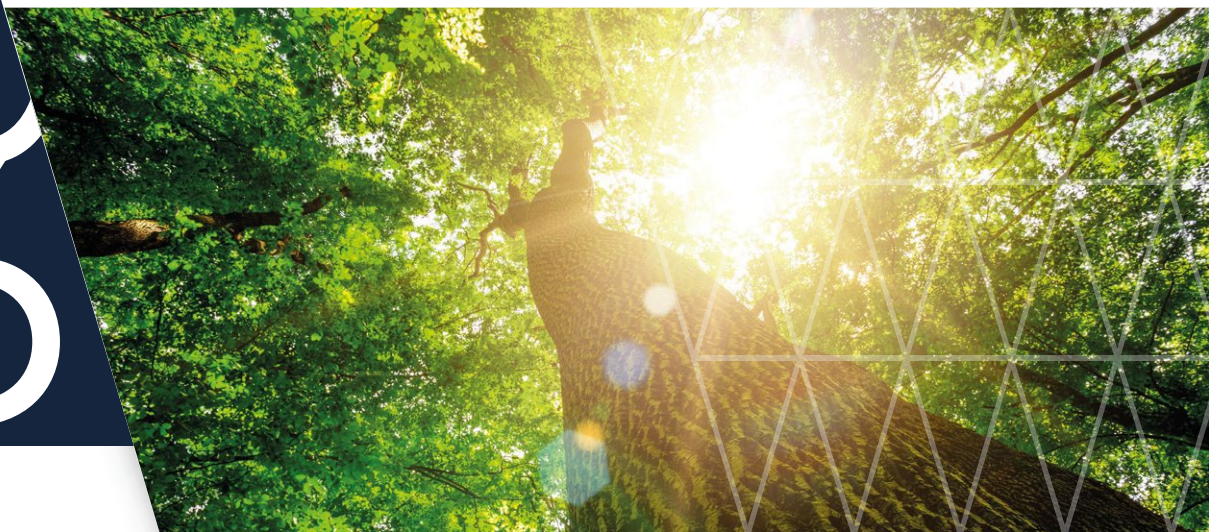


Annual Report

2016



Creative Growth



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“...Every work and occupation must have its own ethics.
Whether ethics are legislated in written form,
it is held as goodness which all occupations should follow.
If anyone violates, it might create damage for
individuals, groups, and public...”

(Unofficial Translation)



Royal Speech of His Majesty King Bhumibol Adulyadej
at the Graduation Ceremony of Mahidol University at the New Building, Suan Amporn
on Friday, 4th of July B.E. 2540 (1997)

King Wai Group (Thailand) Public Company Limited induces His Majesty the King's Speech
to apply with direction of the Company operation. With realisation of divine grace and humble commemoration
of wisdom and abilities of His Majesty King Bhumibol Adulyadej,
to honor the Majesty, the Company would like to publicise one of His Majesty's initiated
project in the Company's annual report 2016.

Chang Hua-Mun Royal Initiative Project



At the end of 2008, His Majesty King Bhumibol Adulyadej purchased the 120-rai plot of land near Nong Suea reservoir, Khao Kra Pook sub-district, Tha Yang district, Phetchaburi province. In 2009, His Majesty bought more 130 rai of adjacent land plot totally 250 rai. His Majesty intended to improve the soil and convert this whole area to be a model project for agriculture and livestock activities of the province and nearby areas, started since 13 July 2009 onwards.

This plot of land was suffering from water scarcity; sandy soil and gravel rocks. It was used for eucalyptus plantation and already cut for sell, there were only the small limbs growing eucalyptus's stumps. Moreover, there were the 35-rai of lemon farm and the 30-rai of sugar cane. His Majesty the King developed the land plots to grow economic crops such as rice, homegrown vegetables, rubber tree, coconut, pineapple, fruit, field crop etc. His Majesty the King's Private Affairs Division requested for cooperation from government and private sectors to help improving and developing the area such as access road, a reservoir, project fence, buildings and infrastructure, as well as installed an electricity, artesian well and irrigation systems which improved the project and surrounding villages.

In 2008, there was political disagreement which some people raised their opinion and created unrested situation. His Majesty King Bhumibol Adulyadej put some sweet potatoes on scales in his office as a precept of "Chang Hua Man". Without cares, the sweet potatoes were budding themselves well on the scales. His Majesty gave an order to move and grow them in the nursery, and then he put another sweet potato on the scale again and repeated all again. Finally, the nursery was full of the sweet potato plants. His Majesty considered that sweet potato can grow without soil and water. This plot of land (the 250-rai plot of land) had some water and soil, so the sweet potatoes should be grown. His Majesty gave these sweet potatoes as the breeding stock for this project, and named this project the;

"Chang Hua-Mun Royal Initiative Project"



His Majesty King Bhumibol Adulyadej visited the Royal Initiated Agricultural Project after the project opening ceremony on 1 August 2011

On 1st of August 2011, His Majesty the King accompanied by HRH Princess Maha Chakri Sirindhorn, Than Phu Ying Dhasanawalaya Sornsongkram and Khun Tongdaeng drove his car from nonagon pavilion, next to Nong Suea reservoir for officially opened the Chang Hua-Mun Royal Initiative Project. His Majesty placed a bag of sweet potatoes on the scale to open the fabric cover of the project's signage, witnessed by government officers, courtier, project employees, and villagers nearby. His Majesty the King granted an audience to all project operators. Mr. Chai Panichpornpan, the Petchaburi Governor (2011) presented the Agave hat with official logo of the province, a product from members of the Hubkapong Cooperative Project. After that, His Majesty drove his car around the project and proceeded to Klai Kangwon Palace.



His Majesty King Bhumibol Adulyadej had inspection visited the progress of the Chang Hua-Mun Royal Initiative Project, on 3 March 2014

This project is an exceptional example of success from unity and cooperation of many people. Like His Majesty the King's royal speech granting for the audience at the Royal Rain (Artificial Rain) Patent Presenting at Klai Kangwon Palace, on 21 August 2009,

"People who went there would see that it started with nothing, but within one day, people understood that we need cooperation. We need to cooperate, if not, there would not be any progress. It is wonderful that you engage and contribute progress. Principle is that everyone must sacrifice for local operation to well progress. Progress arrives from cooperation. In the past, a group of people carried on the operation, but this is not only a group but all together worked and produced progress. This is marvelous and creates hope. Hope to progress the country. The country will be successful"

Group Financial Highlights 2016

King Wai Group (Thailand) Public Company Limited and its Subsidiaries

	Unit	31 December 2016	31 December 2015	31 December 2014
Total Assets	Million Baht	2,429.4	1,722.9	1,654.6
Total Liabilities	Million Baht	2,221.9	1,662.5	1,506.8
Total Shareholders' Equity	Million Baht	207.5	60.4	147.7
Net Tangible Assets for the year	Million Baht	212.4	154.4	219.9
Liquidity Ratio				
Current Ratio	Times	0.99	1.09	1.18
Quick Ratio	Times	0.05	0.04	0.03
Financial Policy Ratio				
Debt Equity Ratio	Times	10.71	27.54	10.20

	Unit	2016	2015	2014
Total Revenues	Million Baht	575.9	311.8	361.1
Total Expenses	Million Baht	350.0	350.2	380.7
Profit/(Loss) before finance cost and tax	Million Baht	225.9	(38.4)	(19.6)
Net Profit/(Loss) for the year	Million Baht	125.8	(87.2)	(68.0)
Total Number of Listed Shares	Million Shares	220.0	220.0	220.0
Net Profit/(Loss) per share for the year	Baht	0.56	(0.40)	(0.31)
Net Profit/(Loss) per share (of the company) for the year	Baht	0.28	(0.31)	(0.26)
Profitability Ratio				
Gross Profit Margin	%	30.12	25.18	22.25
Net Profit Margin	%	21.83	(27.96)	(18.83)
Return on Equity	%	93.93	(83.79)	(37.33)
Efficiency Ratio				
Return on Total Assets	%	6.06	(5.16)	(4.06)
Total Assets Turnover	Times	0.16	0.18	0.20
Financial Policy Ratio				
Interest Coverage Ratio	Times	1.34	(0.26)	0.83

Chairman's Statement



KWG is committed to high standards of good corporate governance which are consistent with prudent management and enhancement of shareholder's values. These principles emphasize transparency, accountability and independence.

Dear Shareholders,



It is my great honor to be appointed as Chairman of the Board. After the KWG share acquisition of 45.45% in 2016, KWT1499, a company in King Wai enterprise became the major shareholder of King Wai Group (Thailand) Public Company Limited. We have robust intention to commit in this company and strive to lead a prosperous future of the Company.

On behalf of the Board, I am pleased to present the annual report of King Wai Group (Thailand) (KWG) for the year ended 31 December 2016.

FINANCIAL PERFORMANCE

In spite of the slowdown of property market in Thailand, turnover of KWG and its subsidiaries increased 6.9% year-on-year (y-o-y) to Baht 328.4 million, which resulted in a higher number of units sold and handed over. The net profit for 2016 amounted to Baht 125.8 million as compared to the net loss Baht 87.2 million in 2015. Net profit per share in 2016 increased to Baht 0.28 per share as compared to net loss per share in 2015 at Baht 0.31 per share.

The audited consolidated financial statements of King Wai Group (Thailand) Public Company Limited for the year ended 31 December 2016 recorded a 244.3% increase from loss to profit for the year to Baht 125.8 million, and a 6.9% increase in turnover to Baht 328.4 million, as compared to the same period last year. The performance improvements are mainly due to the higher unrealised gain on investment properties for Baht 224.2 million, increase to Baht 236.2 million; higher revenue of Baht 19.5 million from sales of properties, increase to Baht 287.6 million; higher revenue of Baht 1.7 million from rental and services, increase to Baht 40.8 million; higher exchange gain of Baht 19.7 million from the Singapore dollar currency loan; higher gross profit from sales of properties of Baht 20.1 million; higher gross profit from rental and services income of Baht 1.4 million; lower



administrative expenses of Baht 2.1 million due to cost saving strategy; higher selling expenses of Baht 2.4 million as a result of increase in promotion cost; and higher finance cost of Baht 6.3 million.

BUSINESS REVIEW AND OUTLOOK

In 2016, Thailand's economy was fluctuated. The economy relied on private consumption and government spending and investment. The property market was on sluggish period. Bank of Thailand maintained low interest rate, and to increase private spending, government issued stimulus tax package at the end of 2016. In 2017, government spending and investment are expected to maintain as a major driver of Thailand's economy. Private consumption is anticipated to minimally decrease while private investment is expected to improve.

The Company's business strategy was reviewed and refreshed. In 2017, we anticipate to tactically expand the business of the Company. Sales of Villa Arcadia Srinakarin is well-received and has been progressing, while Villa Arcadia Watcharapol is on stage of house plan development and expected to be launched with new design in 2017. The new real estate projects are in the pipeline, and we will continue to explore the business opportunities to capture competitive advantage in the market.

Moreover we are committed to giving back to Thailand's society. The Company continues to conduct corporate social responsibility programme to care for the community development and to nurture the environment.

COMMITMENT TO GOOD GOVERNANCE

KWG is committed to high standards of good corporate governance which are consistent with prudent management and enhancement of shareholder's values. These principles emphasize transparency, accountability and independence. The Company will continue to uphold best practices in accordance with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand. KWG will continue to implement control mechanisms and frameworks to monitor its business operations, as well as closely adhere to the reporting and internal management systems which have been developed over time. The Company will also ensure prompt disclosure of information to investors and stakeholders to ensure transparency and accountability.

ACKNOWLEDGEMENT

I would like to express my appreciation to our shareholders, customers, business partners, staff as well as the Board and management for their support. 2017 is expected to be a challenging year. I am confident that we will capitalise on strategic opportunities and accomplish them as planned. We truly believe that, with your continued support, coupled with the competitive strategy, people and resources, KWG will strive to create values for its shareholders.

Yours sincerely,



Mr King Wai Chan
Chairman, Board of Directors
28 February 2017

Vice Chairman's Statement




Dear Shareholders,

I am honored to be the Vice Chairman of the Board of Directors of King Wai Group (Thailand) Public Company Limited (KWG) and delighted that we had the opportunity to become the largest shareholder of the Company in June. I most appreciate the kind support and understanding you showed to the Company and the Board.

2016 was a year of considerable challenge for us due to the fluctuated Thailand's macro economy conditions. However, our business delivered a positive performance with a growth in profit. With the commitment of our young and dashing team, we maintain high standards of corporate governance and focus on growing our core competency and leveraging all the resources to boost the brand image as well as to pursue new growth opportunities. In addition to that, we are also committed to contributing to social development and caring for society and environment with various corporate social responsibility programs.

The business outlook for the real estate industry is expected to remain challenging in 2017. In spite of this, we strongly believe that, with our new strategy to expand the business for sustainable returns to shareholders, our company is well positioned and has exciting prospects going forward.



I trust you share my enthusiasm in looking forward to 2017 and the future of KWG. Our leadership and service will continue. I offer my sincere appreciation for all your supports.

All in all, we start the year 2017 with full confidence that our business will deliver high-quality growth and generate long-term values to all stakeholders. We firmly believe that with our unique corporate culture, the strong leadership of our management team and the contributions of our dedicated, creative and ambitious employees, we will continue to upgrade our company.

I trust you share my enthusiasm in looking forward to 2017 and the future of KWG. Our leadership and service will continue. I offer my sincere appreciation for all your supports.

