charged at 0.25% per annum of the fund's net asset value at the end of the day as a base for calculation.

As per the resolution of the Board of Executive meeting No. 19/2017 held on September 18, 2017, the Board approved the Company to invest in debt securities of one unrelated companies amounting to Baht 200.79 million (unsecured), bearing interest rates ranging from 5.50 percent per annum to maturity date November 30, 2017, and the Company has renewed the debt securities until February 28, 2018 (approved by resolution of the Board of Directors' Meeting No. 15/2017 on November 14, 2017).

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 do 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 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 of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as

management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 Thai 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.

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, 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 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 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 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 to cease to continue as a going concern.

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

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated 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 on the audit resulting in this independent auditor's report is Mr. Jadesada Hungsapruek

(Mr. Jadesada Hungsapruek)

Certified Public Accountant, Registration No. 3759

Karin Audit Company Limited.

February 27, 2018

18. Financial Statements and Notes

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	828,670	78,138	516,788	6,655
Current investments	8	1,426,009	243,988	1,115,500	193,988
Trade accounts and other current receivable	9	133,229	150,090	484,476	443,357
Inventories - net	10	2,338,392	3,062,467	1,113,138	1,196,770
Assets held for sale	12	-	-	-	-
Current tax assets		48,012	46,604	28,217	26,704
Apartment and Land Deposits - net	11	-	-	-	-
Total current assets		4,774,312	3,581,287	3,258,119	1,867,474
NON-CURRENT ASSETS					
Investments in subsidiaries - net	14	-	-	-	-
Deposits at bank pledged as collateral	13, 31	89,206	95,467	51,012	57,273
Trade accounts and other non-current receivable		9,318	5,698	1,632	1,726
Long-term loans	1, 6	-	-	3,194,911	2,950,282
Investments property - net	15	141,051	148,307	282,023	287,121
Property, plant and equipment - net	16	1,077,955	1,075,171	35,651	42,275
Leasehold rights - net	17	101,796	119,220	-	-
Intangible assets - net	18	3,225	5,995	1,864	2,784
Deferred tax assets	19	353	8,225	-	-
Other non - current assets		739,950	297,763	10,076	-
Total non current assets		2,162,854	1,755,846	3,577,169	3,341,461
TOTAL ASSETS		6,937,166	5,337,133	6,835,288	5,208,935

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT LIABILITIES					
Short term loans from financial institutions		-	500	-	10
Trade accounts and other current payable	6	235,296	244,194	218,957	209,845
Current portion of long - term liabilities					
under debt restructuring agreements	21	1,012	992	1,012	992
Loans considered as default	1, 21	-	26,718	-	26,718
Current portion of long-term loans	1, 9, 16, 21	62,197	119,358	-	-
Current portion of liabilities					
under finance lease contracts	17, 22	2,615	3,414	776	997
Short-term borrowings	6	-	-	24,854	24,854
Provision for litigation	1, 20	2,989,194	4,650,717	2,988,431	4,649,990
Total current liabilities		3,290,314	5,045,893	3,234,030	4,913,406
NON CURRENT LIABILITIES					
Long term loans	1, 9, 16, 21	-	40,000	-	-
Liabilities under finance lease contracts - net	22	1,477	4,137	-	776
Trade accounts and other non current payable		2,374	2,339	-	-
Deferred tax liabilities	19	2,649	2,853	-	-
Non current provisions for employee benefits	23	1,858	3,716	1,581	3,474
Estimate liabilities payable to former shareholders		46,168	46,168	46,168	46,168
Total non current liabilities		54,526	99,213	47,749	50,418
TOTAL LIABILITIES		3,344,840	5,145,106	3,281,779	4,963,824

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

	Notes	In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
SHAREHOLDERS EQUITY					
Share capital	24				
Authorized share capital					
23,318.36 million common share, Baht 0.50 par value			11,659,181		11,659,181
294,012.03 million common share, Baht 0.50 par value		147,006,013		147,006,013	
Issued and paid up					
12,673.97 million common shares, Baht 0.50 per share		-	6,337,341	-	6,337,341
85,314.68 million common shares, Baht 0.50 per share		42,657,341	-	42,657,341	-
Premium (Discount) on common shares		(32,754,991)	4	(32,754,991)	4
Premium on common shares from capital reduction		153,537	153,537	153,537	153,537
Discount from increase in shareholding in subsidiary		(47,939)	(47,939)	-	-
Deficit		(6,415,622)	(6,250,916)	(6,502,378)	(6,245,771)
Total shareholders' equity of parent		3,592,326	192,027	3,553,509	245,111
Non - controlling interests		-	-	-	-
Total shareholders equity		3,592,326	192,027	3,553,509	245,111
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		6,937,166	5,337,133	6,835,288	5,208,935

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	(In Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
REVENUES FROM SALES AND SERVICES					
Revenues from sales of property		538,908	1,088,366	135,917	753,183
Income from hotel business		83,504	75,299	-	-
Revenues from property rental operations and related services		17,540	13,993	-	-
Revenues from consult and sales management		-	325	-	-
Total revenues from sales and services		639,952	1,177,983	135,917	753,183
COSTS OF SALES AND SERVICES					
Costs of property sold		(423,190)	(1,354,885)	(104,712)	(660,106)
Costs of service from hotel business		(106,936)	(114,376)	-	-
Cost of property rental operations and related services		(10,886)	(10,570)	-	-
Costs of consult and sales management		-	(3)	-	-
Total cost of sales and services		(541,012)	(1,479,834)	(104,712)	(660,106)
Gross profit (Loss)		98,940	(301,851)	31,205	93,077
Management fee income		9,697	13,514	30,400	46,400
Interest income		46,815	3,416	181,197	131,782
Other income		69,330	63,927	52,479	40,305
Profit (Loss) before expenses		224,782	(220,994)	295,281	311,564
Distribution costs		(49,972)	(142,780)	(22,195)	(94,634)
Administrative expenses		(310,489)	(295,977)	(143,211)	(130,829)
Doubtful debts		(600)	(30,685)	(381,910)	(484,778)
Impairment loss of investments in subsidiaries		-	-	-	(480,565)
Loss reserve for litigation claim		(3,808)	(3,057,273)	(3,772)	(3,057,237)
Total expenses		(364,869)	(3,526,715)	(551,088)	(4,248,043)
Loss before financial cost and income tax		(140,087)	(3,747,709)	(255,807)	(3,936,479)
Finance cost		(16,951)	(410)	(800)	(126)
Loss before income tax		(157,038)	(3,748,119)	(256,607)	(3,936,605)
tax expense (income)	19	(7,668)	3,610	-	-
Loss for the years		(164,706)	(3,744,509)	(256,607)	(3,936,605)
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Other Components for other comprehensive income		-	(3,110)	-	(3,510)
Total components of other comprehensive income that will not be reclassified to profit		-	(3,110)	-	(3,510)
Other comprehensive income for the years, net of tax		-	(3,110)	-	(3,510)
Total comprehensive income for the years		(164,706)	(3,747,619)	(256,607)	(3,940,115)
Loss for the year attributable to :					
Owners of the parent		(164,706)	(3,744,509)	(256,607)	(3,936,605)
Non - controlling interest		-	-	-	-
		(164,706)	(3,744,509)	(256,607)	(3,936,605)

Total comprehensive income attributable to:

Owners of the parent		(164,706)	(3,747,619)	(256,607)	-	(3,940,115)
Non - controlling interests		-	-	-	-	-
Total comprehensive income for the years		<u>(164,706)</u>	<u>(3,747,619)</u>	<u>(256,607)</u>		<u>(3,940,115)</u>
Basic earning per share						
Basic earnings per share from continuing operations	28	<u>(0.0036)</u>	<u>(0.2954)</u>	<u>(0.0057)</u>		<u>(0.3106)</u>

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Consolidated Financial Statements (In Thousand Baht)

	Notes	Issued and Paid-up Share Capital	Premium (Discount) on Common Shares	Premium on Common Shares from Capital Reduction	Discount from Increase in Shareholding in Subsidiary	Deficit	Total Equity Attributable to Owner of the Company	Non-Controlling Interests	Net
Balance as at January 1, 2016		6,336,985	4	153,477	(47,939)	(2,503,297)	3,939,230	-	3,939,230
Increase in common shares		356	-	60	-	-	416	-	416
Total comprehensive loss for the year		-	-	-	-	(3,747,619)	(3,747,619)	-	(3,747,619)
Balance as at December 31, 2016		6,337,341	4	153,537	(47,939)	(6,250,916)	192,027	-	192,027
Increase in common shares	24	36,320,000	(32,754,995)	-	-	-	3,565,005	-	3,565,005
Total comprehensive loss for the year		-	-	-	-	(164,706)	(164,706)	-	(164,706)
Balance as at December 31, 2017		42,657,341	(32,754,991)	153,537	(47,939)	(6,415,622)	3,592,326	-	3,592,326

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Separate Financial Statements (In Thousand Baht)						
	Note	Issued and Paid-up Share Capital	Premium (Discount) on Common Shares	Premium on Common Shares from Capital Reduction	Deficit	Net
Balance as at January 1, 2016		6,336,985	4	153,477	(2,305,656)	4,184,810
Increase in common shares		356	-	60	-	416
Total comprehensive loss for the year		-	-	-	(3,940,115)	(3,940,115)
Balance as at December 31, 2016		6,337,341	4	153,537	(6,245,771)	245,111
Increase in common shares	24	36,320,000	(32,754,995)	-	-	3,565,005
Total comprehensive loss for the year		-	-	-	(256,607)	(256,607)
Balance as at December 31, 2017		42,657,341	(32,754,991)	153,537	(6,502,378)	3,553,509

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	(In Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the periods	(164,706)	(3,744,509)	(256,607)	(3,936,605)
Adjustment to reconcile income to cash provided by operating activities				
Profit from operating before changes in operating assets and liabilities				
Trade accounts and other current receivable (increase) decrease	21,687	234,754	(41,152)	109,641
Trade accounts and other non-current receivable decrease (increase) decrease	(3,621)	-	93	-
Inventories (increase) decrease	366,997	241,483	86,345	363,229
Non - other current assets (increase) decrease	3,745	15,151	-	859
Trade accounts and other current payable (increase) decrease	(17,634)	(127,159)	9,112	(141,145)
Trade accounts and other non-current payable increase	35	-	-	-
Depreciation losses and amortization	88,464	55,703	19,131	10,600
Impairment loss of investments in subsidiaries	-	-	-	480,565
(Reversal of) allowance on impairment of fixed assets	13,302	(1,295)	-	-
(Reversal of) allowance of diminution in value in inventories	(74,757)	318,727	(1,847)	55,945
(Reversal of) allowance of deposits	(12,076)	-	(12,076)	-
Allowance on impairment of deferred charges	-	2,038	-	-
Provision for litigation	-	7,425	-	-
Impairment loss of leasehold rights	(1,645,867)	(17,242)	(1,645,867)	(17,242)
(Reversal of) provisions for employee retirement benefit	586	288	521	215
(Reversal of) provision for compensation for housing estate juristic persons	27	(87)	-	-
Estimated expense from contract termination income	-	666	640	630
Unrealized gain on the changes in fair values of short - term investments	-	32	-	32
(Reversal of) allowance for doubtful accounts	(600)	30,685	381,910	484,778
(Reversal of) loss reserve for litigation claim	3,132	3,056,198	3,132	3,056,198
Loss on deposits	-	16,942	-	-
Gain on sales of projects	-	(26,815)	-	(26,815)
(Profit) Loss on disposal of fixed assets	5,078	(255)	(5)	(42)
Other income	(206)	(2,054)	-	(205)
Contract termination income	(18,788)	(284)	(19,464)	(284)
Tax expense (income)	7,668	(3,610)	-	-
Cash received for apartment and Land Deposits - Net	2,000	-	2,000	-
Interest income	(46,815)	(3,417)	(181,197)	(131,782)
Interest expense	16,950	410	800	126
Total adjustment to reconcile net profit	(1,455,399)	53,775	(1,654,531)	308,698
Cash from (used in) operating activities				
Income tax paid	(6,692)	(28,298)	(1,513)	(6,811)
Employee benefit	(2,414)	(3,759)	(2,415)	(3,759)
Net cash from (used in) operating activities	(1,464,505)	21,718	(1,658,459)	298,128

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	(In Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2,016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES				
Restricted deposits with banks increase (decrease)	6,261	49,514	6,261	(434)
Current investments (increase) decrease	(1,182,021)	201,135	(921,512)	(193,516)
Cash paid for investment property	-	(163)	(878)	(10,826)
Cash received for property, plant and equipment	65	5,450	15	4,955
Cash paid for property, plant and equipment	(72,992)	(253,073)	(181)	(2,931)
Cash paid for intangible assets	(83)	(330)	-	-
Cash paid for purchases of leasehold rights	-	(10,000)	-	-
Cash paid for loans to related parties	-	-	(578,992)	(1,303,128)
Cash received from loans to related parties	-	-	91,846	1,216,163
Interest income	42,766	10,547	39,277	723
Net cash provided by (used in) investing activities	(1,206,004)	3,080	(1,364,164)	(288,994)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from capital	3,565,005	416	3,565,005	416
Cash received from in long- term loans	-	40,539	-	539
Cash paid for long-term loans	(130,189)	(56,364)	(30,000)	(3,842)
Cash paid for liabilities under hire-purchase and financial lease agreements	(3,725)	(3,409)	(997)	(956)
Interest expense	(10,050)	(2,506)	(1,252)	(2,081)
Net cash provided by (used in) financing activities	3,421,041	(21,324)	3,532,756	(5,924)
Net increase in cash and cash equivalents	750,532	3,474	510,133	3,210
Cash and cash equivalents at beginning of the year	78,138	74,664	6,655	3,445
Cash and cash equivalents at end of the year	828,670	78,138	516,788	6,655

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	(In Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Supplemental disclosure of cash flows information :</u>				
Non cash transactions				
1) During the year, interest capitalized to inventories	2,064	45,631	464	1,927
2) Fixed assets acquired by means of:				
- Liabilities under finance lease contracts	-	4,540	-	-
- Cash payment	72,992	253,073	181	2,931
Total	72,992	257,613	181	2,931
3) During this year long - term loans have been reclassified to loans considered as defaultas discussed in Notes 1 and 21.	-	26,718	-	26,718
4) In 2017, the Company had transferred inventories of Baht 434.30 million as non other current asset. Because construction interruption and construction plan within year.				
5) In 2017, the Company had transferred deposits of Baht 10.08 million as non other current asset. Because transfer of ownership of the condominium.				

The accompanying notes to financial statements are an integral part of the financial statements.

AQ ESTATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. GENERAL

AQ Estate Public Company Limited (herein after called “the Company”) was incorporated in Thailand and was registered as a public company in the year 1993. The Company undertakes its business in Thailand and is engaged mainly in property development and sales. The Company changes its registered office to be located at No.102, Rim Klong Bang Kapi Road, Bang Kapi Sub-District, Huay Kwang District, Bangkok, Thailand.