Yours sincerely,



Mr Antonio Hang Tat Chan
Vice Chairman
28 February 2017

Board of Directors



King Wai Chan
Chairman, Board of Directors
Chairman, Executive Committee

- Honorary Doctorate degree from PSB Paris School of Business
- Member of the National Committee of CPPCC (i.e. the Chinese People's Political Consultative Conference) and the Associate Director of the Committee for Economic Affairs in CPPCC.
- Vice Chairman of ACFIC (i.e. the All-China Federation of Industry and Commerce).
- Chairman of the Hong Kong of China Chamber of Commerce
- Chairman of Bauhinia Valley Development Center
- Vice President of China Enterprise Confederation
- Honorable Chairman of Thai-Chinese Chamber of Commerce
- Vice Chairman of China Center for International Economic Exchange
- Executive Vice President of China Overseas Chinese Entrepreneurs Association
- Vice President of China Chamber of International Commerce



Antonio Hang Tat Chan

Vice Chairman, Board of Directors

Member, Executive Committee

- Bachelor degree in Commerce from University of Toronto, Canada
- Chinese People's Political Consultative Conference Tianjin Municipal Committee Member
- Vice Chairman of Thai Chamber of Industry & Commerce
- Executive Vice Chairman of Hong Kong Mainland International Investment Society
- China Tianjin Standing Committee of Federation of Industry & Commerce
- World Distinguished Young Chinese Entrepreneur
- Startups Instructor of University of International Business And Economics
- Guest Professor of China Foreign Affairs University, School of International Economics
- Vice Chairman of Tsin Hua University King Wai Foundation
- Vice Chairman of Communication University of China King Wai Foundation
- Vice Chairman of China Urbanisation Council
- Advisor of Thai Chinese Junior Chamber of Commerce



Yupeng Huang

Director

Member, Executive Committee

Chief Executive Officer

- Bachelor's degree in Environmental Engineering from Tongji University
- Executive education from the University of Michigan's Ross School of Business
- Deputy Chief Executive Officer of the King Wai Group
- Over 15 years of experience in real estate development and investment
- Former General Manager and Head of Corporate Development for Shui On Land
- Former Director of Deutsche Bank and China Portfolio Manager for Real Estate Investing
- Former Vice President and Head of Asset Management with Angelo Gordon Asia

Board of Directors



Boonyong Yongcharoenrat

Director

- Bachelor degree in MBA from Beijing Economic Management Cadre Collage
- President of the Thai Young Chinese Chamber of Commerce
- Vice President of Thai-Chinese Chamber of Commerce
- Vice President of Thai-Chinese Council for the Promotion of Peaceful Reunification
- Director of Chinese Council for the Promotion of Peaceful Reunification
- Director of China Overseas Friendship Association
- Member of All-China Federation of Returned Overseas Chinese
- Member of Guang Dong Provincial Committee of CPPCC



Hang Lee Chan

Director

- Bachelor degree in Economics and Financial Mangement from University of Toronto, Canada
- Vice Chairman of the King Wai Group
- Executive Committee member of the Hong Kong China Chamber of Commerce (HKCCC)
- Vice President of China General Chamber of Commerce (CGCC)
- Committee Member of the Shanghai Pudong New Area Committee
- Executive Committee member of the Shanghai Public Diplomacy Association
- Vice President of Shanghai Real Estate Chamber of Commerce
- Vice President of the King Wai Innovation and Entrepreneurship Foundation of China Foreign Affairs University
- Vice President of the King Wai Real Estate Research Institute of Tongji University
- Vice President of the King Wai Innovation and Entrepreneurship Foundation of Donghua University



Shaosan Zheng

Director

- Bachelor degree, Analytical Chemistry from Guang Dong University of Technology
- Vice General Manager of the King Wai Group
- Senior Management roles in Guangzhou Chemical Import and Export Corporation and Guangzhou Textiles Industry and Trade Holdings Ltd for about 30 years in China



Jiraporn Pimpoorash
Independent Director
Chairman, Audit Committee

- Master of Business Administration, Kasetsart University, Thailand
- Bachelor of Accountancy and Higher Diploma in Auditing, Chulalongkorn University, Thailand
- Training Programme organised by Thai Institute of Director Association (IOD) Director Certification Programme (DCP) 62/2005
- Managing Director, S&J Business Consultant Co., Ltd.
- Auditor and Certified Public Accountant



Professor Chukiat Pramoolpol
Independent Director
Member, Audit Committee

- Master of Business Administration, Wharton School, University of Pennsylvania, USA
- Bachelor of Law, Thammasat University, Thailand
- Lecturer, Siam University



Somprasong Makkasaman
Independent Director
Member, Audit Committee

- Master of Business Administration, Kasetsart University, Thailand
- Bachelor of Law, Chulalongkorn University, Thailand
- Training Programme organised by Thai Institute of Directors Association (IOD) Director Accreditation Programme (DAP) 35/2005 Director Certification Programme (DCP) 62/2005 Audit Committee Programme (ACP) 9/2005
- Partner and Executive Director, Legal Advisory Council Co., Ltd.

Corporate Information

KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS

Mr King Wai Chan (Chairman)
Mr Antonio Hang Tat Chan
Mr Yupeng Huang
Mr Boonyong Yongcharoenrat
Mr Hang Lee Chan
Mr Shaosan Zheng
Mrs Jiraporn Pimpoorash
Professor Chukiat Pramoolpol
Mr Somprasong Makkasaman

EXECUTIVE COMMITTEE

Mr King Wai Chan (Chairman)
Mr Antonio Hang Tat Chan
Mr Yupeng Huang

AUDIT COMMITTEE

Mrs Jiraporn Pimpoorash (Chairman)
Professor Chukiat Pramoolpol
Mr Somprasong Makkasaman

COMPANY SECRETARY

Ms Supattra Tasilapa

REGISTERED OFFICE

Jewellery Centre Building,
30th Floor, 138/108 Nares Road,
Sipraya Sub-District, Bang Rak
District, Bangkok 10500 Thailand
Telephone: (662) 237-1999
Telefax: (662) 237-2666
Website: www.kwgthai.com

SHARE REGISTRAR

Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand
Building, 93 Ratchadapisek Road,
Dindaeng District, Bangkok 10400,
Thailand
Telephone: (662) 009-9000
TeleFax: (662) 009-9991
Website: www.tsd.co.th

AUDITOR

Mr Vichien Khingmontri
Certified Public Accountant (Thailand)
No. 3977
PricewaterhouseCoopers ABAS Ltd.
Bangkok City Tower, 15th Floor,
179/74-80 South Sathorn Road,
Thungmahamek, Sathorn,
Bangkok 10120 Thailand
Telephone: (662) 344-1000
Telefax: (662) 286-5050

SECURITY SYMBOL

KWG

NATURE OF BUSINESS

Property Development

REGISTRATION NUMBER

0107537001951
(previous Bor.Mor.Jor. 442)

REGISTERED AND PAID-UP CAPITAL

Baht 2,200,000,000

TOTAL SHARES ISSUED

220,000,000 shares

Par Value

Baht 10 per share

SUBSIDIARY COMPANIES OF KING WAI GROUP (THAILAND) PUBLIC COMPANY LIMITED

THAI-KAMI COMPANY LIMITED

Shares held by KWG: 100%
Registration No: 0105527002589
Business: Property Development
Register Capital: Baht 374,750,000
Par Value: Baht 10 per share
Total Share Issued: 37,475,000 shares
Registered Office: 138/108 Jewellery
Centre Building, 30th Floor, Nares
Road, Sipraya, Bangrak, Bangkok
10500, Thailand
Telephone: (662) 237-1999
Telefax: (662) 237-2666

GOLD STAR PROPERTY COMPANY LIMITED

Shares held by KWG: 100%
Registration No: 0105533031129
Business: Property Development
Register Capital: Baht 409,100,000
Par Value: Baht 100 per share
Total Share Issued: 4,091,000 shares
Registered Office: 138/108 Jewellery
Centre Building, 30th Floor, Nares
Road, Sipraya, Bangrak, Bangkok
10500, Thailand
Telephone: (662) 237-1999
Telefax: (662) 237-2666

TOP PROPERTY COMPANY LIMITED

Shares held by KWG: 61%
Registration No: 0105533031137
Business: Property Development
Register Capital: Baht 563,400,000
Par Value: Baht 100 per share
Total Share Issued: 5,634,000 shares
Registered Office: 138/108 Jewellery
Centre Building, 30th Floor, Nares
Road, Sipraya, Bangrak, Bangkok
10500, Thailand
Telephone: (662) 237-1999
Telefax: (662) 237-2666

CORNERSTONE REALTY COMPANY LIMITED

Shares held by KWG: 100%
Registration No: 0105547125821
Business: Property Development
Register Capital: Baht 1,000,000
Par Value: Baht 100 per share
Total Share Issued: 10,000 shares
Registered Office: 138/108 Jewellery
Centre Building, 30th Floor, Nares
Road, Sipraya, Bangrak, Bangkok
10500, Thailand
Telephone: (662) 237-1999
Telefax: (662) 237-2666

KWG EXPLORE LIMITED (PREVIOUSLY UTAYAN REALTY COMPANY LIMITED)

Shares held by KWG: 100%
Registration No: 0105544113407
Business: Property Development
Register Capital: Baht 1,000,000
Par Value: Baht 100 per share
Total Share Issued: 10,000 shares
Registered Office: 138/108 Jewellery
Centre Building, 30th Floor, Nares
Road, Sipraya, Bangrak, Bangkok
10500, Thailand
Telephone: (662) 237-1999
Telefax: (662) 237-2666

NVV DEVELOPMENT COMPANY LIMITED

Shares held by KWG: 51%
Registration No: 0105559178356
Business: Property Development
Register Capital: Baht 50,000,000
Par Value: Baht 100 per share
Total Share Issued: 500,000 shares
Registered Office: 138/108 Jewellery
Centre Building, 30th Floor, Nares
Road, Sipraya, Bangrak, Bangkok
10500, Thailand
Telephone: (662) 237-1999
Telefax: (662) 237-2666

Vision

To be the pioneering property developer that provides world-class, sustainable and innovative products & services.





Mission

We commit to creating values and maximizing long-term sustainable returns while being mindful of our overall responsibilities.



Core Values

Responsibility:

We are responsible for our actions and understand their impact on others. We respect local culture, community and heritage and will strive to uphold the highest standards of corporate governance, ethics and environmental policy.

Quality:

We strive for professional excellence to the highest standards possible to deliver supreme quality products and services.

Sustainability:

We are a responsible institution who makes a difference by building and supporting sustainable communities and environment. We strive for providing sustainable growth and profitable returns.

People:

We value and strengthen relationship with all our stakeholders including, but not limit to, customers, shareholders, communities, suppliers, contractors, partners and employees.

Creativity:

We emphasize on continually enhancing our products, services and also our cultures by embracing innovation and encouraging the pursuit of new opportunities.

Policy and Business Overview

The Company registered as a Public Limited Company on 1 June 1994. On 18 May 2016, KWT1499 (Thailand) Company Pte. Ltd. (KWT1499), which is a subsidiary of King Wai Group, became major shareholder of the Company with 100,000,000 shares in the Company, equivalent to 45.45%.

Following the change of major shareholder, the Company was renamed as King Wai Group (Thailand) Public Company Limited and changed ticker symbol to “KWG” on 20 June 2016 on the Stock Exchange of Thailand.

Real estate development is the core business of KWG, which has the registered and paid-up capital of Baht 2.2 billion as of 31 December 2016.

KING WAI GROUP

King Wai Group is one of Hong Kong based, China's well-known and most prolific property developers, with a successful corporate history of more than 30 years.

The founder, Dr Chan King Wai, a member of the National Committee of CPPCC (全國政協委員) and founding Chairman of the Hong Kong China Chamber of Commerce (香港中國商會主席), has extensive network and experience in industrial, finance, international trade and real estate sectors.

In the early years, the Group was dedicated to the investment in textile industry. In the late 1980s, Dr Chan saw the great potential of future economic growth of China and shifted the focus to property development, which has subsequently contributed tremendously to the country, working to meet the needs of its citizens.


Since mid-1990s, King Wai Property Development Co., Ltd had been established in Shanghai, growing from a burgeoning company into one of China's forward-looking real estate developers.

The Group has then consistently maintained its position as a forward-thinking pioneer in the industry, developing a large part of properties in cities around Yangtze River Delta, Pearl River Delta and Bohai Sea Rim region thanks to its dedication and foresight.

Through the consistent efforts to improve living quality, the group developed one of its flagship projects – the Shanghai King Wai City Oasis. The Shanghai King Wai Oasis project is a large-scale mixed-use ecological community with 1.8 million square meters of gross floor areas, dominated by residential masterpiece, retail shopping mall, hotel and other commercial spaces. It is accredited as “China's first ecological residential role model” by the Ministry of Environmental Protection. The “King Wai City Oasis” brand is now expanded to various cities.



One of King Wai Group projects, Shanghai Baoshan Project, Shanghai, China's mega large-scale urban community with land area of 1,044,131 sq.m (approximately 652.6 rai) and gross floor area of 1,816,547 sq.m.



Today the King Wai Group has developed into a conglomerate with impressive and diverse range of businesses in Property Development, Financial Services, E-Commerce and many other investments throughout Asia and North America.

The Group has added to its portfolio of business interests on a global scale, investing in ventures related to its core businesses and associated industries.

With the belief “give back to society from which we take”, Chairman Dr. Chan has made many donations in education and community welfare on behalf of the group, which deems donation an integral part and continues to support those less fortunate.

Since the founding, Dr Chan believed, “Responsibility creates value, Mission inspires endeavor”. With this spirit, the group maintains its focus on providing affordable luxury properties for real people through the development of buildings that are as accessible and exceptional as they are.

KWG is well known and respected in the market for delivering award-winning services across the residential developments. Our reach and capabilities are further reinforced by a strategic network of residential offices in Shanghai, along with long-standing partnerships, which help facilitate solutions for all projects from residential developments to community services.

Today, as a key phase of the development process, KWG’s approach begins with a unique blend of skills and expertise, coupled with the ability to optimize every opportunity. The Group is actively expanding its business by investing in financial services, cross-border supply chain sector at Qianhai Shenzhen and asset management business which is under development in Beijing.

The Group firmly believes our long term success is built on a strong sense of responsibility for our stakeholders and the larger community of which we are an integral part. The Group has long been supporting in various community services and is the sole sponsor for six consecutive years of “China International Credit and Risk Management Conference” organized by China Council for the Promotion of International Trade and American assurance credit and national commerce association, aiming to promote the development of China’s national credit system and the advancement of financial risks management. The Group is also the sole sponsor of the two annual “China Overseas Investment Summit “organized by Hong Kong China Chamber of Commerce, China National Committee and departments.

KWG’S BUSINESS OVERVIEW

KWG has two landed residential developments in Bangkok under the Villa Arcadia brand. Featured with modern architecture, tropical landscaping and quality finishing, Villa Arcadia Srinakarin and Villa Arcadia Watcharapol are located within close proximity to major facilities and amenities, including shopping malls, hospitals and airports. The developments are well-connected to the central business district (CBD) via major transportation modes. Homebuyers of the properties include those from middle-and upper-middle market segments.

Additionally, KWG holds a 28.36% stake in an office development, Jewellery Centre Building, located at the fringe of Bangkok’s CBD.

The Company also holds more than 50% share in six property development companies which include:

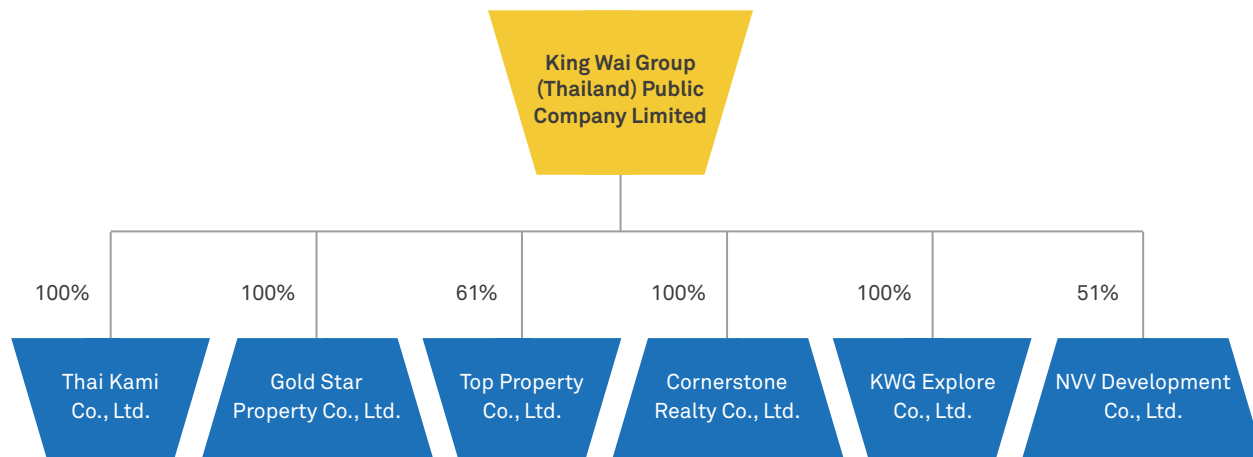
- Thai-Kami Company Limited
- Gold Star Property Company Limited
- Top Property Company Limited
- Cornerstone Realty Company Limited
- KWG Explore Limited⁽¹⁾
- NVV Development Company Limited⁽²⁾

⁽¹⁾ KWG Explore Limited was renamed from Utayan Realty Company Limited on 11 October 2016

⁽²⁾ NVV Development Company Limited was established on 14 November 2016

INVESTMENT STRUCTURE OF KWG

As at 31 December 2016



INVESTMENT POLICY IN SUBSIDIARIES AND ASSOCIATE COMPANIES

The Company is focused on investments within the property sector to be in line with our main business of property development for sale. Besides current subsidiaries and associate companies, we will consider further property investments when opportune.