Status of the Company

- a) On August 26, 2015, the Supreme Court's Criminal Division for Persons Holding Political Positions (“the Supreme Court”) sentenced a case which the Attorney General as the plaintiff accused persons and juristic persons totaling 27 persons whereby the Company was accused as the 20th defendant, for jointly coordinating with and supporting the officers of a government enterprise (a government bank) to abuse their government official duties and embezzled the fund by misappropriating the approval of credit facilities. The 18th to 27th defendants were claimed that they jointly coordinated and supported the 1st to 17th defendants by asking credit facilities to purchase land, to settle debt of a bank and to offer the purchase of preferred shares of the 20th defendant held by such government bank. The Supreme Court sentenced the Company jointly with the 25th and the 26th defendants to repay Baht 10,004.47 million to such government bank. In this regard, the Borrower, Golden Technology Industrial Park Co., Ltd., (“Golden”) (the 19th defendant) and K & V SRS Garden Home Company Limited (“Garden Home”) the subsidiary of the 19th defendant have mortgaged their land. In May 2016, the Company engaged an independent appraiser to appraise such collateral using market approach for investment reference purposes. The appraisal value was approximately Baht 12,749 million. The management expects that the forced sale value of such land net of commission fee on sales would be Baht 8,924.30 million and in year 2016 the management expects that the forced sale value of such land would be Bath 5,800 million. The Legal Execution Department has set a date for the sale of collateral on December 27, 2017 however on that date, the Enforcement Officer has been notified of the order refraining from enforcement of the Supreme Court Criminal Division of Political Position (“Supreme Court”) ,dated December 25, 2017. The abstention of the case will be effective until the Supreme Court to change the order so that the Enforcement Officer has rescinded the sale of collateral under the order of the Supreme Court. The Supreme Court has no order to enforce the case because the third defendant filed a petition to stay execution to the Supreme Court on December 21, 2017. The

Supreme Court held a hearing on the petition on December 25, 2017 and has ordered the copy of the petition to the Enforcement Officer and all stakeholders for acknowledge and they can filing an objection period related parties know the partner involved to object to the petition within 15 days from the date of receiving a copy of the petition and also to postpone the hearing of case to investigate the petition on 5 and 8 March 2018 and ordered to stop the execution during the Supreme Court ruling on the petition until the Supreme Court orders otherwise changed.

- b) On September 25, 2015, the Company filed the repetition for suspension of the order of enforceable action to the general meeting of the Supreme Court to appeal in determination of that damage. The Company requested the general meeting of the Supreme Court to reconsider the damage by deducting (1) the amount obtained from warrants, since such government bank did not declare when additional common shares of the Company of 13.17 million shares and warrants of the Company of 118.57 million units were subsequently sold and how much cash received from such sale were, and (2) the amount of deposit for purchase of additional common shares of the Company of Baht 197.62 million which Grand Computer and Communication Co., Ltd. (the 22nd defendant) paid on behalf of such government bank. On July 5, 2016, the general meeting of the Supreme Court denied such appeal.
- c) On October 16, 2015, the Company, "Golden" and Progress Property Management Co., Ltd. ("Progress") a major shareholder (68% shareholding) of Golden have entered into a contract for the asset management and profit-sharing, whereby, the Company is assigned to be the authorized party for comprehensive composition including management for selling land only with no cancellation and irrevocable within 3 years from the date of the contract signed. In this regard, the Company will make advance payments for necessary expenses for selling land such as withdrawal of seized land, settlement debt with the Revenue Department on behalf of Golden in order that the land was not confiscated, partial repayment of debts of "Garden Home" and the expenses of land appraisal cost, etc. without any compensation except in case that the Company needs to borrow a loan to be used for this matter and Golden agreed to return to the Company for the amount of finance costs to be paid by the Company. The profit from sale of land after deducting expenses and settlement to such government bank will be shared to Golden at 70% and the Company at 30%. However, if the profit from sale is less than Baht 300 million, the Company shall get an approval from Progress before disposal of such land. Once the Company and Golden are free from any liabilities with such government bank, both parties agree not to claim for any debts from each other anymore. To guarantee the fulfillment of the contract and flexibility in operations, Progress agrees to transfer shares and authorities of the directors of Golden to the Company. When the contract is ended, the Company will transfer shares and return the authorities of directors to Progress as the original status. The Company agrees to let its subsidiary to provide loan to a relative of a director of Golden at Baht 30 million within

October 31, 2015 which due within 3 years. This loan shall be secured by land. On November 12, 2015, the subsidiary has already provided such loan. On October 16, 2015, Progress has already transferred the shares of Golden to the Company and has authorized one director of the Company to be director of Golden. However, the Company and Golden have not obtained a letter from Garden Home to confirm that it will not claim for any liabilities for selling land to compensate the damage because Garden Home Trail in bankruptcy case. In addition the board of directors meeting No12/2016 dated October 13, 2016 acknowledged that the case was settled by the plaintiff than there is no plaintiff of this bankruptcy case. Therefore the officer will report to the court to lift this bankruptcy case according.

On June 22, 2017, the Company was filed the lawsuit in the civil court and the plaintiff filed (1) to nullify the Asset Management and Profit Sharing Agreement (the "Agreement") dated October, 16, 2015 (2) to nullify the appointment and registration of directors (3) to nullify the resolution of the Board of Directors from April, 8, 2016 and (4) to nullify the resolution of the Board of Directors from 19 October 2015. The Court scheduled to settle issues in court and to determine the litigation process guideline on August, 28, 2017. The legal advisor of the Company has the opinion for this litigation that the purpose of the Asset Management and Profit Sharing Agreement is for the Company to have the right to manage for the 3rd Defendant in order for the debt restructuring and the sale of land for payment of damage to the Bank and to minimize the impact from the capital increase to pay for the damages to the Bank. However, after the date of the Agreement in October 2015, there has not been any impact. In consideration for the fact that the land is mortgaged to the Bank, the sale of land depends on (1) the 3rd Defendant as the owner of the land can process with the consent from the Bank as the creditor or (2) the Bank can enforce the asset seizure and sale of land according to the Supreme Court's judicial order which is final and enforceable. From the past, the Company has negotiated with the Bank and mutually agreed for the guideline for debt restructuring including the sale of land without the consent from the 3rd Defendant. Even if the Agreement is nullified, it will not affect the debt restructuring plan or the status financial of the Company. In addition, it will release the Company from the profit sharing under the Agreement.

- d) According to the sentence of the Supreme Court, loans from financial institutions of the Company and subsidiaries are met the condition of default loans as specified in the loan agreements. On October 9, 2015, the Chief Executive Officer and Executive Director resigned, which made the Company and subsidiary breached the conditions of the loans from 3 local financial institutions that required the Company to maintain the positions of the executive directors. As at December 31, 2016, such default loans amounting to Baht 26.72 million, respectively was presented as loans considered as default under current liability in the consolidated and separate statements of financial position. From the date sentenced by the Supreme Court up to the present, all the financial institutions that previously provided

credit facilities to the Company and the subsidiaries have temporarily suspended all credit facilities. At the present, the Company paid loans from financial institutions in full.

The board of direction meeting No.12/2016, dated October 13, 2016 acknowledged that the company submitted the regent of debt restructure to one bank. The Company will was non-performing land additional pledge value Baht 1,000 million, and will complete the debt restructure within one year. The Company request the right to sell the pledged land to repay bank loan. However the company in waiting bank approved. In addition the meeting acknowledged that the surveyor reported that there are one hundred and seventy-seven land intruders the company recorded additional production of Baht 51.93 million for selling this land.

And then, according to minute of board of director's meeting No.15/2016, dated on November 24, 2016 acknowledged that on November 22, 2016, the Company has met and acknowledged bank requirement to changes the conditions of debt restructure. The bank would like Golden to enter into debt restructure at civil case in whole amount (approximately by Baht 20,000 million) and pay for Baht of 1,000 million, and then allow the Company ask for a party in civil case in order to manage sell the pledged land. Also, the meeting acknowledged if Gloden could not enter into debt restructure above within November 2016, the bank will send the case into office of the Attorney, Office of the National Anti -Corruption Commission, Office of the Auditor General of Thailand, and night being legal execution of assets of the Company. At present, Gloden has not yet entered the debt restructure and the Company has not been informed about legal execution of assets of the Company.

On January 5, 2017, the bank informed the Company and Golden that the bank cannot accept the proposals of the Company regarding debt restructuring. And on April 5, 2017, the bank informed (1) Golden has to enter the debt restructuring as civil black case number Tor.268/2549 in whole amount, under the condition of Por-Kor-Sor .007/2560 dated on January 5, 2017 within April 2017. (2) the Company has to follow the judgmental of the Supreme Court's Criminal Division for Persons Holding Political Positions as case red number. Or-Mor.55/2558 and repayment for damage fee amount of Baht 10,004,467,480 to the bank within June 2017.

If there have no any proceeding, the bank might proceed the legal execution for every case.

The Company arranged and met with the management of the Bank on May 9, 2017 to clarify that the Company has prepared for the capital increase. Should there has no further issues or comments, the Company believes it can process for initial capital increase which should be sufficient for payment of damages to the bank and/or mutually discuss the terms and conditions for the payment. At this stage, the Bank was informed and supported for the capital increase plan of the Company and scheduled for the next meeting with the Company on July 6, 2017.

On August 10, 2017 the Company has issued a letter to the financial institution. It concludes with the following key common agreements:

1. The company will pay for damages to Bank in accordance with the judgment of Supreme Court in amount of Baht 1,635,735,380 (Paid on August 17, 2017).
2. The bank will execute the lawsuit according to the judgments of Supreme Court to all of properties, which is the cause of damage to bank. The proceeds from the execution of this case will be paid for damages in accordance with the judgment of the Supreme Court and the bank will not execute the lawsuit against the company.
3. In case of the execution of lawsuit against the properties as mentioned above does not fully pay the damages in accordance with the judgment of Supreme Court, the company will continue to supply funds to pay damages to the bank.

The attorney general has filed a request for confiscation at Supreme Court on August 24, 2017, and the court issued the enforcement order to seize and freeze the defendant's property. The plaintiff has investigated the defendant's property and found the nineteenth defendant, which the court sentenced to joint liability in the amount of Baht 8,368.73 million holds ownership of land located in Samutprakarn province, totaling 97 plots. However, the legal advisor of company explained that the enforcement is just one step in the execution of this case because the process will also require a collateral land survey, draw map of property, set the final auction date and open auction. In this case, the collateral land is located in the jurisdiction of Samutprakarn province. Therefore, the plaintiff must ask the court to have order to court of Samutprakarn for taking action instead. By lawsuit has ended, the debt or owed amount that the court sentenced the company to repay the debt to the financial institution is the same amount with civil case. This amount is the balance that the financial institution has been filed at the Civil Court according to the report of proceedings. In case of selling collateral, the money must be paid to settle the judgment of court first because the court issue writ of execution. When the financial institutions receive such funds, it must be offset against the debt on the part of civil litigation which is considered that financial institution has been partially paid off.

Thus, the civil case which Krungthai Bank Public Company Limited as a plaintiff accused Golden Technology Industrial Park Co., Ltd. (the 1st defendant) and others, totaling 4 persons (according to Black Case No. Tor. 268/2549, Red Case No. Tor. 2687/2550) is still valid and enforces the defendants to repay the debt of Baht 10,234,752,863.31 together with interest of principal amount of Baht 8,368,732,100 at the rate of 15% per annum, since the date after filling date until completion of debt repayment and on September 28, 2017 Sentenced Golden Technology Industrial Park Company Limited to pay 8,409,601,319.09 plus 10% interest on the principal amount of Baht 8,368,732,100 from

May 31, 2004 until payment is completed and bring Golden Technology Industrial Park Company Limited money paid on November 1, 2004 amounting to Baht 39 million deducted by the amount of interest first. In case of there is any remaining balance, the principal will be deducted and bring money to pay management fee of Baht 9,700,000 plus 10% of interest on the principal as mentioned above starting from the next date of filing (February 9, 2006) until payment is completed. In case of not paid or not fully amount, it will bring mortgage property at auction. In case of this is not enough, it make another confiscation of Golden Technology Industrial Park Company Limited. The Company's lawyer has an opinion that this case has no any effect to the Company because they are separate entities. Golden Technology Industrial Park Company Limited filed an appeal on February 9, 2018 and The court granted the appeal.

As disclosed in Note 24 to the financial statements, at the Extraordinary General Meeting of the Company's shareholders held on June 30, 2017, the shareholders approved the increase of Baht 140,668.67 million. The Company received partial capital increase of Baht 1,707 Million on July 12 - 14, 2017 and Baht 1,925 million on July 17 - 21, 2017.

The management of the Company estimated the damage from this court case as at December 31, 2017 as follows:

	(Unit :In Million Baht)
Compensation as per Court sentence	10,004.47
<u>Add</u> Necessary expenses for selling land as per a contract for the asset management	125.35
Specific Business Tax (At forced sale value)	191.40
Withholding income tax (At forced sale value)	58.00
Transferring fee (At Land Department price)	110.61
<u>Less</u> Forced sale value*	(5,800.00)
Compensation for damages	(1,635.74)
Estimated the damage - net	3,054.09

* The Company appraise the valuation of collateral land by appraisal report of SL. Standard Appraisal Co.,Ltd. dated on May 5, 2017, comparative market price method amount of appraised price Baht 11,600 million and amount of forced sale value by Baht 5,800 million. (In year 2015 the appraised value and the forced sale value of such collateral land as appraisal report dated on May 25, 2016, amount by Baht of 12,749 million and 8,924 million, respectively).

The actual damage will substantially depend on the Company's ability to sell such collateral land at the estimated price and Garden Home will not make a claim against the Company and the value of the collateral will be deducted from the value of damages, according to the judgment of the Criminal case of politician. The Company will deduct no more than Baht 8,368.73 million. (Incidentally, the exactly amount of the company's obligation may be changed up or down, depending on the auction price to be auctioned in the future).

2. BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS PREPARATION

The consolidated financial statements include the accounts of AQ Estate Public Company Limited and the following direct and indirect subsidiaries for which more than 50% of capital shares with voting right are owned by the Company:

The consolidated financial statements include the financial statements of the AQ Estate Group as follows:

			Proportionate of Share (%)	
		Type of Holding	December 31, 2017	December 31, 2016
Subsidiaries				
AQ Village Co., Ltd.	Recreational services and provides hotel and resort	Direct	99.94	99.94
AQ Marketing Service Co., Ltd.	Sale management services	Direct	99.94	99.94
AQ Property Management Co., Ltd.	Management of commercial space	Direct	99.93	99.93
Allied Technologies International Co., Ltd.	Real estate trading	Direct	99.90	99.90
Thanont Property Co., Ltd.	Real estate trading	Direct	99.80	99.80
Free Zone Asset Co., Ltd.	Real estate for rent and service	Direct	99.98	99.98
Aquarius Estate Co., Ltd.	To sell, acquire, provide service and operate in real estate	Direct	99.99	99.99
Villa Nakarin Co.,Ltd.	Real estate trading	Direct	99.99	99.99
Vitoonthanakorn Co., Ltd. (Subsidiary held through Thanont Property Co., Ltd.)	Real estate trading	Indirect	99.99	99.99
Baan Chidthara Co.,Ltd. (Subsidiary held through AQ Village Co., Ltd.)	Recreational services and provides hotel and resort	Indirect	99.99	99.99
Aquarius Hotel & Resort Co.,Ltd. (Subsidiary held through Aquarius Estate Co.. Ltd.)	To sell, acquire, provide service and operate in real estate	Indirect	99.99	99.99

Significant transactions among the AQ Estate Group have been eliminated in these consolidated financial statements.

The financial statements of the subsidiaries are prepared using consistent significant accounting policies as the Company.

Non-controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and under equity in the consolidated statements of financial position.

3. BASIS FINANCIAL STATEMENTS PREPARATION

3.1 Basis for preparation of the financial interim statements

These company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2000, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2004, and the financial reporting requirements of the securities and Exchange commission under the securities and Exchange Act.B.E 1992.

For the convenience of readers, the financial statements were translated into English from the statutory financial statements in Thai which are issued for the domestic purpose.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis. (except where otherwise disclosed in the accounting policies).

3.3 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. (Unless otherwise stated, e.g. nearest thousand)

4. SIGNIFICANT ACCOUNTING POLICIES

- (a) Revised accounting standards and revised financial reporting standards are effective on 1 January 2017 which are relevant and have significant impact to the Company as follows:

TAS 1 (revised 2016) Presentation of financial statements

TAS 34 (revised 2016) Interim financial reporting

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance.

There is also new guidance on the use of subtotals.

- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

The above revised accounting standards and revised financial reporting standards have no significant impact to the Company.

- (b) Revised accounting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not early adopted these revised standards as follows:

TAS 7 (revised 2017) Statement of cash flows

TAS 12 (revised 2017) Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profits.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

Management has assessed and considered that the above revised standards will not have a material impact on the Company.

5. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash on hand is kept for general use purpose within the AQ Estate Group. Cash equivalents are savings deposits and current accounts, highly liquid investments that are readily convertible to known amount of cash that are subject to an insignificant risk of change in value.

Short-term Investments

Current investments consist of fixed deposit and open-ended fund temporary investments which are classified in the statement of financial positions as trading securities and carried at their fair values. The fair value of open-ended fund is calculated by net asset value of the fund as at the statement of financial position date.

Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair values are recognized in statements of comprehensive income.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at invoice amount net of allowance for doubtful accounts.

The AQ Estate Group provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

Inventory Valuation

Inventories of real estate business are valued at the lower of cost by using specific method or net realizable value.

Inventories of service business are values at the lower of cost by using the moving average method or net realizable value.

Cost of inventory for real estate business comprises all cost of land, design fees, utilities, construction costs, and directly related finance cost and expenses.

Cost of service business comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

The AQ Estate Group provides an allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

The AQ Estate Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

Assets Held for Sale

Assets held for sale are stated at the lower of cost or net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

Land Held for Future Development

Land held for future development are stated at the lower of cost or net realisable value.

Land held for future development represents land for future development which includes cost of land, costs of land development and related interest as referred to above.

The AQ Estate Group recognize impairment loss if there are circumstances indicating that the recoverable amounts may be less than the net book values.

Investments in Shares

Investments in non-marketable equity securities, which The AQ Estate Group holds as other investments, are valued at cost net of allowance for impairment loss.

Investments in subsidiaries and associates in the separate financial statements of The AQ Estate Group are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

The cost of investments disposed of during the year is determined by the weighted average method (if any).

Investment Property

Investment property is property, including property held under an operating lease which would otherwise qualify as investment property, which is held to earn rental income, for capital appreciation or for both.

Investment property is measured initially at cost and subsequently measured at fair value. However, managements will review the fair value to reflect market conditions at the end of the reporting period. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted. Any change in fair value is recognized 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 labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

Property, Plant and Equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of comprehensive income.

Depreciation

The AQ Estate Group depreciates their Buildings and equipment by the straight-line method over the following estimated useful lives :

	Years
Buildings and building improvements	3, 5 - 48
Sport club and others	5, 20
Furniture, fixtures and office equipment	3 - 5, 20
Vehicles	5

Leasehold Rights

Leasehold rights are stated at cost less accumulated amortization and allowance for loss on impairment of assets. Leasehold rights are amortized based on the following of lease term ;

	Years
Leasehold right of land in KohLarn, Chonburi	27.33
Leasehold right of land in project Shasa Retreat Hotel	30
Leasehold right of land in project the Malibu Beach Resort – Koh Samui	7.56

Intangible Assets

Intangible assets that are acquired by the AQ Estate Group are stated at cost less accumulated amortization and allowance for loss on impairment of assets.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follows:

	Years
Software licenses	5

Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the AQ Estate Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The AQ Estate Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment of Assets

The AQ Estate Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the AQ Estate Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statements of comprehensive income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Provision

A provision is recognized when the AQ Estate Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provision for Employee Retirement Benefit

The AQ Estate Group's employee retirement benefit obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs and gains or losses on the curtailment are recognized immediately in profit or loss. The AQ Estate Group recognizes gains or losses on the settlement of pension benefits when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to other comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

Use of Judgments and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Use of judgment

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following:

- Consolidation: whether the AQ Estate Group has de facto control over an investee
- Lease classification

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Current and deferred taxation
- Utilization of tax losses
- Business combination
- Valuation of investment properties

- Key assumptions used in discounted cash flow projections
- Measurement of provision for employee retirement benefit
- Provisions and contingencies
- Valuation of financial instruments

Revenues and Expenses Recognition

The AQ Estate Group recognized revenue from sales of residential condominium units and land and buildings when the construction works are completed and the ownerships have been transferred to buyers after all payments received from the buyers.

Revenue from the sale of goods is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the condition due, associated costs, the probable return of goods or the continuing management involvement with the goods.

Rental income is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease.

Service income is recognized when services are provided.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income are recorded based on an accrual basis.

Expenses are recorded based on an accrual basis.

Construction Contracts

The AQ Estate Group recognizes revenue from construction contracts by the percentage of completion method. The percentage of completion is computed based on the estimation by the AQ Estate Group's project engineer together with the consideration of actual cost of work performed and the estimated total cost of the project. The estimated total cost is determined by The AQ Estate Group's project engineers or its responsible person, which is subject to change. The related actual costs are taken up as incurred on an accrual basis. Expected loss on each project is provided and charged as expense in the period when the estimated total costs of the project exceed its total contracted income.

Costs of Land and Houses Sold and Residential Condominium Units Sold

Costs of land and houses sold and residential condominium units sold consist of cost of land, land improvement, design fees, public utilities, constructions and direct related interest and other related cost.

In determining the costs of land and houses sold and residential condominium units sold the AQ Estate Group's, total development costs (taking into account actual costs incurred to date) are attributed to land and houses sold on the basis of the salable area and residential condominium units sold on the basis of the salable price and area.

The AQ Estate Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognized when the ownerships have been transferred.

Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

Finance Lease

Leases in terms of which the AQ Estate Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance leases are capitalized 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 statement of comprehensive income.

Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

Finance Costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Income Taxes

The income tax charge is based on profit for the period and considers deferred taxation. Deferred income taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the AQ Estate Group expects, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the AQ Estate Group re-assesses unrecognized deferred tax assets. The AQ Estate Group recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The AQ Estate Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets,

Loss per Share Attributable to Owners of the Parent

Loss per share attributable to owners of the parent is determined by dividing loss for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year.

6. TRANSACTIONS WITH RELATED PARTIES

A significant portions of the Company and its subsidiaries' assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships. The significant transactions with related parties as included in the consolidated financial statements are determined at the price as stipulated in the agreement or mutual negotiation (Some of the transactions are supported by contracts and some are not supported, some areas of businesses and advertising management services, which are the specific services, do not have referenced market price), which basis may be different from those determined for transactions with unrelated companies.

Key management personnel mean 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 AQ Estate Group.

The significant transactions between the AQ Estate Group and their related parties for each of the years ended December 31, 2017 and 2016 are as follows:

			(Unit : Thousand Baht)			
			Consolidated		Separate	
			Financial Statements		Financial Statements	
	Relationship	Policy of Pricing	2017	2016	2017	2016
Management fee income	Direct and Indirect Subsidiaries	Year 2017 Baht 7.60 million per quarter ,Year 2016 Baht 11.60 million per quarter	-	-	30,400	46,400
Land rental income	Direct subsidiaries	Year 2017 Baht 3.00 million per quarter and Quarter 1 and 2 of 2016 Baht 0.39 million per quarter since, Quarter 3 of 2016 onward Baht 2.79 million per quarter	-	-	12,000	6,360
Chattel rental income	Direct subsidiaries	Year 2016 Baht 0.20 million per quarter	-	-	-	785
Vehicle rental income	Direct subsidiaries	Baht 5,000 Rate are per month	-	-	60	60
Telephone income	Direct subsidiaries	Actual charge	-	-	193	182
Interest income	Direct subsidiaries	MLR per annum	-	-	139,393	130,951
Sales management services expenses	Direct subsidiaries	3% of sales	-	-	4,727	7,534
Utilities expenses	Direct subsidiaries	Negotiated agreement	-	-	1,578	426
Vehicle Rental expenses	Direct subsidiaries and Indirect	Vehicle Fixed charge at Baht 10,000 per month	-	-	120	120
Rental expense	Direct and Indirect subsidiaries	Office Premise Fixed charge at Baht 0.16 million	-	-	1,907	1,907
Management project expenses (included in the cost of project under development)	Direct subsidiaries	Negotiated agreement	-	-	902	2,705
Cost of construction service	Direct subsidiaries	Negotiated agreement	-	-	1,458	7,833
Revenue from construction service	Direct subsidiaries	Negotiated agreement	-	-	1,458	7,833

The balances with related parties As at December 31, 2017 and December 31, 2016 are as follows:

		(Unit : Thousand Baht)			
		Consolidated Financial Statements		Separate Financial Statements	
	Relationship	2017	2016	2017	2016
Trade account receivables					
- subsidiaries companies					
Allied Technologies International Co., Ltd.	Direct subsidiaries	-	-	177,179	177,179
Thanont Property Co., Ltd.	Direct subsidiaries	-	-	66,038	66,038
Total		-	-	243,217	243,217
Deposit received in advance from customer					
	Shareholders and top management				
Advance received from customer		-	-	-	-
Accrued interest income from - subsidiary companies - net					
AQ Marketing Service Co., Ltd.	Direct subsidiaries	-	-	109,912	109,912
Thanont Property Co., Ltd.	Direct subsidiaries	-	-	290,885	257,203
AQ Village Co., Ltd.	Direct subsidiaries	-	-	21,537	21,537
Allied Technologies International Co., Ltd.	Direct subsidiaries	-	-	51,516	51,516
AQ Property Management Co., Ltd.	Direct subsidiaries	-	-	6,088	6,088
Free Zone Assets Co., Ltd.	Direct subsidiaries	-	-	24,274	24,274
Aquarius Estate Co., Ltd.	Direct subsidiaries	-	-	224,408	137,887
Villa Nakarin Co.,Ltd.	Direct subsidiaries	-	-	48,109	28,918
Total		-	-	776,729	637,335
Less Allowance for doubtful accounts		-	-	(132,572)	(132,572)
Net		-	-	644,157	504,763

(Unit : Thousand Baht)

Separate Financial Statements

		Balance as at			Balance as at
		December 31,			December 31,
	Relationship	2016	Increase	Decrease	2017
Other account receivables and					
advances to subsidiaries companies – net					
Allied Technologies International Co., Ltd.	Direct subsidiaries	42,372	5,876	(98)	48,150
AQ Village Co., Ltd	Direct subsidiaries	40,506	15,716	(1,666)	54,556
Thanont Property Co., Ltd.	Direct subsidiaries	81,951	2,568	-	84,519
Free Zone Assets Co., Ltd.	Direct subsidiaries	4,494	-	-	4,494
Aquarius Estate Co., Ltd.	Direct subsidiaries	2,189	2,513	(303)	4,399
Vitoonthanakorn Co.,Ltd	Indirect subsidiaries	8,988	2,568	-	11,556
Villa Nakarin Co.,Ltd.	Direct subsidiaries	8,988	5,179	(43)	14,124
Baan Chidthara Co.,Ltd.	Indirect subsidiaries	9,951	3,210	-	13,161
Aquarius Hotel & Resort Co.,Ltd.	Indirect subsidiaries	7,704	3,852	-	11,556
AQ Marketing Service Co., Ltd.	Direct subsidiaries	2,568	2,669	(93)	5,144
AQ Property Management Co., Ltd.	Direct subsidiaries	2,622	2,727	(204)	5,145
Total		212,333	46,878	(2,407)	256,804
Less Allowance for doubtful accounts		(52,296)	-	-	(52,296)
Net		160,037	46,878	(2,407)	204,508
Long – term loans to					
subsidiary companies - net					
AQ Marketing Service Co., Ltd.	Direct subsidiaries	268,232	12,930	-	281,162
Thanont Property Co., Ltd.	Direct subsidiaries	599,796	7,300	(40,700)	566,396
AQ Village Co., Ltd.	Direct subsidiaries	557,594	38,276	-	595,870
Allied Technologies International Co., Ltd.	Direct subsidiaries	347,874	163,296	(21,946)	489,224
AQ Property Management Co., Ltd.	Direct subsidiaries	123,569	4,100	-	127,669
Free Zone Assets Co., Ltd.	Direct subsidiaries	142,300	800	(18,200)	124,900
Aquarius Estate Co., Ltd.	Direct subsidiaries	1,244,382	339,140	(11,000)	1,572,522
Villa Nakarin Co.,Ltd.	Direct subsidiaries	300,023	13,150	-	313,173
Total		3,583,770	578,992	(91,846)	4,070,916
Less Allowance for doubtful accounts		(1,138,251)	(381,910)	-	(1,520,161)
Net		2,445,519	197,082	(91,846)	2,550,755

The Company presented loans to related companies as non-current assets in the separated statement of financial position as subsidiaries used for investments in non-current assets.

The Company and subsidiaries mutually agree to charge interest rate 2.5% and MLR per annum on loans for use in normal operations.

		(Unit : Thousand Baht)			
		Consolidated Financial		Separate Financial	
		Statements		Statements	
	Relationship	2017	2016	2017	2016
Trade account payables					
- subsidiaries company					
Allied Technologies	Direct				
International Co., Ltd.	subsidiaries	-	-	37,083	37,083
Other account payables					
- subsidiaries company					
AQ Marketing Service	Direct				
Co., Ltd.	subsidiaries	-	-	50,827	44,330
AQ Property Management	Direct				
Co., Ltd.	subsidiaries	-	-	23,170	24,058
	Indirect				
Vitoonthanakorn Co.,Ltd	subsidiaries	-	-	80	252
Allied Technologies	Direct				
International Co., Ltd.	subsidiaries	-	-	1,795	1,795
	Direct				
Thanont Property Co., Ltd.	subsidiaries	-	-	37,693	37,693
	Direct				
AQ Village Co., Ltd.	subsidiaries	-	-	240	387
Total		-	-	113,805	108,515
Accrued interest expense					
- subsidiaries company					
	Direct				
Thanont Property Co., Ltd.	subsidiaries	-	-	24,854	24,854

The aging analyses of trade account receivables, other account receivables and advance to subsidiaries companies, loans receivable and interest receivable from subsidiaries companies as at December 31, 2017 and December 31, 2016 are as follows :-

	(Unit : Thousand Baht)	
	Separate Financial Statements	
	December 31, 2017	December 31, 2016
Overdue not over 1 year	761,764	1,368,641
Overdue more than 1 year	4,585,900	3,308,015
Total	5,347,664	4,676,656
<u>Less</u> Allowance for doubtful accounts	(1,705,029)	(1,323,120)
Net	3,642,635	3,353,536

The Company provides allowance for doubtful accounts for such transactions by considering historical collection experience for each account receivable and will reverse the allowance to "Bad debt recoveries" upon collection.