DIVIDEND PAYMENT POLICY

Dividend Payment

Dividend payment is subject to the Company's realised profit from its normal business operations during that year. It also takes into consideration the Company's future performance as well as the operating environment and other provisions arising from new regulatory requirements including resolutions from the Board meetings and/or annual general meeting of shareholders.

Dividend Payment of Subsidiaries

Dividend payment of subsidiaries will depend on the operating performance of each subsidiary, its retained earnings, legal provision and other required provisions as appropriate for business operations.

Nature of Business

BUSINESS OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES

KWG and its subsidiaries are in the main business of property development of homes for sale as well as the leasing of a commercial building.

PROPERTY DEVELOPMENT FOR SALE

Villa Arcadia Srinakarin

Comprising 365 detached houses within a gated community, Villa Arcadia Srinakarin is situated close to the Suvarnabhumi International Airport. It is well-connected to the central business district (CBD) via the highway and the Karnchanapisek Outer Ring Road. The development enjoys convenient access to amenities such as prestigious international schools, hospitals and shopping centres which are located in its vicinity. New community mall was recently established in December 2016 which increases the flourishing of the vicinity. The new Yellow monorail line, expected to commence operations in 2020, will further enhance the commute between Villa Arcadia Srinakarin and the CBD.

Phase One, comprising 209 units, is 98.5% sold as at 28 February 2017. Phase Two comprises 156 houses, is about 58.9% sold as at 28 February 2017.

Villa Arcadia Watcharapol

Villa Arcadia Watcharapol is single detached house project. Well-connected by the Ram Intra-Art Narong Expressway and Karnchanapisek Outer Ring Road, the development is about a 30-minute drive from the CBD. Six-lane road, Phahonyothin-Rattanakosin Sompotch, completed in 2015 further connects the development to east and west of Bangkok. The vicinity where Villa Arcadia Watcharapol is located is well-known for its variety of food and beverage outlets. Moreover well-known schools and hospitals are located in the vicinity.

Future transportation enhancements planned include the addition of the new Green skytrain line which is expected to commence operations in 2018 as well as the new Gray monorail line which is on

the process of EIA. The Green skytrain line will provide easier access to the CBD area of Sukhumvit as well as for those heading further east to Samutprakarn province. The addition of the Gray monorail line will further improve accessibility from the CBD to the Chaopraya River.

About 60.0% of the 45 launched units have been sold as at 28 February 2017.

OTHER OPERATIONS

Jewellery Centre Building

Jewellery Centre Building, a 34-storey commercial building, is located at the fringe of the Bangkok's Central Business District (CBD) along Nares Road, Sipraya Subdistrict, Bangrak District, Bangkok. It is located in walking distance to a subway station and a skytrain station.

The building was about 90.6% leased out as at 28 February 2017.



King Wai Group (Thailand) aims to build a classy products with functional designs.

Revenue of King Wai Group (Thailand) Public Company Limited (KWG) and its Subsidiaries

As at 31 December 2016

Revenue (Million Baht)								
Product Line / Business Group	Operated by	% Shares held by KWG	2016	%	2015	%	2014	%
Lease and Services of Office space	KWG	-	40.82	7.09	39.16	12.20	36.87	10.21
Sale of land and houses	Thai-Kami	100%	266.30	46.24	242.82	75.62	247.06	68.42
	Gold Star	100%	21.30	3.70	25.31	7.88	31.69	8.78
	Cornerstone	100%					17.52	4.85
	Top Property	61%					12.98	3.59
Others	-	-	247.49	42.97	4.50	4.14	14.96	1.07
Total	-	-	575.91	100.0	311.79	100.0	361.08	100.0

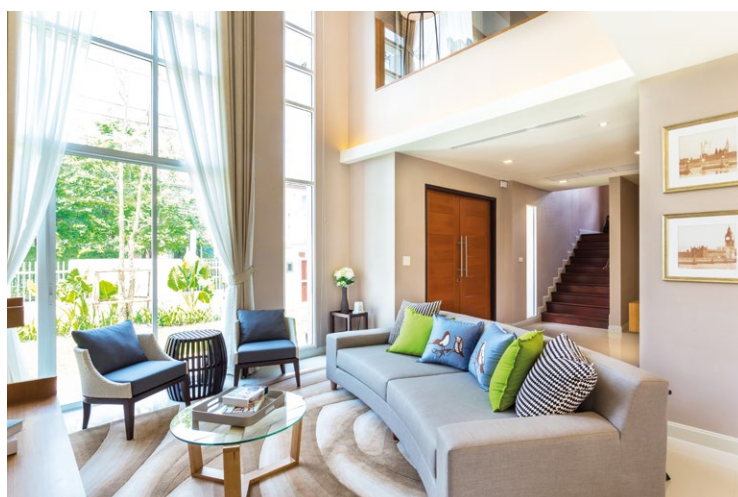
MARKET ANALYSIS

KWG conducts regular market research to keep abreast of market trends. The company collects primary and secondary data of

- Economy data of Thailand, Region and World
- Real Estate Market data
- Strategies of competitors and performances
- Any other indicators for market trend
- Other related information

KWG monitors the market for any changes via reports by established and reliable real estate analysis companies, actual and forecasted indicative data from the government and other reliable sources. KWG also collects data from our own survey on the competitors which we keep us update on the competition.

The Company has identified and defined market opportunities and issues through regular analyses. The Company has detailed action plans in place which it will implement when opportune.



*We deliberate our house design to reflect the best living usage of space.
We intend to create sustainable home for all family members.*

THAILAND ECONOMY

2016 Thailand's economy was fluctuated. The global economy continued to be stagnant in 2016 which impacted on the slowdown of export of Thailand. Private investment was slow down. Thailand's economy relied on private and government investment, and private consumption to support economy in 2016. Due to government's measure to curb illegitimate tour operators, tourism sector slowed down in 4Q2016 and is expected to recover in 2017.

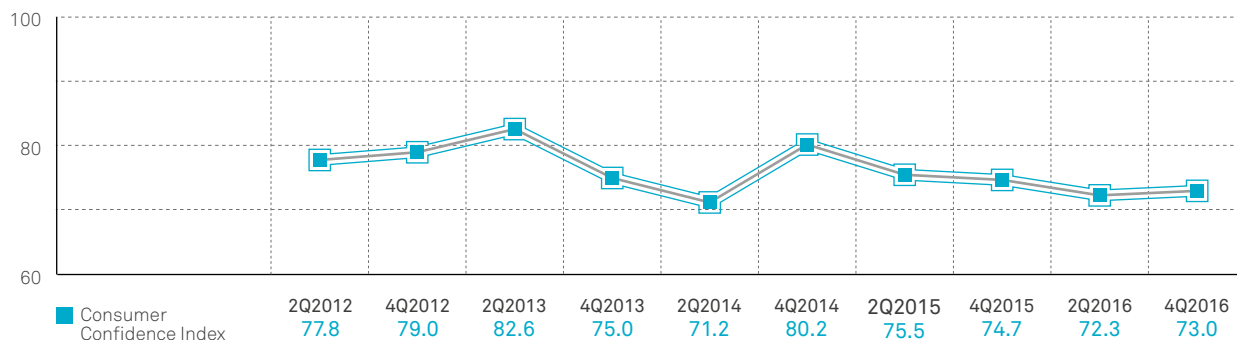
In 2016, Thailand's government issued stimulus package at the end of 2016 to boost private spending. With government's support, mass transits continued to expand in Bangkok and vicinities as planned.

Thailand Economic Data

% Growth Year on Year	2015	2016	2017(F)
Gross Domestic Product (GDP)	2.8	3.2	3.2
Inflation rate	-0.9	0.2	1.5
Private Consumption	2.1	3.1	2.6
Export of Good and Service	-5.6	-0.6	0.0

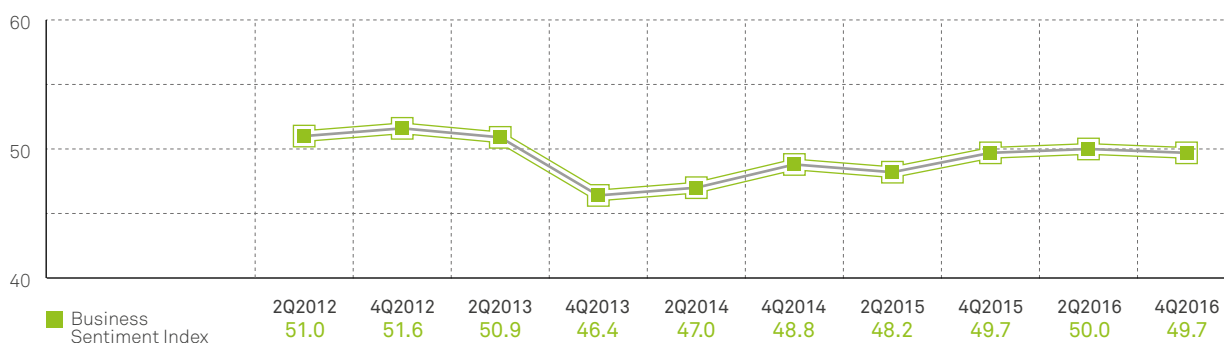
Source: Bank of Thailand and forecasted by the Thai Fiscal Policy Office and the Economist Intelligence Unit

Consumer Confidence Index



Source: University of Thai Chamber of Commerce, Thailand

Business Sentiment Index



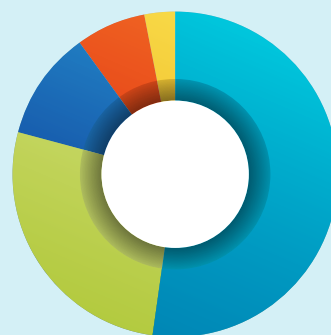
Source: Bank of Thailand

OVERALL PROPERTY MARKET

In 2016, the Agency for Real Estate Affairs (Thailand) reported that overall residential supply in Bangkok and its vicinity stood at 282,482 units, a 2.5% increase from 275,547 units in 2015. Overall residential demand in Bangkok and its vicinity stood at 98,153 units, a 5.3% decrease from 103,642 units in 2015.

Overall new residential supply in Bangkok and its vicinity stood at 110,577 units, a 2.2% increase from 108,158 units in 2015. Meanwhile, the overall value of new residential supply stood at Baht 382,110 million, a 12.2% decrease from Baht 435,056 million in 2015.

New Units in Bangkok and Its Vicinity in 2016 by Development Type



Development Type	Number of Units	%
Condominiums	58,350	53
Townhouses	29,932	27
Single-Detached Houses	12,146	11
Duplexes	7,287	7
Shophouses	2,860	3
Land Subdivision	2	0
Total	110,577	100

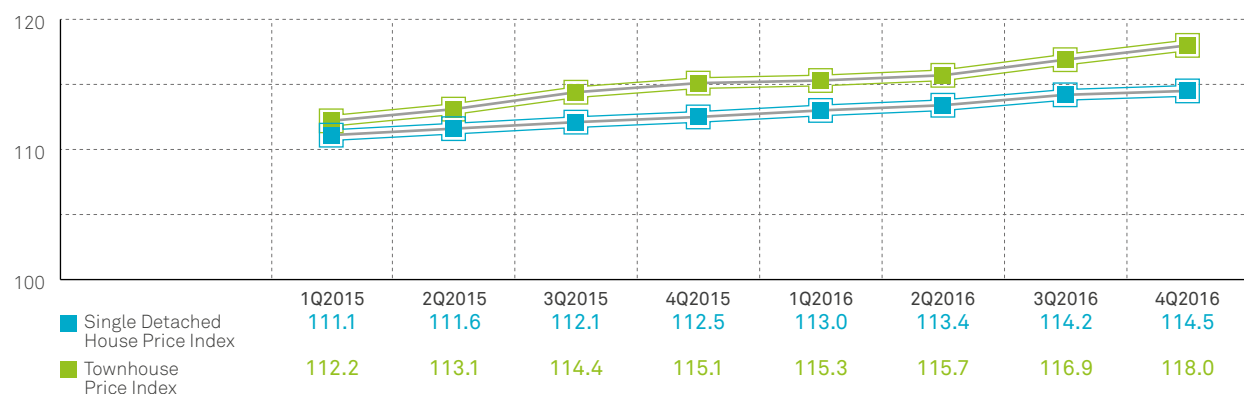
Source: Agency for Real Estate Affairs (Thailand)

LANDED HOMES

In 2016, prices of landed homes continued to rise due to the rise of land price. According to Thailand's Real Estate Information Center, in 4Q2016 prices of singled detached houses in Bangkok and its vicinity increased by 1.8% year-on-year (y-o-y) while prices of townhouses in Bangkok and its vicinity increased by 2.5% y-o-y.

The landed residential sector remained quiet. In 2016, the Agency for Real Estate Affairs (Thailand) reported that overall new landed homes in Bangkok and its vicinity stood at 49,365 units, a 15.8% increase from 42,637 units in 2015. Meanwhile the overall value of new landed homes stood at Baht 177,529 million, a 4.1% decrease from Baht 185,184 million in 2015.

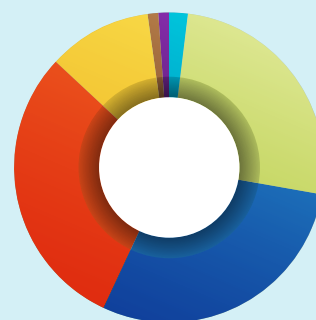
Price Indices of Single Detached Houses and Townhouse



Source: Real Estate Information Center (Thailand)

New landed Homes in Bangkok and Its Vicinity in 2016 by Unit Price

Price Range (MB/Unit)	Number of Units	%
0.501-1.000	840	2
1.001-2.000	12,822	26
2.001-3.000	14,115	29
3.001-5.000	14,891	30
5.001-10.000	5,660	11
10.001-20.000	505	1
>20.000	532	1
Total	49,365	100

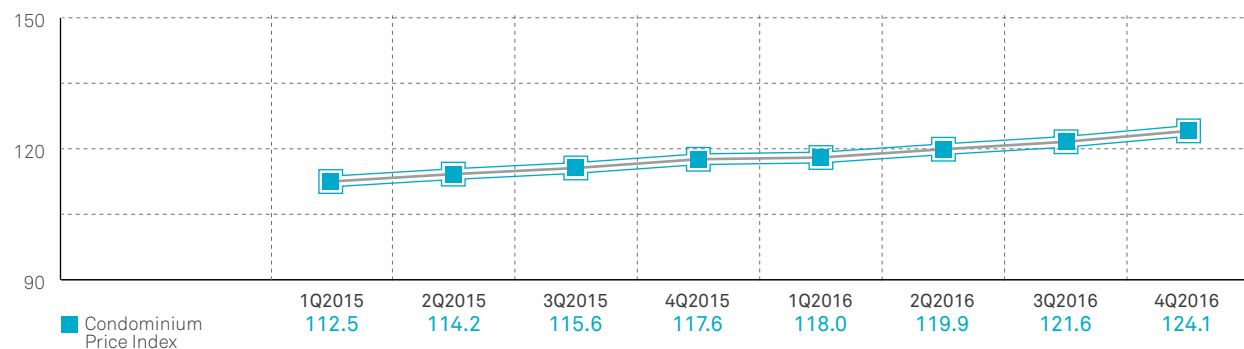


Source: Agency for Real Estate Affairs (Thailand)

CONDOMINIUM SECTOR

In 2016, prices of condominiums continued to rise due to the rise of land price. According to Thailand's Real Estate Information Center, in 4Q2016 prices of condominiums in Bangkok and its vicinity increased by 5.5% y-o-y.

Price Indices of Condominiums



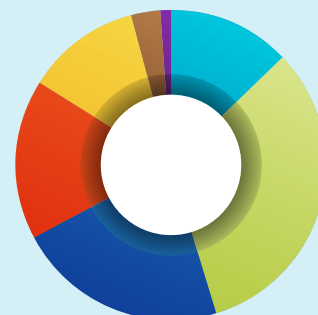
Source: Real Estate Information Center (Thailand)

The number of new condominium units decreased in 2016. In 2015, the Agency for Real Estate Affairs (Thailand) reported that overall new condominium units in Bangkok and its vicinity stood at 58,350 units, a 7.1% decrease from 62,833 units in 2015. Meanwhile the overall value of new condominium units stood at Baht 192,659 million, a 19.2% decrease from Baht 238,567 million in 2015.

New Condominiums in Bangkok and Its Vicinity in 2015 by Unit Price

Price Range (MB/Unit)	Number of Units	%
0.501-1.000	7,369	13
1.001-2.000	19,356	33
2.001-3.000	12,607	22
3.001-5.000	9,843	17
5.001-10.000	7,058	12
10.001-20.000	1,614	3
>20.000	503	1
Total	58,350	100

Source: Agency for Real Estate Affairs (Thailand)



PROCUREMENT

Land Acquisition

KWG seeks to acquire well-located land plots at competitive prices for real estate project developments for sale and/or for lease. The Company works closely with land owners, real estate agents and broker firms to source sites that are well-located and well-served by amenities. The Company has developed a list of reliable contacts including real estate agents and brokerage firms with established track records. KWG also retains and updates its database of land and property prices in Bangkok and areas in the vicinity collated from government and other reliable sources. The Company has clear and examinable procedures for acquisition of land plots, and also times development timelines to ensure the best time to enter the market.

Procurement of Construction Material

Most of KWG's construction materials are generally procured through its main contractors. KWG also maintains a database of prices of construction materials collated from government and other reliable sources. The Company enforces stringent guidelines and transparent purchase procedures to ensure quality and price of the materials. KWG will continue to work closely with trusted suppliers to deliver quality materials on time and within budget. Most of KWG's construction materials are sourced and purchased locally. In some cases, the Company purchases some materials on its own.

Selection of Contractors

KWG has a strict and transparent evaluation process for appointment of its contractors and will continue to maintain and grow a reliable network of quality contractors.

In selecting its contractors, KWG works with contractors with a good track record and strong financials for tender procedures. KWG conducts background checks including past projects, market reputation and financial records. The Company places strong emphasis on the transparency of the hiring process, which promotes fair competition among contractors. KWG will continue to hire and work with quality contractors to produce high quality products on time and within budget.

Hand-over

As at 31 December 2016, 12 residences with a total sales value of Baht 98,100,000 have been sold. These have yet to be transferred. These units will be transferred to home buyers within 2017.

Assets of The Company

As at 31 December 2016

Jewellery Centre Building

Company

King Wai Group (Thailand) Public Company Limited

Location

138 Nares Road, Sipraya Sub-District, Bangrak District, Bangkok 10500 Thailand

Type of Asset

34-storey commercial building covering a total gross area of 42,833.78 sq.m.

Asset Area

The Company holds 28.36% of the total gross area (12,145.64 sq.m.) of the building

Net Book Value

Baht 405,700,000.00

Appraisal Value

Baht 405,700,000.00

Appraisal Date

28 November 2016

Appraisal Company

Agency For Real Estate Affairs

Right / Possession

Freehold

Collateral

None

Villa Arcadia Watcharapol

Company

Top Property Company Limited

Location

Soi Watcharapol, Tha Raeng Sub-District, Bang Khen District, Bangkok 10220, Thailand

Type of Asset

Freehold land which will yield 270 units of two-storey detached houses when completed

Asset Area

The Company holds a total gross area of 72-2-16.5 rai

Net Book Value

Baht 754,109,894.00

Appraisal Value

Baht 743,080,000.00

Appraisal Dated

29 November 2016

Appraisal Company

Agency For Real Estate Affairs

Right / Possession

Freehold

Collateral

None

Sukhapiban 3 Mansion

Company

Gold Star Property Company Limited

Location

22/1 Sukhapiban 3 Road, Hua Mak Sub-District, Bang Kapi District, Bangkok 10240, Thailand

Type of Asset

19-storey residential condominium with 1,024 units

Asset Area

The Company owns 2 units with a total gross area of 119.21 sq.m.

Net Book Value

Baht 2,390,000.00

Appraisal Value

Baht 25,000,000.00

Appraisal Dated

28 November 2016

Appraisal Company

Agency For Real Estate Affairs

Right / Possession

Freehold

Collateral

None

Villa Arcadia Srinakarin

Company

Thai-Kami Company Limited

Location

Bang Kaew Sub-District, Bang Phli District, Samut Prakan Province, Thailand

Type of Asset

Freehold land which will yield 365 units of two-storey detached houses when completed

Asset Area

The Company holds a total area of 41-1-85.3 rai

Net Book Value

Baht 378,312,924.00

Appraisal Value

Baht 489,484,400.00

Appraisal Dated

30 November 2016

Appraisal Company

Agency For Real Estate Affairs

Right / Possession

Freehold

Collateral

Partial mortgage

Land

Company

Thai-Kami Company Limited

Location

1 Moo 5, Phaholyothin (TorLor. 1) Road,
Mai Ngam Sub-District, Muang Tak District,
Tak Province, Thailand

Type of Asset

The land is vacant with the factory having ceased operations since 2000, and was demolished in 2015. The machinery has been divested as at early 2002

Asset Area

The Company holds a total gross area of 60–2–70 rai

Net Book Value

Baht 25,480,000.00

Appraisal Value

Baht 25,480,000.00

Appraisal Dated

29 November 2016

Appraisal company

Agency For Real Estate Affairs

Right / Possession

Freehold

Collateral

None

The Trio Chiang Mai (previously “Chiang Mai VIP Tower”)

Company

Thai-Kami Company Limited

Location

118 Moo 1, Huay Kaew Road, Chang Pueak Sub-District,
Muang District, Chiang Mai Province, Thailand

Type of Asset

Four-storey commercial building

Asset Area

The Company owns four units with a total area of 890.88 sq.m

Net Book Value

Baht 23,200,000.00

Appraisal Value

Baht 23,200,000.00

Appraisal Date

28 November 2016

Appraisal Company

Agency For Real Estate Affairs

Right / Possession

Freehold

Collateral

None

Land

Company

NVV Development Company Limited

Location

Phahonyothin (Tor Lor 1) Road, Lamsai Sub-District,
Wongnoi District, Ayutthaya Province, Thailand

Type of Asset

Vacant land and field

Asset Area

The Company holds a total gross area of 1,094-3-7 rai

Net Book Value

Baht 751,200,000.00

Appraisal Value

Baht 751,200,000.00

Appraisal Dated

13 December 2016

Appraisal Company

Agency For Real Estate Affairs

Right / Possession

Freehold

Collateral

None

Risk Factors

Recognising that risk management is an integral part of KWG's strategic and operational processes, the Company has in place a risk management framework to ensure swift response to potential challenges, as well as the ability and agility to leverage new opportunities and adapt in the changing business environment.

KWG has identified the following key risks and the appropriate mitigating actions:

SHORTAGE OF QUALITY CONTRACTORS

The Company is committed to providing quality products to our customers. Consequently we emphasise on hiring quality contractors. Shortage of skilled labour will impact the quality and delivery of work, resulting in higher costs.

KWG had developed a strict evaluation process in place for the appointment of its contractors. We had developed database of contractors with reliable proved work records. We have continued to seek and interview new reliable contractors. We maintain and grow a reliable network with quality contractors.

During construction procedure, we have evaluation process to appraise contractors' work quality closely and constantly and feedback the contractors immediately for their performance improvement.

LAND ACQUISITION

Land acquisition is a significant key of company competitiveness strategy. Land plot, situated closed to facilities with affordable land price and excellent connectivity is ideal land plot for real estate development.

High land costs could result in the Company facing challenges in acquiring good sites at competitive prices. KWG continues to work with selected agents and brokerage firms to source for well-located sites at good prices and also deals directly with landowners. KWG is constantly seeking opportunities to acquire land plots with good value propositions and excellent connectivity to mass transits, expressways, and/or main roads.

FLUCTUATIONS IN CONSTRUCTION MATERIAL PRICES

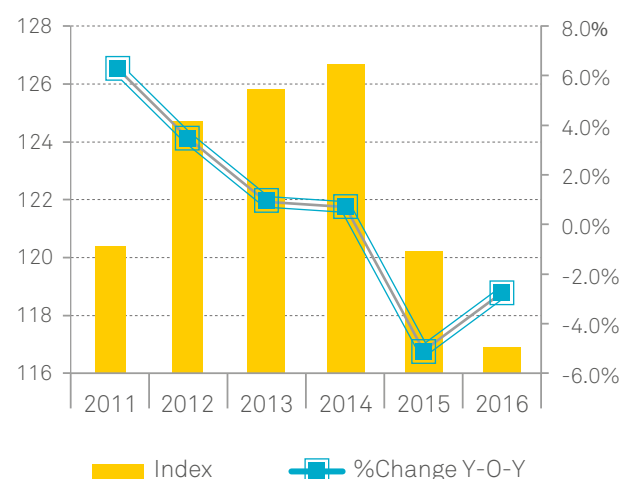
Construction material prices constantly fluctuate. According to Thailand's Real Estate Information Center, overall construction material price index in 2016 decreased 2.7% year-on-year. KWG had developed database system to watch closely for the material price from reliable suppliers. To diversify risk, KWG purchased some specific construction materials while KWG's contractors are responsible to supply some specific materials on fixed payment sum.

KWG will continue to work closely with contractors to plan for and purchase materials at lower prices over extended periods of time.

Construction Material Price Index

Year	Index	%Change Y-O-Y
2011	120.4	6.3%
2012	124.7	3.5%
2013	125.8	0.9%
2014	126.7	0.7%
2015	120.2	-5.1%
2016	116.9	-2.7%

Construction Material Price Index



Source: Thailand's Real Estate Information Center

INTEREST RATE FLUCTUATIONS

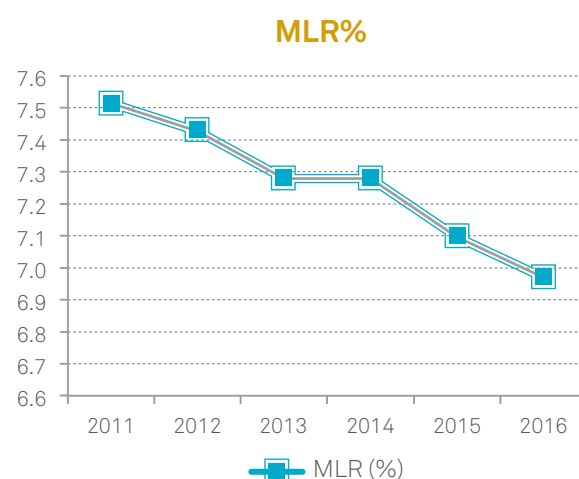
KWG has a short-term project loan from a financial institution, its interest rate dependent on Money Markets' floating rates. Over the course of 2016, the Bank of Thailand kept interest rates low, with local financial institutions also maintaining correspondingly low interest rates. However, in the event of an economic expansion, local banks and financial institutions may hike up interest rates, resulting in higher financing cost for the Company. KWG will effectively utilise and seek various financial instruments where appropriate to hedge against interest rate fluctuations.

Minimum Loan Rate (MLR)

Year	MLR (%)
2011	7.5138
2012	7.4278
2013	7.2791
2014	7.2791
2015	7.0971
2016	6.9695

Source: Bank of Thailand

Minimum Loan Rate (MLR)

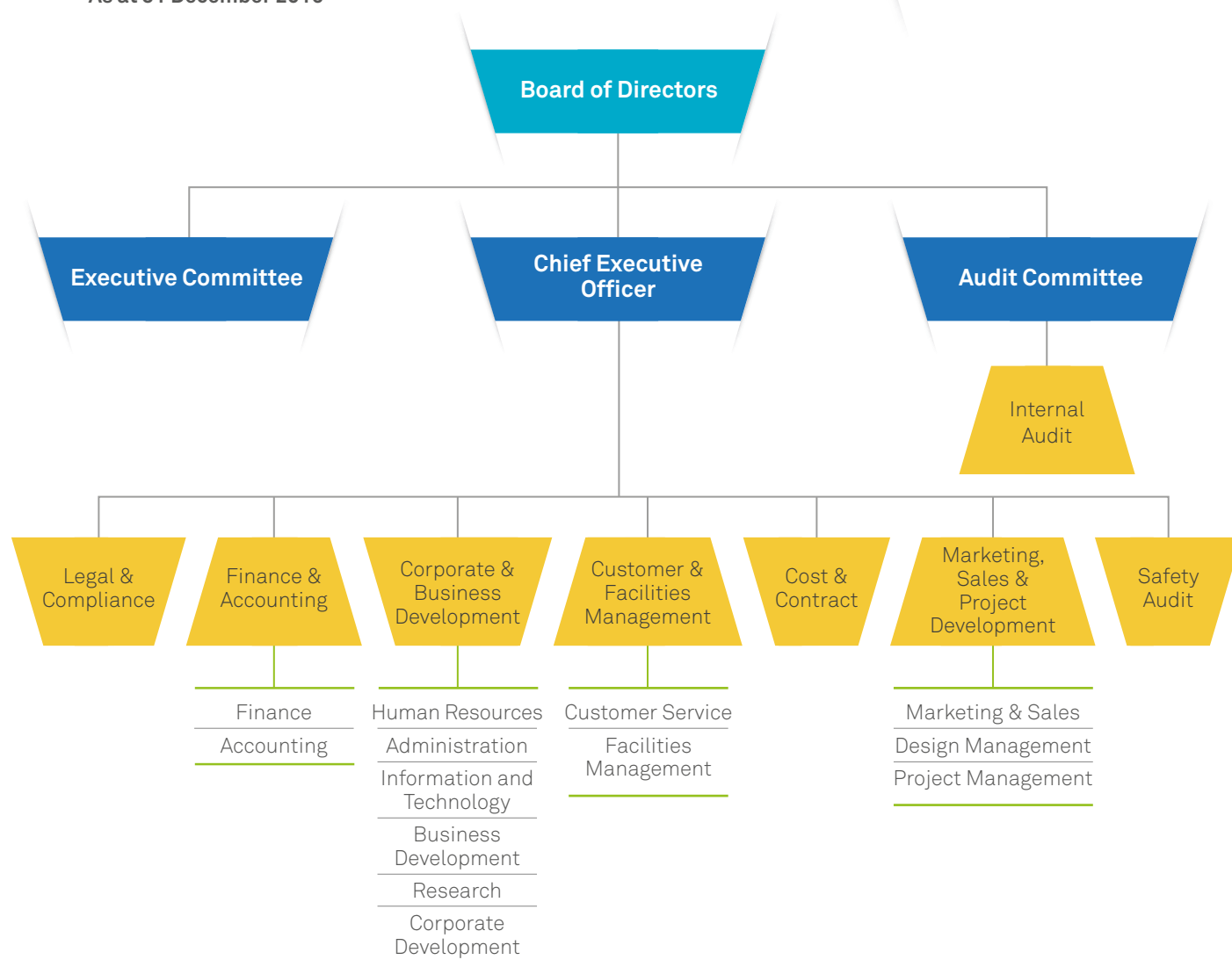


FOREIGN EXCHANGE RISK

KWG still hold some loans denominated in foreign currencies and is therefore subject to foreign exchange risk. The Company continues to seek funding options in Thai Baht to minimise its risk in foreign exchange fluctuations.