Guarantee

As at December 31, 2017 and 2016 the company doesn't have has no guaranteed on the subsidiaries credit facilities.

The monetary remuneration of executives , which is a related party transection for each of the years ended December 31, 2017 and 2016 are as follows:

Type of compensation	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Salaries and other benefits	15,137	14,453	15,137	12,224
Meeting allowances	630	366	630	366
Bonus	-	2,395	-	1,855
Advisory	1,870	2,485	1,870	2,485
Total	17,637	19,699	17,637	16,930

7. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Cash	1,098	1,277	209	269
Cash at bank - savings accounts	94,270	56,409	5,818	6,317
Cash at bank - current accounts	24,989	13,145	10,761	69
Cash at bank - fixed accounts	7,522	7,307	-	-
Bill of exchange not over 3 months	700,791	-	500,000	-
Total	828,670	78,138	516,788	6,655

Saving deposit is subject to bank's floating interest rate.

As per the resolution of the Board of Directors' meeting No. 10/2017 held on July 11, 2017, the Board of Directors approved the Company to invest in debt securities of three unrelated companies totaling Baht 1,600 million (unsecured), bearing interest rate 5 - 6 per annum to maturity date August 11-17, 2017 and the Company has renewed some debt instruments for Baht 500 million until March 31, 2018 (As per the resolution of the Board of Directors' meeting No. 15/2017 dated November 14, 2017).

As per the resolution of the Board of Executive meeting No.19/2017 held on September 18, 2017, the Board approved the Company to invest in debt securities of one unrelated companies amounting to Baht 200.79 million (unsecured), bearing interest rates ranging from 5.50 percent per annum to maturity date November 30, 2017, and the Company has renewed the debt securities until February 28, 2018 (approved by resolution of the Board of Directors' Meeting No. 15/22017 on November 14, 2017).

8. SHORT - TERM INVESTMENTS

	(Unit : Thousand Baht)					
	Consolidated				Separate	
	Rate of interest (%)		Financial Statements		Financial Statements	
	2017	2016	2017	2016	2017	2016
Fixed deposit	1.50	2.50	20,000	50,000	-	-
Private fund	5 - 5.5	-	1,115,500	-	1,115,500	-
Investment in						
Open ended Fund						
As at January 1,			193,988	395,155	193,988	504

Purchase during				
the year	2,260,045	1,009,500	1,874,495	385,000
Disposal during				
the year	(2,164,033)	(1,210,635)	(2,068,483)	(191,484)
Unrealized gain(loss)				
on revaluation of				
investments	509	(32)	-	(32)
As at December 31,	290,509	193,988	-	193,988
Total	1,426,009	243,988	1,115,500	193,988

As per the resolution of the Board of Directors' meeting No. 15/2017 held on November 14, 2017 approved to reduce the burden on the company and the Company has entered into an agreement to appoint a private fund management company with an unrelated company to manage the investment in short-term bills of exchange, for not exceeding 6 months and fund management fee is charged at 0.25% per annum of the fund's net asset value at the end of the day as a base for calculation

9. TRADE AND OTHER ACCOUNT RECEIVABLES

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Other company - net				
- Trade account receivables - net	16,675	15,101	-	-
- Other account receivables - net	116,554	134,989	484,476	443,357
Trade and other account receivables - net	133,229	150,090	484,476	443,357

The aging analyses of trade and other account receivables - other companies as at December 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial		Separate Financial	
	Statements		Statements	
	2017	2016	2017	2016
Trade account receivables - other company				
Trade account receivables within credit term				
Overdue				
- Not over 3 months	5,033	3,698	-	-
- Over 3 months to 6 months	1,639	2,229	-	-
- Over 6 months to 12 months	1,594	2,388	-	-

- Over 12 months	8,463	6,840	-	-
Total trade account receivables	16,729	15,155	-	-
<u>Less</u> Allowance for doubtful accounts	(54)	(54)	-	-
Net	16,675	15,101	-	-
Other account receivables current				
Other account receivables	129,028	128,087	124,602	124,413
Other account receivables - claim for				
litigation cases	33,600	33,600	33,600	33,600
Revenue receivables	35,664	31,182	-	-
Advance payment to construction	53,167	66,906	29,115	29,362
Accrued interest income	3,762	276	2,699	173
Prepaid expenses	10,798	11,426	1,474	4,199
Other	8,986	21,574	3,712	6,418
Total	275,005	293,051	195,202	198,165
<u>Less</u> Allowance for doubtful accounts	(158,451)	(158,062)	(158,451)	(158,062)
Net	116,554	134,989	36,751	40,103
Trade related and other account receivables net	-	-	447,725	403,254
Trade and other account receivables net (Note 6.)	133,229	150,090	484,476	443,357

Other account receivables - other company

Due to the Company was prosecuted for the litigation claim as sale agent of the project as discussed in Note 20, the Company recorded account receivables for the former related company as it was the owners of the land and the houses. However, such company has already discontinued its operations, the Company provided allowance for doubtful accounts at full amount.

10. INVENTORIES – NET

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Inventories in real estate business				
Cost	2,721,157	3,575,663	1,205,897	1,291,376
Less: allowance of declining value	(469,091)	(598,515)	(130,637)	(132,484)
Net	2,252,066	2,977,148	1,075,260	1,158,892

Inventories in food and beverage

business	11,217	10,262	-	-
Inventories in decoration	503	451	-	-
Total	2,263,786	2,987,861	1,075,260	1,158,892

Land held for development

Balance as at January 1,	199,375	294,799	158,568	158,568
Addition	-	1,106	-	-
Transferred In(out) from inventory	-	(96,530)	-	-
Balance as at December 31,	199,375	199,375	158,568	158,568
Allowance for declining value	(124,769)	(124,769)	(120,690)	(120,690)
Land held for development-net	74,606	74,606	37,878	37,878
Total inventories - net	2,338,392	3,062,467	1,113,138	1,196,770

As at December 31, 2017 and 2016, the partial of land held for development at cost amount of Baht 5.02 million with net book value amount of Baht 5.02 million are pledged at the Court for litigation.

During the year ended December 31, 2017, the AQ Estate Group have following movements in real estate under development.

	(Unit : Thousand Baht)	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at December 31, 2016	2,977,148	1,158,892
Recorded cost of construction and utility cost during the year	130,346	20,616
Borrowing costs capitalized during the year	2,064	464
Transferred to be cost of goods sold during the year	(468,209)	(106,559)
Write-down of merchandises recognized as a part of cost of sales during the year	(4,452)	(4,452)
Reversal of write-down inventories during the year	49,469	6,299
Transferred allowance inventories to non - other current assets	84,407	-
Transferred inventories to non - other current assets	(518,707)	-
Balance as at December 31, 2017	2,252,066	1,075,260

Movements in the allowance for loss on diminution in value of projects for the year ended December 31, 2017 are summarized below.

	(Unit : Thousand Baht)	
	Consolidated Financial Statements	Separate Financial Statements
Balance as at January 1, 2017	598,515	132,484
Add allowance inventories	4,452	4,452
Less Reversal of allowance of diminution in value of inventories	(49,469)	(6,299)
Transferred allowance inventories to non - other current assets	(84,407)	-
Balance as at December 31, 2017	469,091	130,637

In year 2016, the Company has hired many independent appraisers. The appraisal value appraised in real estate under development by analyzing market value and cost method and revealed that some real estate under development net book values are exceeding the appraisal value appraised. As at December 31, 2017 reversal of allowance of diminution in value of inventories amount of Baht 469.09 million in consolidated financial statements and amount of Baht 130.64 million in separate financial statements.

The AQ Estate Group have mortgaged certain land and structures thereon to secure loans as discussed in Note 21 and pledged at Court for litigation of the AQ Estate Group, of which net book values as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Loans from financial institution				
(Note 21)	265,316	563,855	-	188,000
Pledged at Court for litigation	6,892	6,892	6,892	6,892
Total	272,208	570,747	6,892	194,892

From the current situation of the Company as discussed in Note 1 the Company's credit facilities were suspended from various financial institutions. Hence, in April, 2016, the Company sold a project under development which had total cost of Baht 373 million to a non-related company amount of Baht 586 million (Consisted of selling price was Baht 444 million and advance for construction net of advance received from customer and others totaling Baht 142 million) for using as working capital of the AQ Estate group. The Company has transferred ownership to the buyer in June 2016, and the Company paid for commission expense to non - related company amount of Baht 25 million.

On April 28, 2016, and May 18, 2016, the Company has entered into the Commission Fee and the Sole Agency with a local non - related company to sell collateral land of the lawsuit as discussed in Note 1. The commission fee is 2.5% of the total agreed purchase price and the sole agent fee is 1.5% of the total agreed purchase price but not over than amount of Baht 150 million. Such company will receive the payment of those fees only when successfully sale of such land. However on June 16, 2016, this company changed the payment term of sole agent fee by asking the Company to make a payment on a monthly basis amount of Baht 1.50 million per month for 4 months since June to September 2016, totaling Baht 6.0 million. Total monthly sole agent fee is considered as a part of sole agent fee to be paid to such company.

On October 27, 2016, the company issued letter to one contractor to terminate one construction contract effective on November 1, 2016. As at September 30, 2016, the Company still had a commitment with respect to the construction contract of Baht 453.41 million. On November 16, 2016, the contractor asked for a pending advance payment of Baht 80,013,403.32 (balance as at September 30, 2016) which would be treated as payments for the following items.

1. Construction works in August 2016 amount of Baht 35,867,382.16
2. Construction works in September 2016 amount of Baht 29,763,708.64
3. Accumulated retentions until September 2016 amount of Baht 11,360,420.10
4. Additional works amount of Baht 3,052,667.74

The contractor provided the details of expenses including materials, dismantling expenses, and etc. amount of Baht 23.44 million, and claimed for loss compensation amount of Baht 70.42 million. Presently, the Company is in the process of works inspection and negotiates with the contractor.

However, based on the results of works inspection, the Company will pay for Clause 2 amount of Baht 28,986,169.66 only. The pending advance will be used for net offsetting with the items in Clause 1 and 2.

For the retention noted in Clause 3 amount of Baht 11,321,543.15, the Company has not yet considered this item.

And for the additional works noted in Clause 4 amount of Baht 3,052,667.74, the Company has assigned a working team to assess the actual value of such additional works.

In addition, the board of directors had a resolution to refund reservation fees to customers who want to terminate the reservation contracts of such project.

11. DEPOSITS FOR PURCHASES OF CONDOMINIUM UNITS AND LAND – NET

	(Unit : Thousand Baht)			
	Consolidated Financial		Separate Financial Statements	
	Statements			
	2017	2016	2017	2016
Deposits for purchases of condominium units	-	12,076	-	12,076
<u>Less</u> Allowance for doubtful account	-	(12,076)	-	(12,076)
Deposits for purchases of				
condominium units – net	-	-	-	-
Deposits for purchases of land	850,109	850,109	850,109	850,109
<u>Less</u> Allowance for doubtful account	(850,109)	(850,109)	(850,109)	(850,109)
Deposits for purchases of land – net	-	-	-	-
Total deposits for purchases of				
condominium units and land – net	-	-	-	-
Doubtful accounts in the period	12,076	-	12,076	-

During the year ended December 31, 2017, the Company received a refundable deposit of Baht 2 million and transferred ownership of the condominium units as a guarantee to repay the debt. The collateral has the condition that the debtor is entitled to repurchase within 12 months from the date that the debtor transfers ownership and now the company is in the process of recovering the rest.

12. ASSETS HELD FOR SALE

On September 22, 2014, a subsidiary company has entered into the sales agreement of land amount of Baht 30 million to a non-related company and has already received in full which was presented as “Advance deposit from customer” in the consolidated statement of financial position as at December 31, 2015. A subsidiary has transferred such land to such buyer on January 19, 2016.

13. RESTRICTED DEPOSITS WITH BANKS

As at December 30, 2017 and December 31, 2016, the AQ Estate Group had fixed deposits with certain banks that have been pledged as collaterals for letters of guarantee issued by the banks as presented in the consolidated financial statements amount of Baht 89.21 million and Baht 95.47 million, respectively. (The separate financial statements amount of Baht 51.01 million and Baht 57.27 million, respectively.)

14. INVESTMENTS IN SHARES OF SUBSIDIARIES - NET

Investments in subsidiaries as at December 31, 2017 and 2016 were as follows:

	Paid-up			(Unit : Thousand Baht)	
	Share	Percentage of		Separate Financial	
	Capital	Ownership		Statements	
	(Million	(%)		Cost Method	
	Baht)	2017	2016	2017	2016
Allied Technologies International Co., Ltd.	100	99.90	99.90	100,315	100,315
Thanont Property Co., Ltd.	25	99.80	99.80	23,612	23,612
AQ property management Co., Ltd.	1	99.93	99.93	1,000	1,000
AQ Marketing Services Co., Ltd.	1	99.94	99.94	1,000	1,000
AQ Village Co., Ltd.	1	99.94	99.94	999	999
Free Zone Asset Co., Ltd.	1	99.98	99.98	42,105	42,105
Aquarius Estate Co., Ltd.	54	99.99	99.99	480,998	480,998
Villa Nakarin Co.,Ltd.	270	99.99	99.99	170,232	170,232
Total				820,261	820,261
<u>Less</u> Allowance for impairment					
of investments				(820,261)	(820,261)
Net				-	-

During the year 2016, the Company recognized impairment loss of investment in Thanont Property Co., Ltd. Amount of Baht 23.61 million, Allied Technologies International Co., Ltd. Amount of Baht 88.03 million, Aquarius Estate Co., Ltd. Amount of Baht 198.69 million and Villa Nakarin Co.,Ltd. amount of Baht 170.23 million.

INVESTMENT IN SUBSIDIARY (AQUARIUS ESTATE CO., LTD.)

On July 12, 2013, the Company has acquired a business of Aquarius Estate Co., Ltd. which was unanimously approved by the Board of Directors' Meeting no. 7/2013 held on June 25, 2013, from former shareholder by 85 percent of the share capital of Aquarius Estate Co., Ltd. in value of Baht 400 million. The Company has paid the shares on July 11, 2013 at amount of Baht 54 million and the rest was paid on July 19, 2013 at amount of Baht 346 million. Aquarius Estate Co., Ltd. has invested in shares in Aquarius Hotel and Resort Co., Ltd. by 100 percent of the share capital in value of Baht 1 million. As at the acquisition date, net book value of assets net from liability of indirect subsidiary company is lower than investment amount of Baht 0.28 million.