Organisational Structure and Major Shareholders

As at 31 December 2016



TEN MAJOR SHAREHOLDERS (As at 5 January 2017)

No	Shareholder's Name	No. of shares	%
1	KWT1499 (Thailand) Company Pte. Ltd.	100,000,000	45.455
2	Mrs Jantira Luesakul	38,303,100	17.411
3	Mrs Lamipago Srikuruwal	16,400,600	7.455
4	Mr Suwit Srikuruwal	15,769,600	7.168
5	Utayan Thani Company Limited	5,990,246	2.723
6	Mr Surin Srikuruwal	5,197,600	2.363
7	Citybank Nominees Singapore Pte Ltd-Pbg Jaxware Investments Ltd.	2,821,720	1.283
8	Thai NVDR Co., Ltd.	2,674,940	1.216
9	Mr Ratchada Krisadatanon	1,600,000	0.727
10	Mrs Worapan Juengsabpaisarn	1,516,300	0.689
	Total	190,274,106	86.490

EXECUTIVE COMMITTEE

MR KING WAI CHAN
Chairman

MR ANTONIO HANG TAT CHAN
Member

MR YUPENG HUANG
Member

AUDIT COMMITTEE

MRS JIRAPORN PIMPOORASH
Chairman

PROFESSOR CHUKIAT PRAMOOLPOL
Member

MR SOMPRASONG MAKKASAMAN
Member

Management Structure

BOARD OF DIRECTORS

as at 31 December 2016

Directors	Position
Mr King Wai Chan	Chairman, Board of Directors Chairman, Executive Committee
Mr Antonio Hang Tat Chan	Vice Chairman, Director Member, Executive Committee
Mr Yupeng Huang	Director Member, Executive Committee
Mr Boonyong Yongcharoenrat	Director
Mr Hang Lee Chan	Director
Mr Shaosan Zheng	Director
Mrs Jiraporn Pimpoorash	Chairman, Independent Director Chairman, Audit Committee
Prof Chukiat Pramoolpol	Independent Director Member, Audit Committee
Mr Somprasong Makkasaman	Independent Director Member, Audit Committee

DETAILS OF CHANGES OF DIRECTORSHIP:

Changes of Directorship in 2016

Date/Month/Year	Resign Director(s)	New Director(s)
18 May 2016	Mr Ng Ooi Hooi Mr Lim Kei Hin Madam Melissa Tan Siew Ngok	Mr King Wai Chan Mr Antonio Hang Tat Chan Mr Yupeng Huang
19 May 2016	Mr Oh Weng Soon (Oh Lock Soon)	Mr Boonyong Yongcharoenrat
20 June 2016	-	Mr Hang Lee Chan Mr Shaosan Zheng

The number of the Boards established pursuant to the Company's Article of Association, Clause 16 stipulates that "there shall be no less than five (5) directors and no less than half of total number of directors residing in the Kingdom of Thailand".

AUTHORISED SIGNATORY DIRECTORS

Any of these two signatories - Mr King Wai Chan, Mr Antonio Hang Tat Chan and Mr Yupeng Huang, affixed with the Company seal will be deemed valid.

Directors' attendances at the meetings of the Board and Board Committee for the year ended 31 December 2016 are as follows:

	Board Committees		
	Board	Executive Committee	Audit Committee
No. of meetings held	13	Nil	7
Directors			
Mr King Wai Chan	-	Nil	-
Mr Antonio Hang Tat Chan	4	Nil	-
Mr Yupeng Huang	7	Nil	-
Mr Boonyong Yongcharoenrat	4	-	-
Mr Hang Lee Chan	1	-	-
Mr Shaosan Zheng	-	-	-
Mrs Jiraporn Pimpoorash	13	-	7
Prof Chukiat Pramoolpol	13	-	7
Mr Somprasong Makkasaman	13	-	7
Resigned			
Mr Ng Ooi Hooi	5	Nil	-
Mr Lim Kei Hin	5	Nil	-
Madam Melissa Tan Siew Ngok	5	Nil	-
Mr Oh Weng Soon	6	Nil	-

BOARD OF SUBSIDIARY COMPANIES

The Company holds shares in four subsidiary companies which are revenue-generating. Directors' attendances at the meetings of the Board for these subsidiaries for the year ended 31 December 2016 are as follows:

Directors	Board Meetings			
	Thai-Kami Co., Ltd.	Top Property Co., Ltd.	Gold Star Property Co., Ltd.	Cornerstone Realty Co., Ltd.
Mr King Wai Chan	12/12	1/1	5/5	1/1
Mr Antonio Hang Tat Chan	12/12	1/1	5/5	1/1
Mr Yupeng Huang	12/12	1/1	5/5	1/1
Resigned				
Mr Lim Kei Hin	7/7	2/4	-	-
Madam Melissa Tan Siew Ngok	7/7	-	2/2	2/2
Mr Oh Weng Soon (Oh Lock Soon)	7/7	4/4	2/2	2/2
Mr Jestsada Tangboonpant	-	4/4	2/2	2/2

Note: Number in the table refer to attendance/number of Board Meetings held during his/her term as Director

EXECUTIVE OFFICER

The definition of the Company's Executive as per the Notification of Securities and Exchange Commission (SEC) shall be the CEO and the next four executives.

As at 31 December 2016, the Executive consists of six (6) persons:

Name	Position	Department/Function
Mr Yupeng Huang	CEO	
Mr Jestsada Tangboonpant	Senior Assistant Vice President	Finance & Accounting
Mr Peter Cheng	Senior Assistant Vice President	Cost & Contract, Customer Service, Facilities Management
Ms Wilailak Kraisuwanasarn	Assistant Vice President	Marketing & Sales
Mr Paisan Supornpun	Assistant Vice President	Accounting
Mr Lattapant Yuthakarn	Assistant Vice President	Project Management

COMPANY SECRETARY

The Company has appointed Ms Supattra Tasilapa, Senior Manager, Legal & Compliance Department as Company Secretary since 6 August 2013 to comply with the Securities and Exchange Act (No.4) B.E. 2551 (2008).

The responsibilities of the Company Secretary include:

- 1) Overseeing activities of the Board and ensuring that they comply with the requirements of SET, SEC and are in compliance with corporate legislation as well as the Articles of Association of the Company.
- 2) Arranging the Shareholders and Board of Directors meetings in accordance with the laws and regulations, the Company's Articles of Association and best practices. This responsibility will involve the issuing of proper notices of meetings, preparation of agenda, circulation of relevant papers and taking and producing minutes to record business transaction during the meetings as well as decisions made.
- 3) Maintaining the Company's statutory registers or books, including director registration, annual reports of the Company, notices and minutes of Board meetings and general shareholder meetings.
- 4) Ensuring that the directors and executives have filed reports on their interest and related persons' interests, as required by laws.
- 5) Communicating within internal business units and monitoring actions taken to ensure accuracy and compliance with the resolutions of Board and shareholder meetings.
- 6) Providing advice to the Board pertaining to laws, rules and regulations governing the Company's business, as well as monitoring compliance on a regular basis and reporting any significant changes to the Board.
- 7) Promoting understanding of corporate governance principles, providing relevant information, as well as monitoring compliance among the Board of Directors.
- 8) Coordinating between the Board and executive.
- 9) Communicating and providing shareholders with information about the Company so as to enable them to exercise their rights.
- 10) Ensuring that disclosure of corporate information to regulatory agencies is in accordance with the relevant laws and regulations.
- 11) Taking any other actions as prescribed by the Capital Market Supervisory Board.

REMUNERATION OF THE DIRECTORS AND EXECUTIVE OFFICERS

Director's Remuneration

The Company's policy on remuneration of the Directors shall be reviewed and approved by shareholders at the Annual General Meeting (AGM) each year. The Directors' scope of duties, roles and responsibilities are also taken in for consideration. During the AGM held on 26 April 2016, the Directors' remuneration was approved. The details are as follows:

Chairman of the Board	Baht 30,000/month
Board member	Baht 20,000/month

In 2016, the Company paid or payable in cash and kind to the Board of Directors to a total amount of Baht 2,054,666.66.

Name of Director	Monetary Remuneration (Baht)				Other
	Board of Directors	Audit Committee	Executive Committee	Total (Baht)	Membership (Baht)
Mr King Wai Chan	223,548.39	-	Nil	223,548.39	0.00
Mr Antonio Hang Tat Chan	149,032.26	-	Nil	149,032.26	0.00
Mr Yupeng Huang	149,032.26	-	Nil	149,032.26	0.00
Mr Boonyong Yongcharoenrat	148,387.10	-	-	148,387.10	0.00
Mr Hang Lee Chan	127,333.33	-	-	127,333.33	0.00
Mr Shaosan Zheng	127,333.33	-	-	127,333.33	0.00
Mrs Jiraporn Pimpoorash	240,000.00	Nil	-	240,000.00	0.00
Prof Chukiat Pramoolpol	240,000.00	Nil	-	240,000.00	0.00
Mr Somprasong Makkasaman	240,000.00	Nil	-	240,000.00	0.00
Mr Ng Ooi Hooi	136,451.61	-	Nil	136,451.61	0.00
Mr Oh Weng Soon (Oh Lock Soon)	91,612.90	-	Nil	91,612.90	0.00
Mr Lim Kei Hin	90,967.74	-	Nil	90,967.74	0.00
Madam Melissa Tan Siew Ngok	90,967.74	-	Nil	90,967.74	0.00
Total	2,054,666.66	-	-	2,054,666.66	0.00

Remuneration of the Executive Officers

The Company paid monetary remuneration, i.e. fixed salary and bonus to the executive officers and offered different forms of remuneration such as housing allowance, car allowance and phone bill allowance.

EMPLOYEE REMUNERATION

The Company established and registered for employees to contribute to a voluntary provident fund on 1 October 2013. Mandatory contribution from the employee and the Company is stipulated at 5%.

The remuneration package offered to employees consists of a fixed salary and other benefits, i.e. bonus, commission, social security fund, provident fund and allowance. In addition, the Company offered benefits to improve employee satisfaction, loyalty and staff retention. These include health insurance, life insurance, long-term service award, annual leave, recreational activities and seasonal parties. In 2016, the Company paid a total of Baht 63,969,989.90 for the remuneration of employees.

Type of Remuneration	Amount (Baht)
Fixed Salary	49,371,188.00
Bonus	7,416,137.00
Allowance (Overtime, Provident Fund, Commission, etc.)	7,182,664.90

PERSONNEL

Total Number of Employees 69 persons

Employees classified by department as of 31 December 2016:

Corporate Development	1	Customer Service	2
Research	2	Facilities Management	8
Business Development	2	Marketing & Sales	6
Legal & Compliance	4	Finance	3
Project Management	11	Accounting	7
Design Management	2	Information Technology	2
Cost & Contract	3	Administration	8
Director's Office	4	Human Resources	4

Note: Includes staff in KWG's subsidiaries

HUMAN RESOURCES POLICY

The Company emphasises human resources development in capability enhancement and good relationship establishment among employees at all levels.

The Human Resources development policies of the Company are as follows:

- 1) Employees are encouraged to attend internal and external training programmes.
- 2) Employees are encouraged to acquire and develop relevant knowledge, skills and competencies to enhance career advancement opportunities.
- 3) Online surveys are conducted to evaluate employees' satisfaction in the Company. Results from these surveys are evaluated and relevant suggestions are implemented.
- 4) The Company's core values are communicated to employees. Whenever possible, the Company encourages employees to participate in activities as a team outside of work in order to strengthen relations and encourage teamwork.

SUMMARY OF COURSES AND TRAINING CONDUCTED IN 2016

Course	No.	Attendance	Total (Hours)	Average per person (Hours)
In-house Training	2	59	445.25	6.45
External Training	36	26		

TRAINING PROGRAMMES

In 2016, the Company supported employees in both internal and external trainings programmes, seminars and courses. The total training cost for 2016 amounted to Baht 36,600.00

The following are examples of programmes which employees attended during the year:

- 144 Techniques for Tax Invoice
- AGM Checklist for 2016
- Business Strategy for IR
- CG Forum 1/2016
- Direction of Sustainable Business
- Draft New Securities and Exchange Act
- Enhancing Good Corporate Governance based on CGR Scorecard
- Financial Eco System and Good Internal Control
- Get Ready e-Filing for Submission of Financial Statement
- How to Manage Staff Benefits for the Most Tax Utilisation
- IR Preparation for Roadshows
- Material Transactions and Related Party Transactions
- Mega Project, New Growth Engine, New Thailand
- Modern Provident Fund
- Preparation of Financial Statement to Accordant with Business and TFRS
- Project to Prevent and Solve the Narcotic Problem in the Corporate
- Public Hearing (TFRS9, TFRS7, TAS32 issues)
- Real Estate Strategies for Condo Market
- Real Estate Trend 2016
- Requests Electricity for Use in the Condominium / Apply Electrical Meters
- Residential Market Trend vs Thai Economy 2016
- Revenue from Contracts with Customers (The New Revenue Standard)
- SCP Straight Through
- Secret of Digital Marketing 2016
- Update Land Price Change 2016
- SET Portal Improvement
- Shareholders' Rights and Responsibilities
- Smart Disclosure Program
- Strategic Shareholder
- Summarised Tax Cases is Reviewed by RD
- Tax Case Study
- Techniques to Solve in Accounting Preparation under Accounting Standard
- The Failure of the Building Structure, the Causes & Solutions
- VAT & Withholding Tax in Contract Payment & Business Agreement
- Financial Report Standards Related Assets
- Guiding to the Group Insurance Policy
- Nutrition & Office Syndrome

Corporate Governance

CORPORATE GOVERNANCE POLICY

The Company is committed to achieving high standards of corporate governance and has put in place self-regulatory controls to protect shareholders' interest and ensure long-term shareholder value. The Board of Directors has implemented best practices in corporate governance based on the Code of Business Conduct.

The Company has also fully complied with the principles of good corporate governance and best practices recommended by the Stock Exchange of Thailand (SET) as follows:

A. RIGHTS OF SHAREHOLDERS

Protection of Rights

The Company recognises the importance of protecting the rights of shareholders' and promotes the exercising of these rights. The basic legal rights of shareholders include the right to buy, sell or transfer shares, receive dividends, obtain relevant and adequate information in a timely and regular basis, participate in shareholder meetings, propose the meeting agenda, vote for the appointment or removal of Directors and Auditors, determine their remuneration as well as partake in decisions that could have material impact on the Company such as acquisitions and mergers, liquidations of subsidiary companies, dividend payment, amendment to the Memorandum and the Articles of Association or by-laws, capital increase or decrease.

Besides these basic rights, the Company has also implemented best practices to promote and facilitate exercising of rights for shareholders. The Company appointed the Thailand Securities Depository Co., Ltd. (TSD) as the Securities Registrar and to facilitate its shareholders in matters relating to the Company's share and securities registration.

The Company recognises the importance of accurate, complete and transparent disclosure to its shareholders with regards to financial results and other relevant information through the SET and the Company's website in both Thai and English to ensure that shareholders have access to information in a timely manner.

Shareholders' Meeting

The Company holds its Annual General Meeting once a year within four months after the end of its accounting period. Date, time, and venue for the meetings shall be convenient and easily accessible for shareholders. The Company shall not arrange meetings on holiday or commercial bank holiday and non-business days. In 2016, the Company held its Annual General Shareholders Meeting at Crowne Plaza Bangkok Lumpini Park which is easily accessible via public transportation systems such as the BTS and the MRT. The Company has implemented the barcode system for registration purposes and the printing of voting slips for each agenda to facilitate the registration process at the meeting.

In 2016, all relevant information was posted on the Company's website thirty (30) days before the date of the meeting to ensure that shareholders had adequate time to review the relevant information. In addition, the Company did not add items to the meeting agenda without advance notice to ensure fairness to its shareholders. Shareholders were also informed of the rules of the meeting and voting procedures to allow fair and equal opportunity to ask questions, recommend, as well as give opinions during the meeting.

Board members and management of the Company were in attendance to explain the Company's operational performance and policy, as well as answer relevant questions at the meeting.

These recommendations and questions were recorded in minutes of the meeting and disclosed on the Company's website within 30 days after the date of the meeting.

The Company has a policy to disclose to the SET relevant resolutions for each agenda item as well as voting results by 9.00 a.m. of the next working day after the shareholders' meeting at latest.



King Wai Group (Thailand) is determined to conduct its business with prudence and transparency to ensure sustainable growth and enhance long-term value for its shareholders.

B. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company ensures equitable treatment of all shareholders. KWG has in place policies to disclose complete and accurate information, including shareholder's rights to attend the general meeting, and carries out the shareholder meeting procedures as specified by laws and regulations of the SET.

The Company strives to ensure the following:

- 1) Provide equitable and fair treatment to all shareholders whether they are minority, institutional or foreign investors, and to allow them to exercise their rights accordingly.
- 2) If shareholders are unable to attend and vote at the meeting, KWG will allow them to send proxies to vote on their behalf. The proxy form and proposed list of independent directors are attached in notice of the meeting. The shareholders and/or proxies are encouraged to use voting ballots for each agenda.
- 3) To avoid insider trading and conflict of interest, the Company stipulates measures that prevent Directors, Executives, employees and related persons from misusing and/or disclosing sensitive information relating to the Company. There has been no report of insider trading within the organisation to-date.
- 4) The Company has guidelines in place for Directors and Executives to disclose their stake in the Company and relation to the Directors, if any. The Company also discloses information of its Directors and Executives shareholding in the Company and subsidiaries in accordance with the requirements from regulators such as the Office of Securities and Exchange Commission (SEC) and the SET.

The Company allows all its shareholders to access the Company's information, as well as provides a variety of channels of clear communications to its staff through the Company's website, or through other channels such as telephone, fax, post, or email. Interested parties can directly contact the Company at

King Wai Group (Thailand) Public Company Limited
30th Floor, Jewellery Centre Building
138/108 Nares Road, Sipraya, Bangrak, Bangkok 10500
Tel : (662) 237-1999
Fax : (662) 237-2666

or by e-mail: info@kwgthai.com or visit the Company's website: www.kwgthai.com for more information.

C. ROLE OF STAKEHOLDERS

The Company recognises the legal rights and roles of stakeholders including its shareholders, employees, customers, business partners, creditors, competitors, communities and society as a whole. All stakeholders shall be treated fairly in accordance with their legal rights as specified in relevant laws and regulations. These relevant laws and regulations are also published as manuals and distributed to all staff to ensure strict compliance. The manuals are also distributed to:

Shareholders: The Company is determined to conduct its business with prudence and transparency to ensure sustainable growth and enhance long-term value for its shareholders.

Employees: The Company recognises that its employees are the core driving force for the organisation. The Company strives to continually enhance staff competency levels by providing opportunities for career advancements and a fair reward system. The Company is committed to training and developing its workforce, as well as providing a safe working environment for everyone.

In 2016, the Company organised a total of 445.25 training hours, for its staff. This included both internal and external training sessions.

Customers: The Company is committed to provide quality products and services to all customers, as well as to assist and provide solutions to their needs, while protecting customer confidentiality at the same time, unless stipulated by law or with the customer's written consent.

Creditors: The Company has policies in place to ensure that creditors are treated with equality and fairness. In case of non-compliance with any one of the conditions laid out in the agreement, the Company will promptly notify the creditor to jointly consider and resolve the issue in a fair manner.

Business Partners: All employees are expected to provide accurate and complete disclosure on their shareholding interest and that of their related kin, so as not to impede decisions of potential buyers or sellers of shares. Employees should also refrain from accepting gifts and/or rewards from buyers or sellers as well as attending private functions hosted by them, so as to avoid any accusation of special assistance rendered at a later occasion.

Competitors: The Company respects competition and does not engage in deals and/or discussion with employees of its competitors on issues and/or information that may impact either party's business.

Community and Society: The Company is committed to positively impact the community and society in the four focus areas of education, sports, society and the environment, as well as arts and culture.

Others:

1) Purchase of licensed software

The Company purchases computer software which are duly licensed and prohibits illegal use of unlicensed computer software. If the need arises to install any additional software applications, the Information Technology Department will ensure the relevant licenses prior to installation.

2) Medical Benefits

Employees are each provided with a health insurance card from the insurance company, and are entitled to a benefit plan which covers medical costs in the participating hospitals. Employees are also provided a complimentary annual health checkup.

3) Safety

The Company provides training for appointed fire wardens and shares updated fire evacuation plans for employees, within the office building as well as for the projects.

D. DISCLOSURE AND TRANSPARENCY

The Company ensures that all information on its finances or any other issues, which are beneficial to related parties, are disclosed in an accurate, complete, transparent, and timely manner as prescribed in the requirements of the SEC and SET. The Company's financial statements are also prepared in accordance with the Accounting Standards and generally accepted accounting principles to reflect the real operating performance of the Company.

The Company discloses all information through various communication channels including the SET and the Company's website in accordance with relevant regulations of related offices in both Thai and English to ensure that shareholders have timely access to information.

Investor Relations

The Company has appointed Ms Marisa Sangvoranit as an investor relations officer to provide timely information and news to shareholders. Interested parties can contact her directly for required information at

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or by e-mail: info@kwgthai.com or visit the Company's website, www.kwgthai.com for more information.

E. RESPONSIBILITIES OF THE BOARD

Board Structure

The Board consists of Directors with varied qualifications, skills, experiences and expertise that are beneficial to the Company and in accordance with the requirements of the SET. Directors are appointed in accordance with the principles and procedures of laws and Articles of Association of the Company. In 2016, the Board comprised three (3) executive Directors and six (6) non-executive Directors.

Independence from the Management

The Board acts independently from the management. There is a clear segregation of duties and responsibilities between the Board and management. The Board formulates policies, provides strategic business direction, as well as oversees and ensures that operations are carried out according to the highest levels of transparency and disclosure, and in accordance with the respective policies.

To ensure an appropriate balance of authority, increased accountability and a greater capacity of the Board for independent decision-making, the Company has a clear division of responsibilities at the top level, with the Chairman of the Board and the Chief Executive Officer of the Company having clearly separated roles.

Appropriateness of the Board

The number of Directors on the Board is in accordance with Clause 16 of the Articles of Association which stipulates that “there shall be no less than five Directors and no less than half of the total number of Directors who must reside in the Kingdom of Thailand”. Clause 22 has prescribes that one-third of the Directors must retire at each Annual General Meeting. Should the number not be divisible by three, the number must be closest to one-third. A retiring Director is eligible for re-election.

Effectiveness of the Board

The Board has in place adequate internal control systems to ensure that the Company’s operations are carried out responsibly, with integrity and in accordance with the regulations of the SEC and SET. Together with the Audit Committee (AC), the Board safeguards the resources of the Company and ensures that procedures and policies are adhered to in the management of the Company.

- The Board is responsible for the Company’s internal control system. It ensures that appropriate policies are in place for effective functioning of the Company’s business operations. The Company has engaged the audit team from Mazars Limited to audit the Company at least once a year. The Internal Audit team then reports its findings to the Board of Directors and the AC.
- The Board and the AC will then review all items to ensure compliance with relevant laws and regulations, as well as with internal policies with respect to the conduct of business. The AC will review the quarterly financial statements and report to the external auditors as well as Internal Audit team before seeking approval from the Board. The AC is satisfied that KWG and its subsidiaries have maintained adequate internal controls for the year 2016.
- It is the Company’s policy to appoint a Company Secretary in compliance with the applicable Securities and Stock Exchange Act (No.4) BE 2551 (2008) and principles of good corporate governance. The Company Secretary is further encouraged to attend appropriate training courses to enhance his or her skills.
- The Board convenes on a quarterly basis and will call for additional meetings when required. The following reports and procedures are provided to the Board to allow them to better anticipate risks and key drivers ahead of events so that timely decisions can be made.

The reports and procedures include:

Whistle-Blower Protection Policy

The purpose of this policy is to encourage reporting in good faith of suspected reportable conduct by establishing clearly defined processes through which such reports may be made with confidence that employees and other reporting parties will be treated fairly and protected from reprisal. This policy is one channel through which the Company receives information on suspected reportable conduct and addresses them in an appropriate and timely manner.

“Reportable Conduct” refers to any act or omission by an employee or contract worker appointed by the Company, which occurred in the course of work, whether or not the said act is within the scope of their employment. It includes:

- (1) Dishonesty including, but not limited to, theft or misuse of Company’s resources;
- (2) Fraud;
- (3) Corruption;
- (4) Illegal activities;
- (5) Other serious improper conduct;
- (6) Unsafe work practices or ;
- (7) Any other conduct which may cause losses, financial or otherwise, to KWG or be seen as being detrimental to KWG’s reputation.



King Wai Group (Thailand) is devoted to achieving high standards of corporate governance.

Staffs and/or shareholders may report their complaints directly to the following persons:

Receiving Officer

Mr Yupeng Huang	: Office	: 0 2237 1999
Director, CEO	: E-mail	: Eric@kwgthai.com
King Wai Group (Thailand) PCL.	: Office Address	: 30 th Floor, Jewellery Centre Building, 138/108 Nares Road, Sipraya, Bangrak, Bangkok 10500

Audit Committee Chairman

Mrs Jiraporn Pimpoorash	: Office	: 0 2237 1999
	: E-mail	: Jiraporn@sj.co.th
	: Office Address	: 30 th Floor, Jewellery Centre Building, 138/108 Nares Road, Sipraya, Bangrak, Bangkok 10500

Reporting procedure

- A Protected Report may be made orally or in writing. However, such reports should preferably be in writing so as to ensure a clear understanding of the matters raised. Oral reporting should be documented by the supervisor, Receiving Officer or AC Chairman, depending on who receives the report first. All communications relating to the allegations made in a Protected Report should also be in writing.
- The Receiving Officer will retain all documents related to Protected Reports in a safe, secure and proper manner.
- Protected Reports (whether oral or written) should be factual rather than speculative, but need not be conclusive evidence of the alleged Reportable Conduct. The report should include the nature of the alleged Reportable Conduct, the name(s) of the person(s) alleged to be involved, the date and description of the alleged wrongdoing(s) and other pertinent information. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.
- Whistle-Blowers must provide their names, phone numbers and addresses so that the Receiving Officer or AC Chairman may contact them for more information if need be.

Confidentiality

- Confidentiality of the identity of Whistle-Blowers and persons who participate (or who intend to participate) in investigations initiated under this policy will, to the extent possible, be maintained. Such persons should nevertheless be cautioned that their identity may become known for reasons outside of the control of all those involved in receiving the Protected Report and/or investigating the matters raised therein.
- The identity of the Investigation Subject(s) will similarly be maintained in confidence to the extent possible.

Enterprise Risk Management

Enterprise Risk Management is a process designed to identify potential events that may impact the Company caused by changing economic, financial, social and legal situations, and to specify sufficient protection and suitable resolution measures to prevent and mitigate such risks, including analysis of circumstances as well as the probability of risky events occurring. KWG's enterprise risk management process is implemented on a quarterly basis.

Internal Audit Report

An internal audit is conducted annually to review the adequacy and effectiveness of key controls, procedures and processes of the Company and its subsidiaries. A report is then generated to address three key areas, including the adequacy and effectiveness of existing internal controls and operational procedures, compliance with established policies and procedures, as well as the weaknesses and recommendations for improvement in the areas reviewed.

Vision and Mission/ Core Value

The Company's Vision and Mission/Core Value can be found on the Company's website. Such strategic will be reviewed annually years.

Code of Conduct

The Company has a Code of Conducts in place which is circulated to related parties, Directors, Executives and all employees. The policy addresses standards with regards to safety discrimination and workplace harassment, internal and external corruption or bribery, gifts as well as donations and contributions.

BOARD COMMITTEES

The Board currently comprises three committees, namely, the Board of Directors, the Executive Committee (EC) and the AC.

BOARD OF DIRECTORS

The Board of Directors assumes full authority over the management of the Company and ensures that the Company's operations meet its set objectives and complies with Articles of Association and shareholders' resolutions.

Roles, Duties and Responsibilities of the Board of the Directors

The principal functions of the Board are as follows:

- 1) Review and approve the Company's corporate policy and the authorisation matrix.
- 2) Provide full and timely information disclosure to shareholders.
- 3) Be accountable to all shareholders by adopting best practices to enhance value for shareholders.
- 4) Manage the Company in accordance with relevant laws, objectives and Articles of Association of the Company including shareholders' resolutions.
- 5) Review, and where required, approve key strategies, objectives and plans of the Company and appropriate financial and operational matters.
- 6) Advise management on significant issues that may impact the Company.
- 7) Evaluate the adequacy of internal controls, risk management, financial reporting and compliance.
- 8) Nominate Directors and ensure that the structure and practices of the Board provide for sound corporate governance.
- 9) Supervise and appropriately remunerate senior management.

The Company's Board of Directors as at 31 December 2016 includes:

Name	Position	Appointment Date
Mr King Wai Chan	Chairman	18 May 2016
Mr Antonio Hang Tat Chan	Vice Chair Man	18 May 2016
Mr Yupeng Huang	Director	18 May 2016
Mr Boonyong Yongcharoenrat	Director	19 May 2016
Mr Hang Lee Chan	Director	20 Jun 2016
Mr Shaosan Zheng	Director	20 Jun 2016
Mrs Jiraporn Pimpoorash	Independent Director and Audit Committee Member	27 May 2004
Prof Chukiat Pramoolpol	Independent Director and Audit Committee Member	21 Dec 2004
Mr Somprasong Makkasaman	Independent Director and Audit Committee Member	27 May 2004

EXECUTIVE COMMITTEE

The Executive Committee (EC) consists of two non-Executive Directors and one Executive Director with the competencies and expertise to oversee the business, assets, affairs and performance of the Company. The EC focuses its activities regularly on the key requirements and policies of the Company.

Roles, Duties and Responsibilities of the Executive Committee

- 1) To operate the daily business of the Company in line with the Company's policy and budgets, set the directions, targets, organisation and business operations of the Company, at the same time, monitor the Company's performance in achieving its targets.
- 2) To assess transactions of the Company and its subsidiaries which may have conflicts of interest with the Company. The EC would then have to propose the meeting of the AC and the Board before the transaction is approved.
- 3) To perform operations as assigned by the Board and to approve other business operations of the Company as delegated by the Board.
- 4) To approve credit and write-off debts within the authorised limits.
- 5) To approve the hiring of consultants and procurement of materials in accordance with procedures.

The Company's EC as at 31 December 2016 includes:

Mr King Wai Chan	Chairman
Mr Antonio Hang Tat Chan	Member
Mr Yupeng Huang	Member

CHIEF EXECUTIVE OFFICER (CEO)

Mr Yupeng Huang, Chief Executive Officer, has the responsibility to manage and lead daily business operations of the Company.