On February 11, 2014 the Company obtained additional control of Aquarius Estate Co., Ltd. (Aquarius) a real estate trading company, by acquiring 15% of the shares and voting interests in the company at total amount of Baht 81.00 million. As a result, the Group's equity interest in Aquarius increased from 85% to 99.99%. The Company paid for the shares on February 12, 2014.

Taking control of Aquarius will enable the Group to have efficiency in management control.

INVESTMENT IN SUBSIDIARY (VILLA NAKARIN CO., LTD.)

The Board of Directors' meeting No. 9/2014 held on September 26, 2014, has approved the investment in Villa Nakarin Co., Ltd. amount of 2.70 million shares, with totaling approximately amount of Baht 170 million or price per share of Baht 62.96, from its former shareholders representing 99.99% of the total paid-up shares. Costs consisted of first payment at Baht 124.06 million and the compensation from operation result afterwards the Company agreed to pay the compensation to the seller at 80% of profit after deducting cost of goods sold, selling and administrative expenses as specified in the agreement. which shall be determined when the project is completed and sold or not more than 30 months commencing from the agreement date. Due to on March 31, 2017 (At present during under negotiation extend for a while.) The management of the Company has estimated such compensation to former shareholders of at amount of Baht 46.17 million. On October 1, 2014, the Company has already paid for the shares at amount of Baht 119.79 million and recorded liabilities at amount of Baht 50.44 million and registered the transfer of shares with the Ministry of Commerce on October 6, 2014.

The Company recorded acquisition of investment should be treated as an asset acquisition. The following summarizes the major classes of consideration transferred for such asset acquisition.

	(Unit : Thousand Baht)
Cash paid	119,786
Provision for indemnity guarantee	4,278
Estimate liabilities payable to former shareholders	46,168
Total Consideration transferred	170,232

The carrying amount of assets and liabilities that consideration transferred to the Company as at the assets acquisition date are as below;

	(Unit : Thousand Baht)		
	Net carrying amount as at acquisition date	Adjust valuation of purchasing price	Book value as at acquisition date
Assets			
Cash and cash equivalents	30,092	-	30,092
Other account receivables	23,102	-	23,102
Inventories	424,000	(61,477)	362,523
Other current assets	695	-	695
Assets held for sale	30,000	-	30,000
Restricted deposit with bank	4,697	-	4,697

Equipment	13	-	13
Total assets	512,599	(61,477)	451,122
Liabilities			
Trade account payables	72,760	-	72,760
Advances received from customers	30,000	-	30,000
Other current liabilities	6,250	-	6,250
Loans from financial institution	171,880	-	171,880
Total liabilities	280,890	-	280,890
Assets-net	231,709	(61,477)	170,232

15. INVESTMENT PROPERTY – NET

As at December 31, 2017 and 2016 consist of :

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2017	2016	2017	2016
Land and building - Krisada Doi	-	-	282,023	287,121
Leasehold right on warehouse - Bangkok Free Trade Zone				
Trade Zone	141,051	148,307	-	-
Total	141,051	148,307	282,023	287,121

The changes in net of carrying value of investment property, which presented as consolidated financial statement during the years 2017 and 2016 were as follows:

	(Unit : Thousand Baht)	
	Consolidated	
	Financial Statements	
Leasehold right in warehouse - Bangkok Free Trade Zone		
At Fair value		
As at January 1, 2016		263,822
Additions		163
(Decrease)		(7,256)
As at December 31, 2016		256,729
Additions		-
(Decrease)		(7,256)

As at December 31, 2017	249,473
Allowance for loss from fair value adjustment	
As at January 1, 2016	108,422
Loss from fair value adjustment for the year	-
As at December 31, 2016	108,422
Loss from fair value adjustment for the year	-
As at December 31, 2017	108,422
Net Book Value	
As at December 31, 2016	148,307
As at December 31, 2017	141,051

Investment property in the consolidated financial statements represented leasehold right on warehouse obtained from acquisition of Free Zone Asset Co., Ltd., As at December 31, 2017 and 2016 has fair value appraised value based on the report of an independent appraisal firm dated February 7, 2017 by using Income Approach method using discounted cash flow to be amount of Baht 152.00 million respectively, by General Valuation and Consultants Co., Ltd. an independent appraiser firm. The leasehold right has remaining period of 20.5 years

The changes in net of carrying value of investment property, which presented as Separated financial statement during the years 2017 and 2016 were as follows:

(Unit : Thousand Baht)					
Separate Financial Statements					
	Leasehold	Freehold	Land	Assets	
	right	land	improvement	under	Total
				installation	
Leasehold Right on Land					
in Project Krisada Doi					
At Fair value					
As at January 1, 2016	-	184,828	4,983	89,485	279,296
Additions	-	-	-	10,826	10,826
Transfer in (out)	-	-	100,311	(100,311)	-
As at December 31, 2016	-	184,828	105,294	-	290,122
Additions	-	-	-	877	877
Transfer in (out)	-	-	877	(877)	-
As at December 31, 2017	-	184,828	106,171	-	290,999
Accumulated Amortization					
As at January 1, 2016	-	-	1,124	-	1,124

Amortization charge for the year	-	-	1,877	-	1,877
Transfer out	-	-	-	-	-
As at December 31, 2016	-	-	3,001	-	3,001
Amortization charge for the year	-	-	5,975	-	5,975
Transfer out	-	-	-	-	-
As at December 31, 2017	-	-	8,976	-	8,976
Allowance for Impairment Loss					
As at January 1, 2016	-	-	-	-	-
Write-off	-	-	-	-	-
As at December 31, 2016 and 2017	-	-	-	-	-
Net Book Value					
As at December 31, 2016	-	184,828	102,293	-	287,121
As at December 31, 2017	-	184,828	97,195	-	282,023

16. PROPERTY, PLANT AND EQUIPMENT – NET

(Unit : Thousand Baht)

	Consolidated Financial Statements					Total
	Land	Buildings and building improvements	Sport club and others	Furniture, fixtures and office equipment and vehicles	Asset under installation	
Cost						
As at January 1, 2016	327,182	476,132	27,377	153,921	260,920	1,245,532
Additions	-	8,519	-	18,202	230,892	257,613
Transfer in (out)	(32,077)	278,405	-	44,321	(331,690)	(41,041)
Disposals	-	(7,182)	-	(3,121)	-	(10,303)
As at December 31, 2016	295,105	755,874	27,377	213,323	160,122	1,451,801

Additions	-	3,910	-	2,750	66,333	72,993
Transfer in (out)	-	2,834	-	647	(3,920)	(439)
Disposals	-	(3,553)	-	(114)	-	(3,667)
As at December 31, 2017	<u>295,105</u>	<u>759,065</u>	<u>27,377</u>	<u>216,606</u>	<u>222,535</u>	<u>1,520,688</u>
Accumulated Depreciation						
As at January 1, 2016	-	139,313	13,552	99,469	-	252,334
Depreciation charge for the						
year	-	22,552	1,083	23,116	-	46,751
Transfer in (out)	-	19	-	(19)	-	-
Disposals	-	(2,410)	-	(2,698)	-	(5,108)
As at December 31, 2016	<u>-</u>	<u>159,474</u>	<u>14,635</u>	<u>119,868</u>	<u>-</u>	<u>293,977</u>
Depreciation charge for the						
year	-	32,813	1,080	29,667	-	63,560
Transfer in (out)	-	-	-	-	-	-
Disposals	-	(70)	-	(55)	-	(125)
As at December 31, 2017	<u>-</u>	<u>192,217</u>	<u>15,715</u>	<u>149,480</u>	<u>-</u>	<u>357,412</u>

(Unit : Thousand Baht)

Consolidated Financial Statements

		Buildings and	Sport club	Furniture, fixtures and office equipment and vehicles	Asset under installation	Total
	Land	building improvements	and others			
Allowance for Impairment						
As at December 31, 2016	-	78,700	-	3,953	-	82,653
(Reversal of) impairment loss						
during the year	-	-	-	(634)	3,302	2,668
As at December 31, 2017	<u>-</u>	<u>78,700</u>	<u>-</u>	<u>3,319</u>	<u>3,302</u>	<u>85,321</u>

Net Book Value

Owned assets	295,105	517,700	12,742	75,882	160,122	1,061,551
Assets under finance lease	-	-	-	13,620	-	13,620
As at December 31, 2016	295,105	517,700	12,742	89,502	160,122	1,075,171
Owned assets	295,105	488,148	11,662	54,686	219,233	1,068,834
Assets under finance lease	-	-	-	9,121	-	9,121
As at December 31, 2017	295,105	488,148	11,662	63,807	219,233	1,077,955

(Unit : Thousand Baht)

Separated Financial Statements

	Land	Buildings and building improvements	Sport club and others	Furniture, fixtures and office equipment and vehicles	Asset under installation	Total
Cost						
As at January 1, 2016	6,754	72,665	27,056	60,453	-	166,928
Additions	-	1,811	-	1,120	-	2,931
Disposals	-	(7,182)	-	(1,065)	-	(8,247)
As at December 31, 2016	6,754	67,294	27,056	60,508	-	161,612
Additions	-	-	-	182	-	182
Disposals	-	-	-	(58)	-	(58)
As at December 31, 2017	6,754	67,294	27,056	60,632	-	161,736
Accumulated Depreciation						
As at January 1, 2016	-	56,932	13,428	44,509	-	114,869
Depreciation charge for the year	-	2,263	1,019	4,520	-	7,802
Disposals	-	(2,410)	-	(924)	-	(3,334)
As at December 31, 2016	-	56,785	14,447	48,105	-	119,337
Depreciation charge for the year	-	1,270	1,016	4,509	-	6,795
Disposals	-	-	-	(47)	-	(47)
As at December 31, 2017	-	58,055	15,463	52,567	-	126,085
Net Book Value						
Owned assets	6,754	10,509	12,609	8,865	-	38,737

Assets under finance lease	-	-	-	3,538	-	3,538
As at December 31, 2016	<u>6,754</u>	<u>10,509</u>	<u>12,609</u>	<u>12,403</u>	<u>-</u>	<u>42,275</u>
Owned assets	6,754	9,239	11,593	5,817	-	33,403
Assets under finance lease	-	-	-	2,248	-	2,248
As at December 31, 2017	<u>6,754</u>	<u>9,239</u>	<u>11,593</u>	<u>8,065</u>	<u>-</u>	<u>35,651</u>

As at December 31, 2017 and 2016, certain building and equipment items of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amount to Baht 97.61 million and Baht 97.06 million, respectively. (The AQ Estate Group: Baht 119.90 million and Baht 114.30 million, respectively).

17. LEASEHOLD RIGHTS - NET

The change in net carrying value of leasehold rights for in consolidated financial statements the each of years ended December 31, 2017 and 2016 were as follows:

	(Unit : Thousand Baht)
	Consolidated Financial Statements
Cost	
As at January 1, 2016	288,242
Additions	10,000
As at December 31, 2016	<u>298,242</u>
Additions	-
As at December 31, 2017	<u>298,242</u>
Accumulated Amortization	
As at January 1, 2016	27,867
Amortization charge for the year	7,425
As at December 31, 2016	<u>35,292</u>
Amortization charge for the year	7,424
As at December 31, 2017	<u>42,716</u>
Allowance on Impairment	
As at December 31, 2016	143,730
Impairment loss during the year	10,000
As at December 31, 2017	<u>153,730</u>

Net Book Value

As at December 31, 2016	119,220
As at December 31, 2017	101,796

As at December 31, 2017 and 2016, leasehold rights consisted of:

	(Unit : Thousand Baht)	
	Consolidated Financial Statements	
	2017	2016
Leasehold rights of land		
A) Leasehold right of land in Koh Larn, Chonburi	74,179	87,439
B) Leasehold right of land in project the Malibu Beach Resort - Koh Samui	19,260	23,112
C) Leasehold right of land in project Shasa Retreat Hotel (Note 16)	8,357	8,669
Total	101,796	119,220

The indirect subsidiary company holds leasehold right of land approximately 81 Rais in Koh Larn, Chonburi for resort business for the remaining period 27 years at book value of Baht 248 million. Based on the appraisal report of independent appraiser in July 2013, the appraised value of leasehold right is Baht 275 million. Using, the income approach method. This method is calculated basing on the discounted cash flow of the revenues for the period of leasehold right with additional investment cost to develop as resorts which no revenue generated in the 1st and 2nd years (as the project is under resort construction). On May 4, 2016, The Company entered into the contract with non-related party to transfer a leasehold right of beach front amounting to Baht 10 million. The hold management contract requires the company to provide beach front area for hotel customer. Then the company complied to the contract. At the present is in transferring process. On February 5, 2015. The Company entered into Letter of intent with a foreign company for entering into a hotel management agreement.

However on March 24, 2016, such foreign company postponed to enter into a hotel management agreement until the Stock of Exchange of Thailand lifts its suspension of trading of the Company's shares. This matter caused the project has been suspended. On September 22, 2016 then refunded deposit payment of us 60,000 dollars USA. The Indirect subsidiary recorded loss on deposit of Baht 2.04 million. In March 2017, the Company has engaged an independent appraiser to re-appraised the leasehold right, using Income Approach on Profit Rent Method determined by renting such leasehold right at the market rental rate, discounted to present value to be Baht 79.40 million. Such appraisal was based on the assumptions that the Company's the credit facilities were suspended from various financial institutions and there were material uncertainties about the Company's ability to continue to develop the project as planned as discussed in Note 1(A). The market information of comparative land was not have

the same area as the Company and there was no historical rental rate to compare. The discounted rate was determined at 12% referred to return from investment in government bond terms 23.3 years plus risk premium in investment in assets. The AQ Estate Group recognized the impairment loss on such leasehold right in the consolidated statement of comprehensive income for as at December 30, 2017 amounting to Baht 153.73 million.

On July 3, 2015, a subsidiary company entered into transferring leasehold right on land and structure thereon with a non-related person for hotel business for period of 7 years and 6 months at amount of Baht 28.90 million as discussed in Note 31.

18. INTANGIBLE ASSETS - NET

	(Unit : Thousand Baht)			
	Consolidated Financial			
	Software licences	Franchise contract	Assets under installation	Total
Cost				
As at January 1, 2016	7,277	1,000	618	8,895
Additions	330	-	-	330
As at December 31, 2016	7,607	1,000	618	9,225
Additions	83	-	-	83
Transfer in (out)	-	-	(618)	(618)
As at December 31, 2017	7,690	1,000	-	8,690
Accumulated Amortization				
As at January 1, 2016	1,482	53	-	1,535
Amortization charge for the year	1,489	206	-	1,695
As at December 31, 2016	2,971	259	-	3,230
Amortization charge for the year	1,494	195	-	1,689
As at December 31, 2017	4,465	454	-	4,919
Allowance				
As at December 31, 2016	-	-	-	-
As at December 31, 2017	-	546	-	546
Net Book Value				
As at December 31, 2016	4,636	741	618	5,995
As at December 31, 2017	3,225	-	-	3,225

(Unit : Thousand Baht)			
	Separate Financial Statements		
	Assets under		Total
	Software licences	installation	
Cost			
As at January 1, 2016	4,601	-	4,601
Additions	-	-	-
As at December 31, 2016	4,601	-	4,601
Additions	-	-	-
As at December 31, 2017	4,601	-	4,601
Accumulated Amortization			
As at January 1, 2016 and as at December 31, 2016	1,817	-	1,817
Amortization charge for the year	920	-	920
As at December 31, 2017	2,737	-	2,737
Net Book Value			
As at December 31, 2016	2,784	-	2,784
As at December 31, 2017	1,864	-	1,864

On September 25, 2015, the subsidiary company has entered into the development agreement with Pizza 31 Co., Ltd. which will grant the subsidiary company the exclusive development right and operating right to carry on the trademark "Pepina" business in Koh-Samui, Surathani Province, Thailand. In consideration thereof, the Company will be charged the following:

- The development right in a sum of Baht 1 million plus value added tax. The subsidiary company already paid the development fee to Pizza 31 Co., Ltd. in 2015.
- The outlet opening right fee in a sum equivalent to Baht 600,000 per outlet and such outlet is available to opening only in Koh-Samui.
- The service fee for each monthly accounting period in a sum amount equivalent to 6% of the gross network revenue.

The term of development right shall be effective for 5 years starting on September 25, 2015. The term of operating right, in respect of each outlet, is for a period of 5 years from the date of such outlet is approved to operate by Pizza 31 Co., Ltd. Such development and operating rights can be automatically extended

for subsequent periods of 5 years each if the Company gives the written notice of such desire to Pizza 31 Co., Ltd. no less than 6 months prior to the expiry date. Present, cancel call.

19. DEFERRED INCOME TAX ASSETS AND LIABILITY

Income tax income (expenses) for each of the years ended December 31, 2017 and 2016 consisted of:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2017	2016	2017	2016
Income tax expense - current tax	-	-	-	-
Tax effects from deferred income tax of temporary differences				
- Loss carry forward	(7,846)	3,146	-	-
- Unrealized gain on revaluation of short-term investment	-	125	-	-
- Estimate compensate for housing estate juristic	(20)	73	-	-
- Employee benefit retirement obligation	(6)	-	-	-
- Property, plant and equipment	204	266	-	-
Income tax income (expense)	(7,668)	3,610	-	-

Reconciliations between income tax income (expense) and accounting loss multiplied by the applicable tax rate for each of the years ended December 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial		Separated Financial Statements	
	2017	2016	2017	2016
Accounting loss before tax	(157,038)	(3,748,119)	(256,607)	(3,936,605)
Income tax rate at 20%	31,408	749,624	51,321	787,321
Add (less) : Tax effect of exempted income and non-deductible expenses	(85,365)	(52,365)	(55,386)	(62,943)

Unrecognition of deferred income tax

assets	46,289	(693,649)	4,065	(724,378)
Income tax income (expense)	(7,668)	3,610	-	-

The details of deferred income tax assets and liability as at December 31, 2017 and 2016 are as follows:

(Unit : Thousand Baht)

Consolidated Financial Statements				
(Charged) / Credited to				
Other comprehensive income				
December 31, 2016	Loss for the year	income for the year	December 31, 2017	
Deferred income tax assets				
- Loss carry forward	7,846	(7,846)	-	-
- Provision for litigation	373	(20)	-	353
- Employee benefit retirement obligation	6	(6)	-	-
Total	8,225	(7,872)	-	353
Deferred income tax liability				
- Property, plant and equipment	(2,853)	204	-	(2,649)

Unrecognized Deferred Income Tax Assets

As at December 31, 2017 and 2016, the AQ Estate Group did not recognize deferred income tax assets for a temporary difference item, use tax deducton. and certain temporary differences totaling Baht 1,719.23 million and Baht 1,766.12 million, respectively (for the separate amount of Baht 1,634.52 million and Baht 1,638.59 million, respectively) since it is not probable that future taxable profit will be available against which the AQ Estate Group and the Company can utilize the benefit therefore.

20. PROVISION FOR LITIGATION

On December 17, 2009, the Court of First Instance passed a verdict ordering the Company to compensate for the claim amount together with interest of approximately as at December 31, 2016 amount of Baht 26.07 million for breaching of the sale and purchase land and land development contract and the house building contract. (included interest that calculated up to December 31, 2016 was Baht 15.60 million). On March 1, 2012 the Appeal Court made a verdict as the Court of First Instance. On

August 4, 2017, the company has compromised with the law enforcement department and paid damages of Baht 7 million. As of December 31, 2017, the Company recorded the reversal of provision for litigation under "Other income" in the statement of comprehensive income with Baht 19.46 million (Baht 26.46 million offset by expenses Baht 7 million).

As discussed in Note 1, on November 16, 2015, the Board approved the management of the Company estimated compensation on such damage and recorded in the consolidated and separate statements of comprehensive income for the year ended December 31, 2015 at amount of Baht 1,630.50 million (net of the collateral value). As the actual compensation will substantially depend on the Company's ability to sell such collateral land at the estimated price. During of 2016 the company recorded additional permutation of Baht 3,056.20 million per selling this pledged land. During of quarter 3, 2017 the company recorded additional preutation of Baht 3.13 million per selling this pledaed land. The Company paid damages to Krung Thai Bank amounting to Baht 1,635.74 million.

21. LOANS CONSIDERED AS DEFAULT, LIABILITIES UNDER DEBT RESTRUCTURING AND LONG - TERM LOANS - NET

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial statements	
	2017	2016	2017	2016
<u>Liabilities under debt restructuring agreements</u>	1,012	992	1,012	992
<u>Less</u> Current portion of liabilities under debt restructuring agreements	(1,012)	(992)	(1,012)	(992)
Long - term liabilities under debt restructuring agreements - net	-	-	-	-
<u>Long - term loans</u>	62,197	189,358	-	30,000
<u>Less</u> Amortization of deferred loan arrangement fee	-	(3,282)	-	(3,282)
	62,197	186,076	-	26,718
<u>Less</u> Loans considered as default	-	(26,718)	-	(26,718)
Current portion of long - term loans	(62,197)	(119,358)	-	-
Net	-	40,000	-	-

Movements in the loans considered as default, liabilities under debt restructuring and long - term loans for the year ended December 31, 2017 are summarized below:

	(Unit : Thousand Baht)	
	Consolidated	Separate
	Financial	Financial
	Statements	Statements
Balance as at January 1, 2017	187,068	27,710
Increase	12,480	3,302
Decrease (Repayment)	(136,339)	(30,000)
Balance as at December 31, 2017	63,209	1,012

As at December 31, 2017 and 2016, the AQ Estate Group's credit facilities bear interest at the rates ranging between MLR+0.25%% to MLR+0.5% per annum, respectively.

22. LIABILITIES UNDER FINANCE LEASE CONTRACTS - NET

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial statements	
	2017	2016	2017	2016
Liabilities under finance lease contracts	4,246	7,969	789	1,842
<u>Less</u> Deferred interest	(154)	(418)	(13)	(69)
	4,092	7,551	776	1,773
<u>Less</u> Current portion of liabilities				
under finance lease	(2,615)	(3,414)	776	(997)
Net	1,477	4,137	-	776

The Company has entered into various finance lease contracts with two local companies for purchasing of certain assets as discussed in Note 16. These contracts are repayable in 48 equal monthly installments.

23. PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial statements	
	2017	2016	2017	2016
Provision for employee retirement benefit as at January 1,	3,716	4,077	3,474	3,508
Current service costs	492	208	435	147
Interest expense	94	80	86	68
Reversal of provision during the year	(30)	-	-	-
Actuarial (gain) loss	-	3,110	-	3,510
Payment of employee benefits	(2,414)	(3,759)	(2,414)	(3,759)
Provision for employee retirement benefit	1,858	3,716	1,581	3,474

Expenses recognized in the loss for each of the years ended December 31, 2017 and 2016 and as follows;

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial statements	
	2017	2016	2017	2016
Current service costs	492	208	435	147
Interest expense	94	80	86	68
Reversal of provision during the year	(30)	-	-	-
Total	556	288	521	215

Actuarial assumptions for each of the years ended December 31, 2017 and 2016 are as follows;

	Consolidated Financial Statements	Separate Financial Statements
Discount rate	2.20 - 3.40%	2.20%
Future salary increase rate	6.25%	6.25%
Employee turnover rate	25 - 67%	25 - 67%
Mortality rate	Thai Mortality Table Year 2008	Thai Mortality Table Year 2008

24. SHARE CAPITAL, DISCOUNT ON COMMON SHARE AND STOCK WARRANTS

24.1 Authorized share capital, Issued and paid - up share capital

- 1.1 According to the resolution of General Meeting of shareholders for year 2014 of the Company on April 24, 2014 approved a decreased in capital by reducing the par value of Baht 20 per share to Baht 0.50 per share to reduce the discount of share capital and the accumulated deficit and approve the amendment of the Memorandum of Association to comply with the decreasing of registered capital and register with the Department of Business Development, Ministry of Commerce of March 3, 2015.
- 1.2 The Annual General Meeting of Shareholders for the year 2015 held on April 20, 2015, the meeting resolved the resolution to
 - a) Decreased the authorized capital from Baht 8,160.22 million (16,320.44 million shares, at Baht 0.50 per share) to be Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share).
 - b) Increased the authorized capital amount of Baht 3,549.63 million from Baht 8,109.55 million (16,219.10 million shares, at Baht 0.50 per share) to be Baht 11,659.18 million (23,318.36 million shares, at Baht 0.50 per share) by issuing new ordinary shares totaling 7,099.26 million shares, at Baht 0.50 per share.
 - c) To allocate newly issued ordinary shares as following:
 - ☐ General Mandate amount not exceed 3,000 million shares, Baht 0.50 par value for offering to the existing shareholders in the proportion.
 - ☐ Total amount not exceed 99.26 million shares, Baht 0.50 par value for reserve to adjust the additional right as warrant that will purchase (AQ-W2 total 25.77 million shares and AQ-W3 total 73.48 million shares).
 - ☐ Total amount not exceed 4,000 million shares, Baht 0.50 par value both full amount or any part in the same time or different time to private placement investors and/or institutional investors of private placement in the offering price not less than 90 % of market price but the offering price not less than Baht 0.50 per share In addition, the Board of Directors or the people who is assigned by the Board of Directors are able to consider the allocation of newly issues common shares as mentioned above.
- 1.3 On July 15, 2015, the Company registered the change in paid-up capital to increase from the original amount of 8,614 shares, which made paid-up capital to be Baht 6,336,985,976.50, (divided into ordinary shares 12,673,971,953 shares at Baht 0.50 par value).
- 1.4 On June 6, 2016, the Company registered the change in paid-up capital to increase from the original amount of 711,582 shares, which made paid-up capital to be Baht 6,337,341,767.50, (divided into ordinary shares 12,674,683,535 shares, at the par value of Baht 0.50).

1.5 The company holds the Extra General Meeting of shareholders No. 1/2017 on June 30, 2017 as following :

1. Approve by decreasing the unsold and unpaid of the registered capital of Baht 5,321,839,806.50, divided into 10,643,679,613 ordinary shares, Baht 0.50.
2. Approve the amendment of the company's memorandum of association in item 4 regarding the registered capital to comply with the capital reduction in accordance with agenda 1. The details are as follows. Item 4 Registered Capital Baht 6,337,341,767.50, Divided into Baht 12,674,683,535 shares par value Baht 0.50 per shares Divided into 12,674,683,535 ordinary shares ,Preference Shares -None-
3. The capital increase-option 2, in case of the company increases the capital to private placement prior to the capital increase for right offering. The details are as follows:
 - ☐ Approve the capital increase in the amount of Baht 140,668,670,884 by issuance of newly issued ordinary shares of 281,337,341,768 shares at the par value of Baht 0.50. After the capital increase, the Company will have the registered capital of Baht 147,006,012,651.50 comprised of ordinary shares in total of 294,012,025,303 shares at par value of Baht 0.50.
 - ☐ Approved to amend the memorandum of association in item 4: Item Registered Capital, to comply with the increase of the registered share capital by cancelation of the previous sentences and use these new sentences as following: Item 4 Registered Capital Baht 147,006,012,651.50 Comprised of 294,012,025,303 shares par value Baht 0.50 Comprised of: Ordinary Shares 294,012,025,303 shares Preferred shares -None-
 - ☐ Approved to consider the issuance and offering the warrants to purchase ordinary shares of AQ Estate Plc.no. 4 (AQ-W4) for not exceeding 56,337,341,768 unit.
 - ☐ Approved to consider the allotment of newly issued ordinary shares of the Company of 281,337,341,768 shares at par value of Baht 0.50 per share in the following order:
 1. Allotment of newly issued ordinary shares of 100,000,000,000 shares, Baht 0.50 par value for private placement by empowerment the Board of Directors or the person assigned by the Board of Directors to determine offering price and number of allocated shares for one year. However, the offering price must be (1) the price calculated by weighted average in the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price with the price discount of not more than 10%. At present, the company has no reference price because in the period of trading suspension (SP). Therefore, the company must have to find next price. (2) The

company conducts a price determination through a process that allows institutional investors to express their wish to acquire newly issuance shares at book building price. At the date of the Board of Directors approved the share allotment and pricing, the company will take book building price to consider in the allocation. In case of the price according to (1) and book building according to (2) does not reflect the true value of shares, the company will use the appraised value by the Financial Advisor Company for consideration. The company will employ S14 Advisory Company Limited, the financial advisor in the list of the SEC. to appraise preliminary information for shareholders acknowledge and the appraised value is Baht 0.05.

2. Allotment of newly issued ordinary shares of not exceeding 56,337,341,768 shares at par value of Baht 0.50 per share to reserve for the exercise of warrants to subscribe the ordinary shares of AQ Estate Plc. no. 4 (AQ-W4).
3. Allotment of newly issued ordinary shares of not exceeding 125,000,000,000 shares, Baht 0.50 par value for existing shareholders in proportion to each existing shareholding.
4. Allotment of remaining newly issued ordinary shares from the existing shareholders in (3) and remaining newly issued ordinary shares for private placement in (1) to the existing shareholders as right offering again and empowerment the Board of Directors or the person assigned by the Board of Directors to determine all related details such as the ratio of allotment, the offering price, the subscription period, the Record date, and etc. which details and conditions will be informed to the shareholders in advance. However, the offering price for the right offering, specified by the Board of Directors or the person assigned by the Board of Directors will not exceed the offering price for private placement in 1 and not exceed the offering price for right offering in 3

- 1.6 Board of Directors' meeting no. 10/2017 on July 11, 2017, Approved for the allotment of newly issued ordinary shares for private placement no. 1 "(No.1)" and Board of Directors' meeting no. 11/2017 on July 14, 2017, Approved for the allotment of newly issued ordinary shares for private placement no. 2 "(No.2)" as detail shown below:

Reference is made to the approval from the Extraordinary General Meeting of Shareholders no. 1/2017 on June 30, 2017 for the allotment and offering of the newly issued ordinary shares of the Company for the amount of 100,000,000,000 shares for private placement. The Shareholders' meeting empowered the board of directors of the Company to determine the offering price at the market price. However, due to :

- (1) The market price calculated from the weighted average of share price of not less than the past consecutive 7 working days but not more than 15 consecutive working days prior to the date to determine the offering price as specified in item 8(1) of The Notification of the Capital Market Supervisory Board no. Tor Jor 72/2558, Re: Approval for the Listed Company to offer new shares to specific investors ("The Notification - Tor Jor 72/2558"), does not reflect the true value of shares of the Company because the shares of the Company has been suspended from trading in the Stock Exchange of Thailand; and
- (2) The offering price cannot be determined by the opened process to the institutional investors who intend to subscribe for the newly issued shares at the preferred price level (book building) processed by the securities company as specified in item 8(2) of The Notification - Tor Jor 72/2558 because of no proposed bidding price from the institutional investors to purchase newly issued shares of the Company. Therefore, the fair value is appraised by S14 Advisory Co., the financial advisor approved in the list of the SEC consideration which appraised from the latest financial Statement on December 31, 2016, on July 11, 2017 equal to Baht 0.04 and it can be regard as substitution of market price equal to Baht 0.04.