Role, Duties and Responsibilities of the Chief Executive Officer

- 1) Responsible for daily business operations and management of the Company.
- 2) To assure that the operations are in accordance with the policies, work plans, and within budget as approved by the EC and/or the Board.
- 3) Be the authorised person to manage the Company's operation to be in line with the Company's objectives, regulations, policies, standards, requirements, instructions and the resolution of the Board meeting and/or the shareholders' meeting.
- 4) Manage and lead business operations, and at the same time, evaluate Company's performance on regular basis so that proper action will be taken to prevent or minimise risks associated with external and internal factors.
- 5) To oversee any binding agreements with regards to the Company's business, as well as evaluate opportunities which may be beneficial to the Company. This includes overseeing the drafting of contracts to be further submitted to the EC and/or the Board.

- 6) Allocate sufficient funds for awards, and compensations to employees as previously approved by the Board.
- 7) To authorise employment, including transfer and rotation across departments/lines/sections, or termination of employment.
- 8) Determine rate of salary, compensation, bonus, and fringe benefits of employees.
- 9) To authorise and regulate issuance of announcements, and memorandums to ensure that the Company's policies are followed, to safeguard the Company's benefits, and to cultivate work discipline within the organisation.
- 10) To perform other duties as assigned by the Board.

Actions of the Chief Executive Officer concerning the assignment of duties, responsibilities and authorisation should not be in conflict with the interests of the Company and its subsidiaries. Such activities which may cause a conflict of interest have to be presented at the Board meeting or shareholders' meeting for consideration and approval in accordance with regulations of the Company, its subsidiaries, or applicable laws. However, there is an exception when such activities are part of regular business operations with a predetermined scope.

AUDIT COMMITTEE

The AC is appointed by the Board in accordance with the requirements of the SET. The AC convenes at least four times a year to review the Company's business operations. In 2016, the AC called for seven (7) meetings.

Roles, Duties and Responsibilities of the Audit Committee

The AC is guided by the following terms of reference:

- 1) Review financial statements to ensure adequacy, accuracy and proper disclosure as required by accounting standards and relevant laws.
- 2) Review the efficiency of the internal audit system set by management.
Review business operations in accordance with the requirements of the Securities and Exchanges Act, Rules and Principle Standards of the SET or any other laws related to the Company's business.
- 3) Consider, select and nominate an independent person as the Company's auditor, and to propose the aforementioned person's remuneration, as well as to attend the meeting separately with external auditors to discuss any matters without the presence of management at least once a year.
- 4) Review relevant transactions for any conflicts of interest, adherence to related laws and regulations of compliance and to ensure that such transactions are transparent.
- 5) Ensure transparency and accuracy in the Company's disclosure of relevant transactions, conflicts of interest or any other operation which may cause significant impact on the Company.
- 6) Report on activities of the AC in the Company's annual reports which must be signed by the Chairman of the AC.
- 7) Perform any other act as assigned by the Board of Directors with the agreement of the AC.

The Company's Audit Committee as at 31 December 2016 includes:

Mrs Jiraporn Pimpoorash	Chairman
Prof Chukiat Pramoolpol	Audit Committee
Mr Somprasong Makkasaman	Audit Committee

Mrs Jiraporn Pimpoorash, with her extensive experience in the relevant industry for 28 years, is qualified to carry out the audits for KWG.



We are committed to providing quality products and services to all customers, as well as to assist and provide solutions to their needs.

SELECTION OF DIRECTORS AND EXECUTIVE OFFICER

DIRECTORS AND EXECUTIVE OFFICER

The Board is responsible for the operations of the Company and has the duty to select qualified and accountable persons capable of maintaining good relations with the Board for Executive positions. To appoint the Directors and Management, the Company shall consider and propose qualified persons in accordance with the laws and the relevant regulations, including the Articles of Association of the Company. The Board and AC will recommend such persons.

In appointing a member, the Board shall refer to the following for guidance:

- Scenario 1: In the event of expiration of a Director's term, the Board shall recommend suitable candidates for election at the Annual General Meeting.
- Scenario 2: In the event that an existing Director leaves before the expiration of his or her term, the Boards shall appoint a qualified person in his or her place with voting of no less than three-fourths and shall hold the office until the expiration of the term. The person appointed as new Board member shall serve the remainder of that term.

INDEPENDENT DIRECTOR

The person who shall be qualified to be Independent Director must be in full compliance with the qualifications and independent criteria as prescribed by Capital Market Supervisory Board.

Qualifications of Independent Directors

- 1) Holding shares not exceeding 0.5% of the total number of shares with voting rights of the Company, parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such Independent Director;
- 2) Neither being nor ever was an Executive Director, employee, staff, advisor who receives salary, or controlling person of the Company, parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person;
- 3) Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or subsidiary company;
- 4) Neither having nor ever had a business relationship with the Company, parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiary company, associate company, major shareholder or controlling person;

The term 'business relationship' shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or his counterparty being subject to debt payable to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such debt shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such debt shall include debt incurred during the period of one year prior to the date on which the business relationship with the person commences;

- 5) Neither being nor ever was an auditor of the Company, parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, parent company, subsidiary company, associate company, major shareholder or controlling person unless the foregoing relationship has ended no less than two years prior to the date of appointment;
- 6) Neither being nor ever was a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services unless the foregoing relationship has ended no less than two years prior to the date of appointment;
- 7) Not being an appointed Director or representative of Directors of the Company, major shareholder or shareholder who is related to major shareholder;
- 8) Not being a Director assigned by the Board to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company;
- 9) Not undertaking any business in the same nature and in competition to the business of the Company or subsidiary company or not being a significant partner in a partnership or being an Executive Director, employee, staff or advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or subsidiary company;
- 10) Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operation.

However, the Company has not fixed the maximum term for Independent Directors. The Company has taken into consideration the knowledge, competency and professional experience of each Independent Director and his/her contribution for the benefits of all stakeholders and the Company's business growth, as well as the individual's performance assessment throughout the term of directorship. Each Independent Director has proved that his/her independence is maintained without any conflict of interest and/or material interest with the Company.

ADDITIONAL TRAINING COURSES OR RELEVANT SEMINARS ATTENDED BY DIRECTORS

The Board encourages all Directors, Executives and the Company Secretary to attend training courses or participate in knowledge enhancement seminars, both internal and external, that support their work duties such as training courses offered by the Thai Institute of Directors (IOD), as well as courses arranged by other agencies so that they can apply the knowledge for the sound progress of the Company.

BOARD MEETING POLICY

The Company requests for cooperation from all Directors to attend all meetings whenever possible. In 2016, there were thirteen Board meetings. The Company has fixed the minimum quorum where at least one-half of total number of Directors should be present at each meeting.

INSIDER INFORMATION CONTROL

The Company carefully monitors conflicts of interest by setting out clear policies and procedures regarding the safeguarding and utilisation of sensitive information affecting trading of the Company's shares.

The Company has adopted the insider trading policy, which is set out in its Code of Business Conduct.

The policy prohibits internal stakeholders from trading in the securities of the Company if he/she is in possession of information which would, or would be likely to, have material effect on the financials of the Company.

It is outlined as follows:

- a) The Company carefully monitors the safeguarding and utilisation of sensitive information which will affect the trading of the Company's shares. All Directors, Management and employees, including their spouse and children under the age of 20, are strictly prohibited to trade in the Company's securities within one month of the public disclose of its inside information or financial statements.
- b) The Company is also required to file reports to the SET to disclose any changes in the Company's securities holdings for all Directors and management each time such changes occur.
- c) All staffs of the Company are required to acknowledge this policy upon hire. The Company is also required to review this policy annually to ensure compliance. Any employee who fails to observe the insider trading policy will be subjected to disciplinary action, including dismissal, in addition to civil and criminal penalties.

AUDIT FEE

AUDIT FEE

The Company and its subsidiaries engaged PricewaterhouseCoopers ABAS Ltd. for auditing services and paid for audit fee expenses incurred in 2016 totaling of Baht 1,731,2400.00.

Auditor's Fee for the Company	Baht	715,680.00
Auditor's Fee for subsidiaries	Baht	1,015,560.00

NON-AUDIT FEE

There were no non-audit fee incurred in 2016.

Internal Control and Risk Management

The Board of Directors and Audit Committee (AC) are of the opinion that King Wai Group (KWG) and its subsidiaries have in place adequate internal control systems and processes that safeguard and protect the Company's resources. The policies and procedures also ensure effective management of the Company.

KWG has engaged the Internal Audit team at Mazars Ltd. (Mazars) to provide professional and consultancy services at least once a year. The internal as well as external auditor reports, including recommendations made by these auditors are reviewed by the Audit Committee and then surfaced to the Board of Directors.

The Board of Directors and the AC are satisfied that the internal controls, addressing the financial, operational and compliance risks of the Company are adequate.

Related Party Transactions

APPROVAL PROCEDURES OF RELATED PARTY TRANSACTIONS

In case that the Company, its subsidiaries, related persons or parties enter into related party transactions, the Company shall proceed in accordance with laws, regulations, notifications, orders and rules of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to comply with corporate governance principles. It must also follow the rules of the related transaction disclosure and acquisition and disposal of the asset. Such related party transactions shall be agreed and approved by the Board and shareholders. However, no Director or Executive with conflict of interest in the matter shall be involved in the approval.

POLICIES ON FUTURE RELATED PARTY TRANSACTIONS

The Audit Committee and the Company will oversee any future related party transactions together to ensure that they will be handled properly and approved in accordance with relevant procedures. The related party transactions shall be disclosed according to regulations of the SEC and the SET.

The Company will ensure that related party transactions shall be entered into for the best interest of the shareholders.

RELATED PARTY TRANSACTIONS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

(Further details can be found in the Notes to Consolidated Financial Statements on page 92)

1. Management Fee

The Company had entered into a management agreement with Straits Mansfield Property Marketing Pte. Ltd. ("Straits Mansfield") a subsidiary of Keppel Land Limited ("KLL"), to provide professional and consultancy services for the Company and its two subsidiaries; Thai-Kami Co., Ltd. and Top Property Co., Ltd. ("Top Property") of which the Company held 100% and 61% respectively of total shares. This is a normal business transaction based on reasonable commercial terms, and was approved by the Board with the transaction value of SGD 155,000.

KLL completed the sale and transfer of 100,000,000 shares in the Company to KWT1499 (Thailand) Company Pte. Ltd. ("KWT1499") on 18 May 2016, as a result, KWT1499 has become a major shareholder of the Company. The management agreement with Straits Mansfield was also terminated since then.

The management fee charge based on monthly basis, the actual fee incurred from January - May 2016 is SGD 64,583.67.

2. Internal Audit Fee

The Company entered into an agreement with Straits Mansfield to provide internal audit services. This is a normal business transaction based on reasonable commercial terms, and was approved by the Board with the transaction value of SGD 15,000.

The internal audit fee charge based on monthly basis, the actual fee incurred from January-May 2016 is SGD 6,250.

3. Management Fee between the Company and Its Subsidiaries

The Company has entered into a management agreement with the Company's subsidiary (Top Property) to provide professional and consultancy services with the transaction value of not more than THB 1,600,000. This is a normal business transaction based on reasonable commercial terms, and has been approved by the Board.

Corporate Social Responsibility

SUSTAINABILITY FRAMEWORK

As a responsible corporate institution, we seek to build trusting and lasting relationships with our many stakeholders to generate values in society and deliver the long-term shareholder returns. We strive to achieve the following for our key stakeholders:

Customers:

To develop quality homes of enduring values

Shareholders:

To deliver sustainable earnings and maximise shareholder returns

Employees:

To provide employees a safe working environment, as well as empower them through training and development

Business Partners:

To build long-term and mutually beneficial relationships

Communities:

To be responsible for making a difference by building and supporting sustainable communities



King Wai Group (Thailand) supports local community development.

BUSINESS ETHICS

KWG is in compliance with Thailand's laws and regulations as well as the Stock Exchange of Thailand's (SET) regulations on good corporate governance. The Company conducts its business with integrity, fairness, and impartiality, in an ethical and proper manner with all stakeholders, including customers, suppliers, communities and employees.

KWG employees are to comply with all laws and regulations and act in the best interest of the Company. The Company aims for sustainable growth and treats all shareholders equally.

INTELLECTUAL PROPERTY POLICY

KWG complies with Thailand's law on intellectual property. The Company encourages staff to respect intellectual property. Employees are prohibited against using the Company's resources, including computers, for unlawful activities. The Company also prohibits the use of unauthorized software without proper business licenses. Non-compliance will result in disciplinary action. Information Technology team has made random inspection for illegal use of unauthorized software on company computers from time to time. This is part of risk management process.

Records of software must be maintained and subsequent actions that verify sufficient software licenses kept. Proof of ownership must be documented and made available for all installed software. Paid invoices are a legitimate record of software licenses. This information is useful during a software audit.

ANTI-CORRUPTION

KWG has anti-corruption policies and measures to protect its businesses, resources and reputation. The Human Resources team conducted its annual briefing to all staff on the Company's anti-corruption policy, after which all staff were required to sign an acknowledgment form.

The anti-corruption policy is as follows:

- The Company's employees must under no circumstances offer, promise, give or authorise the giving, directly or through third parties, of any bribe, kickback, illicit payment, benefit in-kind or any other advantage to any customer, supplier, contractor, or any other person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Facilitation payments are also considered bribery. Employees should not make any facilitation payments on behalf of the Company.
- Similarly, KWG staff must not under any circumstances solicit or accept, directly or indirectly, any bribe, kickback, illicit payment, benefit in-kind or any other advantage from any customer, supplier, contractor, or any other person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

- Reporting Mechanism: The Company has a channel of anti-corruption reporting in place. Employees are encouraged to lodge a protected report in relation to suspected reportable conduct to his supervisor and/or the Audit Committee Chairman.
- Investigation: The Company monitors all investigations closely. The Audit Committee Chairman will review the information gathered, following which he will interview and determine whether the circumstance warrants an investigation and if so, decide on the appropriate investigative process to be executed and corrective actions (if any) to be taken.

HUMAN RIGHTS

KWG is a strong supporter of human rights of its employees and others involved in KWG's operations, including workers of contractors.

The Company's policy prohibits discrimination of any kind, and will not tolerate any bias including but not limited to ethnicity, gender, religion, nationality, age or physical disability. KWG aims to provide a work environment that fosters mutual employee respect and promotes harmonious working relationships.

At KWG, safety is a core value. KWG conducts its business in a manner that protects the safety of all its employees and others involved in its operations, as well as customers and the public to achieve a zero-harm workplace.

FAIR TREATMENT TO LABOUR

KWG conducts its business operations in accordance to Thailand's labour laws. The Company is committed to protect human dignity, rights and liberty of its employees through its oversight of operations. The Company provides equitable treatment to all employees.

KWG has a human resources development plan in place which includes professional training to develop the skills of employees according to clear performance indicators and promotion procedures.

The Company also provides annual medical check-ups, medical payment plan as well as medical care seminars for all employees. In 2016, the medical check-ups were held during October.

RESPONSIBILITY TO CUSTOMERS

KWG is responsible for providing correct and accurate portrayal of its products and services as well as of the Company to its customers. The Company aims to deliver homes of quality and value to customers. The Company provides after sales service and also has avenues for customer feedback.

KWG has continued to conduct Customer Relation Management (CRM) activities and has a policy to build and maintain mutual long-term relationship with customers. Every year, the Company organizes various CRM activities and invites customers to attend. The Company and customers would meet up and develop relationship together during organized activities such as T-shirt painting, Thai dessert making (Look Shup), decoupage decoration, cupcake decoration, clock D.I.Y, yoga exercise, "Krathong" making for Loy Krathong festival, pottery painting and tree planting. These activities would give us a chance to strengthen the relationship with our customers and collect their feedback on their suggestion and preference for market trend, which helps us to gain the insights on the competitive advantage for our marketing plan.