In accordance with the Notification of the SET, Re: Listing of ordinary shares or preferred shares as listed securities, B.E. 2558 (2015), the Company shall disclose the weight average share price of 7-15 consecutive business days prior to the first date of subscription payment of investors or the fair value of share price as appraised by the financial advisor approved in the list of the SEC in case that the shares are not traded in the SET. Therefore, the Company shall use the fair value from the report of the financial advisor, S14 Advisory Co., Ltd., appraised on July 11, 2017 using the same criteria as the report dated May 31, 2017. The latest report, the financial advisor adjusted the appraisal to reflect the current situation based on the financial statement as at December 31, 2016, the updated financial statement, and the appraised share price is Baht 0.04 per share.

Thus, the Board of Directors determined the offering price at Baht 0.05 per share which is higher than the fair price as appraised by S14 Advisory Company Limited, the financial advisor approved in the list of the Securities and Exchange Commission (the "SEC") instead of the offering price in (1) and (2) mentioned above and according to item 8 second paragraph of The Notification - Tor Jor 72/2558.

The share offering price of newly issued ordinary shares for private placement at Baht 0.05 per share when compared to the fair value at Baht 0.04 per share is not considered as the offering price lower than 90 percent of the market price according to the Rules, Conditions

and Procedures Governing the Listing of Ordinary or Preferred Shares Issued for Capital Increase B.E. 2558 (2015). Therefore, the mentioned newly issued ordinary shares are not subjected to the silence period.

In addition, the Board of Directors has the guideline to determine the specific investors by considering the investors who submitted the letter of intent to subscribe the newly issued ordinary shares for the allotment to private placement which has the large number of shares and for the Company to raise sufficient fund from capital increase and the detail is as following:

- 1.) The offering price for the specific investors is Baht 0.05 per share and is considered as the allotment at price instead of market price in accordance with the Notification - Tor Jor 72/2558 which is the fair price as appraised by the financial advisor approved in the list of the SEC because the shares of the Company has been suspended from trading in the SET since November 16, 2015, and there has no bidding from the institutional investors from book building processed by Country Group Securities Plc. as appointed by the company to manage and process for book building to the institutional investors. Therefore, the fair price, appraised by the financial advisor approved in the list of the SEC, is considered as the price instead of market price. The allotment at the offering price of Baht 0.05 per share is considered as the allotment at the market price according to the resolution from the Extraordinary General Meeting of Shareholders no. 1/2017.

Effect to shareholders (Dilution Effect) (No.1):

Effects from the allotment for private placement when the investors subscribe for the newly issued ordinary shares of 34,140,000,000 shares are:

No. of existing shares :	12,674,683,535 shares
Allotment shares :	34,140,000,000 shares
Total shares :	46,814,683,535 shares

Effect to shareholders (Dilution Effect) (No.2):

Effects from the allotment for private placement when the investors subscribe for the newly issued ordinary shares of 38,500,000,000 shares are:

No. of existing shares :	46,814,683,535 shares
Allotment shares :	38,500,000,000 shares
Total shares :	85,314,683,535 shares

The offering price for private placement is Baht 0.05 which is the appraised fair price from S14 Advisory Co., Ltd., the financial advisor approved in the list of the SEC appraisal on May 31, 2017, using the Financial Statement on September 30, 2016, (prior to market price of capital increase equal to Baht 0.05), the price dilution is 0% and the control dilution is 72.933%. The reason of no price dilution to the existing shareholders is that

the weighted average of share price in the SET of the past 7-15 consecutive business days prior to the date to determine the offering price, cannot be determined because the shares of the Company has been suspended from trading (SP). At present, the Company used the price of Baht 0.05 which is the substation of market price to provide the current valuation information on July 11, 2017 appraised price from S14 Advisory Co., Ltd., using the latest Financial Statement on 31 December, 2016 and appraised at Baht 0.04. The Board of Directors approved the price allotment of Baht 0.05 which is higher than the latest fair price.

- 2.) The Company is required to raise fund for the debt payment and for the future operation and development which needs large amount of fund. Therefore, when receipt the intention for capital from 15 investors, the Company approved for shares offering to those investors.
- 3.) Detail and schedule for use of fund :
 - 3.1) The company will raise capital increase in amount of Baht 3,632 million (PP#1 of Baht 1,707 million and PP#2 Baht 1,925 million) to negotiate with Krung Thai Bank for damages according to the Supreme Court's judicial order.
 - 3.2) For development of projects of the Company.

Detail and schedule for use of fund from capital increase for Private Placement (PP)

Period	Detail	Amount (million Baht)
2017	Payment for damages from judicial order	10,004.47
2017	Development of Estes Rattanathibet project	976.90
2017	Development of Chonburi – Bypass project	457.37
2017	Development of AQ Welle	81.93
2017	Development of AQ ARBOR	397.79
2017	Development of AQ ALIX	303.89
2017	Purchase of the collateralized land	1,500.00
2018 - 2019	Investment in new projects	1,500.00
2018 - 2019	Working capital	500.00
		<hr/> 15,722.35 <hr/>

- 4.) For the offering price for private placement, the Board of Directors considered and approved the offering price at Baht 0.05 from the fair price appraised by S14 Advisory Company Limited on May 31, 2017. The number of shares offered for sale No. 1 34,140,000,000 shares in the amount of Baht 1,707,000,000 and payment within July 14,

2017. And the number of shares offered for sale No.2 38,500,000,000 shares in the amount of Baht 1,925,000,000 and payment within July 19, 2017. The offering price is fair value, higher than the latest fair price which appraised price from S14 Advisory Co., Ltd., on July 11, 2017, at Baht 0.04, using the latest financial statements published to investors.

5.) Terms, conditions or other agreement with investors:

The company allotted shares to the investors without any terms, conditions or other agreement.

6.) From the issuance and allotment for private placement of 100,000 million shares, the Company allotted No.1 34,140 million shares for this time and the remaining un-allotment is 65,860 million shares and allotted No.2 38,500 million shares for this time and the remaining un- allotment is 27,360 million shares allotted No. 1 and No. 2 Total 72,640,000,000 shares are as listed securities on July 17, 2017.

The Company paid the commission fee for issuing the increase share capital to 4 non – related companies totaling Baht 62.61 million.

On October 6, 2017 the Board of Director meeting of company No.14/2017 had approved the canceled the allocation of 27,360,000,000 new ordinary shares to private placement the allotment to shareholders and has resolved to determine the names of shareholders who will be entitled to allotment of warrants No.4 (AQ-W4) on Tuesday, October 24, 2017.

Movements share capital during for the year ended December 31, 2017 of share capital was as follows:

		Consolidated Financial Statements/ Separate Financial Statements	
	Par value	2017	
	Per share	Number of share	Amount
	Baht	(Thousand share)	(Thousand Baht)
Authorized share capital			
As at January 1	0.50	23,318,363	11,659,182
Increase in common shares	0.50	281,337,342	140,668,671
Capital reduction	0.50	(10,643,680)	(5,321,840)
As at December 31	0.50	294,012,025	147,006,013
Issued and paid - up share capital			
As at January 1	0.50	12,674,683	6,337,341

Increase in common shares	0.50	72,640,000	36,320,000
Capital reduction	0.50	-	-
As at December 31	0.50	85,314,683	42,657,341

24.2 Warrants

2.1 Warrants of the Company 1,030,912,398 units, total number of warrants (AQ-W2) issued by the Company is 1,030,899,500 units on June 20, 2012. The warrants were registered as listed securities in the stock exchange of Thailand ("SET") on July 16, 2012. The warrants are in registered form and transferable. The terms of the warrants is not exceed to three years from the date of issuing the warrants No.2 (June 20, 2012) and warrants can be exercised in every three-month which will be on last working day of March, June, September and December of each year, the first exercise date will be September 28, 2012 and the last exercise date will be June 19, 2015.

On September 16, 2014, the Company amended of the exercise price of warrant (AQ-W2). Because of the change in par value of common share Baht 10 to Baht 20.

- ☐ Old ratio: The warrant No. 2 (AQ-W2) 1 Unit has the right to purchase 1 common share (1:1:1) exercise price 1 Baht per 1 common share.
- ☐ New Ratio: The warrant No. 2 (AQ-W2) 1 Unit has the right to purchase 0.918 common share (1:0.918:1) exercise price Baht 1.090 per 1 common share.

2.2 Warrants of the Company 2,624,626,283 units, total number of warrants (AQ-W3) issued by the Company is 2,624,546,758 units on May 20, 2013. The warrants were registered as listed securities in SET on June 24, 2013. The warrants are in registered form and transferable. The term of the warrants is equal to three years and warrants have no exercise price. The warrants can be exercised in every one year which will be on last working day of December of each year, the first exercise date will be December 30, 2013 and the last exercise date will be May 19, 2016.

Warrants of the Company 2,624,626,283 units, warrants shall be offered to the existing shareholders and existing shareholders who subscribe for as follows:

- ☐ The rights of existing shareholders in the ratio of 10 shares per 1 unit of warrant (AQ-W3) total 211,176,828 units, with free of charge. The one unit of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.
- ☐ The right of existing shareholders who subscribe to newly issued shares in the ratio of 7 new shares to 4 warrants total of 2,413,449,455 units, with free of charge. The one unit

of warrant is exercisable to purchase one share of common stock at a par value of Baht 0.60.

- ☐ New Ratio: 1 Unit has the right to purchase 1.028 common share (1:1.028:1) exercise price Baht 0.584 per 1 common share.

2.3 Warrants (AQ-W2) have number of warrant holder's application 1 person, number of exercised warrants 9,384 units, the remaining warrants have not been exercised were 1,030,890,116 units, number of share derived from this exercise 8,614 shares, number of remaining share reserved for warrants 946,286,216 shares. The warrants (AQ-W2) that have not exercised in full amount as above will be terminated on June 20, 2015 from the registered securities.

2.4 Warrants (AQ-W3) have number of warrant holder's application 27 persons, number of exercised warrants 692,209 units, the remaining warrants not yet been exercised were 2,697,322,486 units, number of share derived from this exercise 711,582 shares, number of remaining share reserved for warrants 2,697,393,397 shares. The warrants (AQ-W3) that have not exercised in full amount as above will be terminated on May 20, 2016 from the registered securities.

25. OTHER INCOME

	(Unit : Thousand Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Gain on sales of short - term investments				
for trading	2,551	3,597	2,138	21
Unrealized gain(loss) of short - term investments	509	(32)	-	(32)
Rental income	5,588	5,755	15,603	10,971
Revenue from sale of merchandises				
in convenient store	12,403	406	-	284
Profit from the sale of project	-	13,010	-	-
Reversal of allowance for land deposit	12,076	-	12,076	-
Revenue from provision for litigation	19,464	-	19,464	-
Others	16,739	41,191	3,198	29,061
Total	69,330	63,927	52,479	40,305

26. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Financial		Separate Financial statements	
	Statements			
	2017	2016	2017	2016
Change in costs of property				
development	290,782	395,485	83,632	390,431
Subcontractor wages	133,868	959,545	22,538	280,501
Advertisement and sales expenses	49,972	142,780	22,193	94,634
Salary and other benefits of staffs	157,524	153,382	71,890	69,725
Premises and equipment expenses	42,998	45,790	11,073	12,233
Depreciation and amortization	78,367	57,192	13,691	10,600
Doubtful debts	600	30,631	381,910	527,647
Impairment loss of investments in				
subsidiaries	-	-	-	480,565
Consulting and professional	17,097	23,955	10,773	12,200
Loss reserve for litigation claim	3,808	3,057,273	3,772	3,057,237

27. REGISTERED PROVIDENT FUND

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530 based on the approval from the Securities and Exchange Commission Thailand in 2003. Under the plan, members contribute to the fund at 5% of the employees' basic salaries. The Company contributes to the fund at 5% of the employees' monthly salaries, depending on the length of employment. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

The Company's contribution for the years 2017 and 2016, which was charged to the consolidated statements of comprehensive income, amounted to Baht 2.86 million and Baht 2.72 million, respectively. (The Company amounted to Baht 2.06 million and Baht 2.01 million, respectively).

28. BASIC LOSS PER SHARE

Basic loss per share for the years ended December 31, 2017 and 2016 were based on the profit(loss) for the periods attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the periods of each period as follows:

	(Unit : Thousand shares)			
	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
Loss attributable to equity holders of the Company (basic)	(164,706)	(3,744,509)	(256,607)	(3,936,605)
Beginning number of ordinary shares	12,674,684	12,673,972	12,674,684	12,673,972
Effect of shares issued and the changes in par values of during periods	32,695,945	406	32,695,945	406
Weighted average number of ordinary shares				
outstanding (basic)	45,370,629	12,674,378	45,370,629	12,674,378
Loss per share (basic) (in Baht per share)	(0.0036)	(0.2954)	(0.0056)	(0.3106)
Par value (Baht per share)	0.50	0.50	0.50	0.50

Diluted loss per share

The Company did not calculate diluted loss per share for the years ended December 31, 2017 and 2016 because the average fair value of an ordinary share is lower than the exercised price of warrant.

29. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the consolidated statement of financial position include cash and cash equivalents, short-term investments, trade and other account receivables, restricted deposits with banks, loans to subsidiaries, long-term loan to other, interest income from subsidiaries, trade and other account payables, customer down payments, retention payables, current portion of long-term liabilities under debt restructuring agreements, loans considered as default, long-term loans from financial institutions, liabilities under finance lease contracts, and accrued interest. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 5.

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the consolidated financial statements. From the current situation, as described in Note 1 indicates that the AQ Estate Group may suffer from liquidity problems.

Foreign Currency Risk

The AQ Estate Group do not have commercial transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle their financial and contractual obligations to the AQ Estate 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 consolidated statement of financial position. Management does not anticipate material losses from its debt collection.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the AQ Estate Group. The AQ Estate Group's exposure to interest rate risk relates primarily to their cash and cash equivalents, restricted deposits with banks, loans to subsidiaries and interest receivable, loan to other, long - term liabilities under debt restructuring agreements, long-term loans considered as default, long-term loans from financial institutions, and liabilities under finance lease contracts, which bear interest. However, since financial assets and liabilities bear floating interest rates which are close to the market rates. The management considers that the interest rate risk is minimal, hence, the AQ Estate Group has no hedging agreement to protect against such risk.

Significant financial assets and liabilities as at December 31, 2017 and 2016, classified by type of interest rates are summarized in the table below:

(Unit : Thousand Baht)							
2017							
Consolidated Financial Statements							
Fixed interest rates							
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rates (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	805,287	23,383	828,670	0.375 - 5.5
Short - term investments	-	-	-	,135,500	290,509	1,426,009	1.50 - 5.5
Trade and other current account receivables	-	-	-	-	94,765	94,765	-
Advance payment to contractors	-	-	-	-	38,049	38,049	-
Restricted deposits with banks	-	-	-	89,206	-	89,206	1-1.5
Total	-	-	-	,029,993	446,706	2,476,699	
Financial liabilities							
Trade and other curren account payables	-	-	-	-	130,330	130,330	-
Customer down payments	-	-	-	-	26,310	26,310	-
Retentions payable	-	-	-	-	78,656	78,656	-
Long - term liabilities under debt restructuring agreements	-	-	-	1,013	-	1,013	3
Loans considered as default	-	-	-	62,197	-	62,197	7.25
Liabilities under finance lease contracts	2,615	1,477	-	-	-	4,092	3.8 - 6.67
Total	2,615	1,477	-	63,210	235,296	302,598	

	(Unit : Thousand Baht)						
	2016						
	Consolidated Financial Statements						
	Fixed interest rates				Non-		Effective
	Within	1- 5	Over	Floating	interest		interest rates
	1 year	years	5 years	interest	bearing	Total	(% p.a.)
				rate			
Financial assets							
Cash and cash equivalents	-	-	-	63,716	14,422	78,138	0.375
Short - term investments	-	-	-	50,000	193,988	243,988	2 - 2.50
Trade and other current							
account receivables	-	-	-	-	83,184	83,184	-
Advance payment to							
contractors	-	-	-	-	66,906	66,906	-
Restricted deposits with							
banks	-	-	-	95,467	-	95,467	0.875 - 2.50
Total	-	-	-	209,183	358,500	567,683	
Financial liabilities							
Trade and other account							
current	-	-	-	-	141,362	141,362	-
Customer down payments	-	-	-	-	20,060	20,060	-
Retentions payable	-	-	-	-	82,772	82,772	-
Long - term liabilities under							
debt restructuring							
agreements	-	-	-	992	-	992	3
Loans considered as default	-	-	-	26,718	-	26,718	6.25 - 6.525
Liabilities under finance lease							
contracts	3,414	4,137	-	-	-	7,551	3.8 - 6.67
Long - term loans	-	-	-	159,358	-	159,358	7.25-7.5
Total	3,414	4,137	-	187,068	244,194	438,813	

(Unit : Thousand Baht)							
2017							
Separate Financial Statements							
Fixed interest rates							
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rates (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	505,818	10,970	516,788	0.375 – 5.5
Short - term investments	-	-	-	-	115,500	1,115,500	5.5
Trade and other current account receivables	-	-	-	-	455,361	455,361	
Advance payment to contractors	-	-	-	-	29,115	29,115	
Accrued interest income from subsidiaries - net	-	-	-	-	644,156	644,156	
Restricted deposits with banks	-	-	-	51,012	-	51,012	1-1.15
Loan to subsidiary companies - net	-	-	-	2,550,755	-	2,550,755	6.25
Total				3,107,585	255,102	5,362,687	
Financial liabilities							
Trade and other current account payables	-	-	-	-	192,382	192,382	
Customer down payments	-	-	-	-	1,908	1,908	
Retentions payable	-	-	-	-	24,668	24,668	
Long - term liabilities under debt restructuring agreements	-	-	-	1,013	-	1,013	3.00
Loans considered as default	-	-	-	-	-	-	4.20
Liabilities under finance lease contracts	776	-	-	-	-	776	
Total	776	-	-	1,013	218,958	220,747	

(Unit : Thousand Baht)							
2016							
Separate Financial Statements							
Fixed interest rates							
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rates (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	6,317	338	6,655	0.375
Short - term investments	-	-	-	-	193,988	193,988	-
Trade and other current account receivables	-	-	-	-	413,995	413,995	-
Advance payment to contractors	-	-	-	-	29,362	29,362	-
Accrued interest income from subsidiaries - net	-	-	-	-	504,763	504,763	-
Restricted deposits with banks	-	-	-	57,273	-	57,273	1.1 - 2.50
Loan to subsidiary companies - net	-	-	-	2,445,519	-	2,445,519	6.75
Total	-	-	-	2,509,109	1,142,446	3,651,555	
Financial liabilities							
Trade and other current account payables	-	-	-	-	179,440	179,440	-
Customer down payments	-	-	-	-	1,868	1,868	-
Retentions payable	-	-	-	-	28,547	28,547	-
Long - term liabilities under debt restructuring agreements	-	-	-	992	-	992	3
Loans considered as default	-	-	-	26,718	-	26,718	6.25 - 6.525
Liabilities under finance lease contracts	997	776	-	-	-	1,773	4.20
Total	997	776	-	27,710	209,855	239,338	

Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments by AQ Estate Group.

The fair value of cash and cash equivalents, restricted deposits with banks - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rates, which approximate market rates.

Trade and other account receivables - the carrying value approximate their fair values due to the relatively short - term maturity of these financial assets.

Current portion of long - term liabilities under debt restructuring agreements, loans considered as default, - the carrying values approximate their fair values because these financial liabilities have floating interest rate, which approximate market rates.

Trade and other account payables, customer down payments, retention payables - the carrying value approximate their fair values due to the relatively short - term maturity of these financial liabilities.

Long - term loans financial institutions - the carrying values approximate their fair values because these financial liabilities have floating interest rates, which approximate market rates.

Liabilities under finance lease contracts carrying interest at fixed rates - the fair value could not be calculated appropriately because the market floating rate could not be determined.

Loans to subsidiaries and third party and accrued interest income - fair value cannot be reliable estimated since the specific repayment term is not known.

30. OPERATING SEGMENTS

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

For management purposes, the AQ Estate Group is organized into business units based on their businesses and has 4 reportable segments as follows:

- 1) Property development low rise
- 2) Property development high rise
- 3) Services
- 4) Property rental and service

AQ Estate Group operates in Thailand only as a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

The Board of Directors monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

For the years 2017 and 2016, the AQ Estate Group has no major customer with revenue of 10 percent or more of revenues.

Inter - segment revenues and expenses are eliminated on consolidation.

The following table presents revenue and profit (loss) information regarding the AQ Estate Group's operating segments for the year ended December 31, 2017:

(Unit : Thousand Baht)						
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Elimination	Total
Revenues from sales and services	335,788	203,120	83,504	17,540	-	639,952
Costs of sales and services	(289,354)	(145,182)	(105,917)	(10,886)	10,327	(541,012)
Gross profit (loss)	46,434	57,938	(22,413)	6,654	10,327	98,940
Management fee income						9,697
Interest income						46,815
Other income						69,330
Profit(loss) before expenses						224,782
Selling expenses						(49,972)
Administrative expenses						(310,489)
Doubtful						(600)
Loss reserve from litigation claim						(3,808)
Finance cost						(16,951)
Loss before income tax						(157,038)
Income(expense) tax expense						(7,668)
Loss for the year						(164,706)

Note : The hotel business is included in services segment.

The following table presents revenue and profit (loss) information regarding the AQ Estate Group's operating segments for the year ended December 31, 2016:

	(Unit : Thousand Baht)					
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Elimination	Total
Revenues from sales and services	538,085	550,281	75,776	13,993	(152)	1,177,983
Costs of sales and services	(871,237)	(492,650)	(113,355)	(10,570)	7,978	(1,479,834)
Gross profit (loss)	(333,152)	57,631	(37,579)	3,423	7,826	(301,851)
Management fee income						13,514
Interest income						3,416
Other income						63,927
Profit (loss) before expenses						(220,994)
Selling expenses						(142,780)
Administrative expenses						(295,977)
Doubtful accounts						(30,685)
Loss reserve from litigation claim						(3,057,273)
Finance cost						(410)
Loss before income tax						(3,748,119)
Income tax expense						3,610
Loss for the year						(3,744,509)

Note : The hotel business is included in services segment.

The following table presents segment assets and liabilities of the AQ Estate Group's operating segments as at December 31, 2017.

(Unit : Thousand Baht)						
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Unallocated	Total
Assets	8,750,719	2,191,754	827,523	150,958	197,165	12,118,119
Elimination						(5,180,953)
Total						<u>6,937,167</u>
Liabilities	5,695,835	2,286,117	1,578,390	212,463	676,195	10,449,000
Elimination						(7,104,160)
Total						<u>3,344,840</u>
Depreciation and amortization	16,990	15,794	37,150	7,734	699	78,367
Adjustment for fair value						-
Total						<u>78,367</u>

The following table presents segment assets and liabilities of the AQ Estate Group's operating segments as at December 31, 2016.

(Unit : Thousand Baht)						
	Property Development Low Rise	Property Development High Rise	Services	Property Rental and Services	Unallocated	Total
Assets	7,120,913	1,800,776	855,044	159,365	181,345	10,117,443
Elimination						(4,780,310)
Total						<u>5,337,133</u>
Liabilities	7,252,413	1,873,851	1,390,235	217,465	629,360	11,363,324
Elimination						(6,218,218)
Total						<u>5,145,106</u>
Depreciation and amortization	13,818	9,828	25,256	7,657	633	57,192
Adjustment for fair value						-
Total						<u>57,192</u>

31. OTHERS

1) BANK GUARANTEES

As at December 31, 2017 and 2016, the AQ Estate Group had obligations under bank guarantees approximately Baht 89.11 million and Baht 95.79 million, respectively, (The Company: Baht 47.62 million and Baht 54.14 million, respectively), which concerning obligation under normal businesses. The bank guarantees are collateralized by the Company's fixed deposits with the banks and also guaranteed by directors of the AQ Estate Group.

2) COMMITMENTS AND CONTINGENT LIABILITIES

2.1) As at December 31, 2017 and 2016, the AQ Estate Group had outstanding litigation claims from customers and creditors for breaching of the agreements to buy and to sell, the hire of work agreements and repayments retention for a total amount of Baht 13.38 million and Baht 34.50 million, respectively. The outcome of these litigations could not presently be determined. In addition, the AQ Estate Group are in the process of negotiating with certain customers claiming for repayments of cash paid in advance to the AQ Estate Group. The AQ Estate Group, however, believes that the provisions made in the accounts are adequate to cover any damage for such litigation. As the ex-shareholder of indirect-subsiary also guaranteed for the contingent liability of the indirect subsidiary at approximately Baht 0.33 million.

2.2) Commitments

2.2.1) The AQ Estate Group had pledged fixed deposits with bank, most of their inventories, which represent immovable properties for sale, construction in progress and land and buildings as collaterals for credit facilities granted by financial institutions.

2.2.2) Direct subsidiaries' credit facilities from financial institutions have been guaranteed by the Company.

2.2.3) As at December 31, 2017 and 2016, the AQ Estate Group had commitments under construction contracts amounting to Baht 674.84 million and Baht 994.39 million, respectively. (The Company : Baht 163.12 million and Baht 174.95 million, respectively), which were utilities and condominium units amounting to Baht 510.98 million and houses construction amounting to Baht 163.85 million (December 31, 2016 : utilities and condominium units amounting to Baht 637.68 million and houses construction amounting to Baht 356.71 million) and of the Company, utilities and condominium units amounting to Baht 26.79 million and houses construction amounting to Baht 136.33 million (December 31, 2016 : utilities and condominium units amounting to Baht 31.12 million and houses construction amounting to Baht 143.83 million).

As at December 31, 2017 and 2016, total contract price amounted to Baht 1,588.13 million and Baht 2,353.90 million, respectively, and of the Company amounted to Baht 451.95 million and Baht 525.87 million, respectively.

2.2.4) As at December 31, 2017 and 2016, the AQ Estate Group has entered into several operating lease. The terms of the agreements are generally between 26 years 8 month to 30 years. The future minimum payments required under these non-cancellable operating leases were as follows.

	(Unit: Thousand Baht)	
	December 31, 2017	December 31, 2016
Payable with in less than 1 year	4,126	4,056
Payable within 1- 5 years	17,421	16,868
Payable over 5 years	88,200	92,878
Total	109,747	113,802

2.2.5) As at December 31, 2017 and 2016, a subsidiary company had sub - lease commitment under sub-lease contract with a non – related party to pay for land rental for the period of 30 years at amount of Baht 15.66 million and Baht 16.14 million, respectively.

2.2.6) As at December 31, 2017 and 2016, a subsidiary company has commitment under sub-lease contract with a non - related person to pay for land rental for the period of 4 years 6 month and 19 days at Baht 10.01 million and period of 5 years 6 month and 19 days at Baht 12.21 million respectively.

32. LONG - TERM LOAN TO THIRD PARTY

In 2016, the subsidiary recognised allowance for doubtful debt of long - term loan to third party amount of Baht 30 million due to Anti - Money Laundering Office informed the subsidiary to explain for transaction of freeze asset which the borrower use for such loan guarantee.

33. CAPITAL MANAGEMENT

The primary objective of the AQ Estate Group's capital management is to ensure that it has sustained good cash flows management and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at December 31, 2017 and 2016, the AQ Estate Group's debt-to-equity ratio was 0.93 and 26.79, respectively (and of the separate of financial statement's debt-to-equity ratio was 0.92 and 20.25, respectively).

No changes were made in the AQ Estate Group's objectives, policies or processes during of the years ended December 31, 2017 and 2016.

34. FAIR VALUE MEASUREMENT

The AQ Estate Group uses the market approach to measure its 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 a quoted market price is not available.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs, such as estimates of future cash flows

As at December 31, 2017, the AQ Estate Group had the following assets that were measured at fair value using different levels of inputs as follows:

Consolidated Financial Statements (Unit : Thousand Baht)				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Short-term investment				
- Open End fund	310.51	-	-	310.51
- Investment property	-	-	141.05	141.05
Total	310.51	-	141.05	451.56

Separate Financial Statements (Unit : Thousand Baht)				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Short-term investment				
- Open End fund	-	-	-	-
- Investment property	-	-	282.02	282.02
Total	-	-	282.02	282.02

Valuation techniques and inputs to Level 1 and 3 valuations

The fair value of investments in unit trusts that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

Investment properties are presented at fair values, which are appraised by an independent value using the income approach. The key assumptions used in such appraisal are yield rate or discounted rate based on the turnover rate of government bonds, occupancy rate, long-term vacancy rate and long-term growth rate in revenue.

During the current year, there was no transfer within the fair value hierarchy.

35. RECLASSIFICATION

Certain transactions in the financial statements for period 2016 have been reclassified in accordance with the Notification of the Department of Business Development date October 11, 2016 regarding "The Brief Particulars in the Financial Statements B.E. 2016"

36. APPROVAL OF FINANCIAL STATEMENTS

The Company's director has authorized these financial statements for issue on February 27, 2018.



A Q E S T A T E