We are conscious of any potential external risk that does harm to our customers and their properties and strive to take any possible preventive measure to minimize the impact of the uncontrollable risk. During the heavy rainy season, on 12 July 2016, our property management team at Villa Arcadia Watcharapol, an area which is located at North of Bangkok and once experienced the 2011 Thailand flooding, conducted a flooding drill with planned procedures to better prepare the villagers for the flooding.



KWG has continued to conduct Customer Relation Management activities to build and maintain long term relationship with customers.

CARE FOR ENVIRONMENT

KWG strives to operate our business with environment care in mind. The Company conducts business with environmental friendly processes and targets to protect the environment.

On Saturday 24 June 2016, KWG organised a green activity at Chet Sao Noi waterfall, located on Chet Sao Noi National Park, Saraburi province. 56 volunteered KWG staff joined this environment nurturing activity to clean up the river. Every rainy season, Jed Sao Noi waterfall and its surrounding town and roads are the main flooding area which endangers the villagers and their properties. Cleaning the river by taking away the garbage and unnecessary water plants would help increase the flow of river water. With the supervision of national park officers, a group of KWG volunteers went into the water to collect the garbage and pulled out unnecessary water plants. In addition, the Company donated equipment including life vests, baskets, sickles and nets to the national park.



Executive Vice Chairman, Mr Antonio Hang Tat Chan helps painting the restoring playground equipment during KWG's CSR activity.



Volunteers from King Wai Group (Thailand) dipped into the water to clean the river at Chet Sao Noi National Park, Saraburi province.

SUPPORT SOCIETY

During the mourning period for His Majesty King Bhumibol Adulyadej, the Company had given away black ribbon pins for free at its head office for visitors just in case that some might not have enough black apparel or cannot afford black cloths. Black ribbon pins are accepted as an alternative way to mourn for the king.

COMMUNITY DEVELOPMENT

King Wai Group intends to give back to community and continues to support the development of the community including children development.

On Saturday 17 December 2016, led by KWG's Executive Vice Chairman, Mr Antonio Hang Tat Chan, KWG sponsored nine awards during an awards ceremony organised by the Duang Prateep Foundation for the selected children living in Klongtoey community, Bangkok's largest slum community with some 80,000 residents. The awards are composed of 3 categories, namely, outstanding leadership, outstanding humanitarian activity, and outstanding manners. The selected children are members of a foundation programme, which aims to nurture the children for their education, society adaption and mind development in the community and to keep them off the slum street where many bad influences are. Additionally, to show the appreciation and thankfulness for those who make contributions to the community, KWG sponsored twenty two more rewards for twenty two volunteers who had been actively helping with the organisation activities through the year of 2016.

The organisation operates over 20 projects in the fields of education, child abuse, and welfare of the elderly and slum youths at Klongtoey, Bangkok.

Management Discussion and Analysis

In May 2016, the major shareholder of the Company was changed from Keppel Land Limited in Singapore to King Wai Group, a conglomerate founded in Hong Kong and wholly owned by the company's chairman Chan King Wai for over 30 years. On 20 June 2016, the Company registered the change of company name from Keppel Thai Properties Public Company Limited to King Wai Group (Thailand) Public Company Limited and the change of its security symbol from "KTP" to "KWG". After the take-over, the new management has initiated new strategies in increasing the revenue on sales of property and rental service income, reducing the expenses, as well as strategically acquiring new business.

The new initiatives to improve the Company's performance delivered strong results – in 2016 the Company recorded revenue of Baht 328.4 million, increased by 6.9% compared to Baht 307.3 million in 2015, with property sales accounting for Baht 287.6 million or 88%, and rental and service income accounting for Baht 40.8 million or 12%, respectively. In 2016, total gross profit increased by 28% to Baht 98.9 million compared to Baht 77.4 million in 2015, total gross profit margin increased by 4.94% to 30.12%, and net profit margin increased by 49.79% to 21.83%.

Strategic acquisition of new business also contributed to the Company's performance significantly. In 2016, the Company generated net profit of Baht 125.8 million, an increase of Baht 213.0 million or in equivalent to 244.26% from loss of Baht 87.2 million in 2015. The main reason of this increase is the gain from fair value adjustment on its investment properties of Baht 236.2 million, arising from the strategic acquisition, an increase of Baht 224.2 million or in equivalent to 1,868.33% from Baht 12.0 million in 2015.

During the year, the Company also recorded the foreign currency gain of Baht 10.4 million, an increase of Baht 19.7 million as compared to the foreign currency loss of Baht 9.3 million in 2015.

In 2016, Thailand's economy expansion was 3% due to the 1H2016 stimulus package including property stimulus package, government spending and economy stimulus package of the government. In 2017, even though there is limit in private consumption, the Company expected that Thailand's economy would continue to expand due to the lowering of personal tax, private sector recovery from infrastructure investment from government. The Company perceives the opportunity to invest in new projects in 2017.

BUSINESS OPERATION

Revenue

Income of the Company and its subsidiaries consists of revenue from rental service of the office building and sale of land and houses. The Company generated Baht 40.8 million from rental service of the office building, an increase of Baht 1.6 million or 4.08% from Baht 39.2 million in 2015. Revenue from sales of land and houses in 2016 amounted to Baht 287.6 million, an increase of 19.5 million or in equivalent to 7.27% from Baht 268.1 million in 2015. Gross profit margin was 30.12%, an increase of 4.94% from 25.18% in 2015. The Company recorded an unrealised fair value gain on its investment properties in the amount Baht 236.2 million in 2016 as compared to Baht 12.0 million in 2015, which is an increase of Baht 224.2 million or 1,868.33%. Gain from exchange rate from foreign currency loan was Baht 10.4 million, an increase of Baht 19.7 million or in equivalent to 211.83% from loss of Baht 9.3 million in 2015. The Company recorded other income of Baht 0.9 million in 2016, a decrease of Baht 0.9 million or in equivalent to 50.00% from Baht 1.8 million in 2015 which was mainly due to the gain from sale of scrap value from the demolition of KWG's granite factory.

Expense

In 2016, KWG incurred cost of property sold of Baht 215.8 million, a decrease of Baht 0.6 million or in equivalent to 0.28% from Baht 216.4 million. Selling expense was Baht 20.6 million, an increase of Baht 2.4 million or in equivalent to 13.19% from Baht 18.2 million. This increase was attributable to the promotion expense. Finance cost was Baht 53.1 million, an increase of Baht 6.3 million or in equivalent to 13.46% from Baht 46.8 million in 2015. Administrative expense was Baht 99.9 million, a decrease of Baht 2.1 million or in equivalent to 2.06% from Baht 102.0 million in 2015, this is due to the expense control program strategically implemented by the new management.

Income Tax Expense

The deferred income tax from net gain from fair value adjustment on its investment properties amounting to Baht 47.0 million in 2016, which is Baht 45.0 million increase from Baht 2.0 million in 2015.

FINANCIAL POSITION

Assets

As at end-2016, KWG had total assets amounting to Baht 2,429.4 million, which is an increase of Baht 706.5 million, or in equivalent to 41.00%, as compared to Baht 1,722.9 million in 2015. KWG's total current assets were valued at Baht 1,221.0 million, a decrease of Baht 96.2 million or in equivalent to 7.30% in comparing to Baht 1,317.2 million in 2015. This decrease was mainly attributable to the decrease in the construction in progress of Villa Arcadia Phase Two in the amount Baht 112.6 million, or a decrease of 8.86%. Investment property value was Baht 1,135.2 million, an increase of Baht 788.9 million or in equivalent to 227.81% from Baht 346.3 million in 2015. This was due to the acquisition of NVV development Company Limited. Return on Asset (ROA) was 6.06%, an increase of 11.22% from -5.16% in 2015.

Liabilities

In 2016, KWG posted total liabilities amounting to Baht 2,221.9 million, which is a Baht 559.4 million, or a 33.65% increase, from Baht 1,662.5 million in 2015. This increase was mainly attributable to the additional drawn down from a short-term commercial bank loan for the purpose of Villa Arcadia Srinakarin Phase Two development and working capital, an increase of Baht 56.5 million to Baht 1,182.5 million in 2016 or in equivalent to 5.02% in comparing to Baht 1,126.0 million as stated in 2015. The long-term commercial bank loan in 2016 was Baht 438.0 million. The long-term loan from a related party was Baht 31.2 million. Debt to equity ratio was 10.71 as compared to 27.5 in 2015.

Shareholders' Equities

In 2016, KTP posted a total shareholders' equity of Baht 207.5 million, which is an increase of Baht 147.1 million, or in equivalent to 243.54% from Baht 60.4 million in 2015. Equity attributable to shareholders of the Company was Baht 213.9 million in 2016, an increase of Baht 57.6 million or in equivalent to 36.85% as compared to Baht 156.3 million in 2015. This increase was mainly due to the net profit in 2016. Return on equity (ROE) was 93.93%, an increase of 177.72% from (83.78%) in 2015. In December 2016, the Board of Director approved to propose to the Extraordinary General Meeting of the Shareholders No. 1/2017 on 22 February 2017 for the consideration and approval of the increase of the Company's registered capital from Baht 2,200,000,000 to Baht 9,240,000,000 by issuing 704,000,000 new ordinary shares with a par value of Baht 10 per share for offering to sell to the existing shareholders of the Company in proportion to their respective shareholdings at the offering ratio of 1 existing share to 3.20 newly issued ordinary shares, at the offering price at Baht 2.63 per share. Any fraction of shares shall be rounded down. The existing shareholders may subscribe for the newly issued ordinary shares in excess of their rights and for offering to sell the shares remained from the allocation and/or offering to sell to the existing shareholders in the right offering and oversubscription to a concert party. The Extraordinary General Meeting of the Shareholders No. 1/2017 on 22 February 2017 approved the increase of the Company's registered capital.

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Audit Committee Report

To the Shareholders of King Wai Group (Thailand) Public Company Limited

The Audit Committee of King Wai Group (Thailand) Public Company Limited (KWG) has been appointed by the KWG's Board of Executive Directors. The Audit Committee consists of 3 following independent directors with qualification and experience in accounting, audit, laws and management.

- | | | |
|----|------------------------------|------------------------------------|
| 1. | Mrs Jiraporn Pimpoorash | Chairperson of the Audit Committee |
| 2. | Professor Chukiat Pramoolpol | Member of the Audit Committee |
| 3. | Mr Somprasong Makkasaman | Member of the Audit Committee |
- Mr Paisan Supornpun, the Assistant Vice President (Accounting) of the Company has assisted as the Secretary to the Audit Committee.

The Audit Committee periodically reviewed the consolidated and separate financial statements of the Company and subsidiaries, the internal control system and has meetings with the Company's executive directors about Company's business. The Audit Committee performed its role in accordance with guidance for corporate governance and the rules defined by the Stock Exchange of Thailand.

During the year 2016, the Audit Committee Members convened 20 meetings of which 13 meetings were the Board of Directors meetings and 7 meetings were the Audit Committee meetings. The Audit Committee meetings were also attended by KWG's management team. The meetings included that attended by the Company's external auditor, the KWG's Executive Directors. The meetings content could be summarized as follows;

Financial Statements

The Audit Committee members together with KWG's executive accounting staff reviewed essential information of quarterly and annual consolidated and separate financial statements of the Company and subsidiaries to ensure its compliance with Thailand financial reporting standard, its reliability and adequacy disclosures. The Audit Committee, every quarter, had a meeting with the Company's external auditor without participant of Company's executives or management to discuss and inquire issues noted or resulted from the audit by the external auditor. The Audit Committee reviewed and agreed with the external auditor on Key Audit Matters raised by the external auditor.

The Audit Committee is of the opinion that the financial statements of the Company and its subsidiaries are in accordance with the Financial Reporting Standard and with sufficient disclosures. The external auditors communicated to the Audit Committee that no material weaknesses in the control system were identified and no indication of inappropriate use of assets or concealment.

Related Transactions

The Audit Committee had considered and given opinion about transactions that may give rise to a conflict of interest with the Company and its subsidiaries. The purpose is taking into account the interest of the stakeholders and adequate information in line with the conditions guided by the Stock Exchange of Thailand.

Internal Control and Internal Audit Supervision

The Audit Committee has considered and approved an appointment of Mazars Limited as internal auditor of the Company and its subsidiaries for the year 2016. In selection process, the Audit Committee has considered competence, skill experience of the firm and reasonable fees.

Regulatory Compliance

The Audit Committee reviewed the Company's business operation to ensure that it is in line with the securities and exchange law, regulation of the Stock Exchange of Thailand and laws related to the Company's business. In the year 2016, resulted from the sale and purchase agreement of Keppel Land Limited to Hong Kong King Wai Real Estate Group Limited (KWG), there was a significant change in major shareholders of the Company. In June 2016, the Company then changed its name from Keppel Thai Property Public Company Limited (KTP) to King Wai Group (Thailand) Public Company Limited (KWG). Subsequent to the change, KWG had launched some new plan to do business.

The Audit Committee is of the opinion that the management of KWG has initiated strategic business plan to do business in Thailand that is in compliance with relevant regulations.

Appointment of the External Auditor for the year 2017

In selection of external auditor, the Audit Committee considered the auditor's independence, competence and skill, experience including reasonable audit fees. The Audit Committee has agreed to advise the Board of Directors of KWG to propose to the shareholders for approval to appoint PricewaterhouseCoopers ABAS Ltd. as the Company's external auditor for the year ending December 2017. The appointed auditors were as follows:

Mr Vichien Khingmontri	C.P.A. (Thailand) Registration No. 3977
Mr Prasit Yuengsrikul	C.P.A. (Thailand) Registration No. 4174
Mr Chaisiri Ruangritchai	C.P.A. (Thailand) Registration No. 4526

In summary the Audit Committee is satisfied with the management of KWG in operating KWG's business with prudence, in line with the principles of good corporate governance. The Audit Committee is of the view that for the year ended December 31, 2016, the Company and its subsidiaries had performed at its proper benefit. The Company had established procedures that helped build confidence in Company's operation in accordance with laws and regulation with compilation and disclosure of adequate and reliable Company's financial information.



Mrs Jiraporn Pimpoorash
Chairman of the Audit Committee
8 March 2017

Independent Auditor's Report

To the shareholders of King Wai Group (Thailand) Public Company Limited
(Formerly named “Keppel Thai Properties Public Company Limited”)

My opinion

In my opinion, the consolidated financial statements of King Wai Group (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter : Valuation of investment property. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of investment property</p> <p><i>Refer to note 14 to the consolidated and separate financial statements</i></p> <p>The Group has investment property comprising land and office buildings. After initial recognition, investment property is carried at fair value, which is acceptable under the Thai Accounting Standards (TAS40: Investment property).</p> <p>As at 31 December 2016, the Group recorded the fair value of investment property in the consolidated and separate financial statements at Baht 1,135 million and Baht 358 million, respectively, and recognised changes in fair values in profit or loss for the year then ended of Baht 236 million and Baht 35 million, respectively.</p>	<p>I read the valuation report and verified the appropriateness of the valuation approach and source data by challenging the valuer about whether the market data used for comparative analysis was appropriate and reliable, and assessing the appropriateness of utilisation and the appraisal price based on whether it is consistent with industry forecasts.</p> <p>I assessed the valuation of the investment property using by the 'market approach' by comparing the value of the Group's property with the selling price of an identical or comparable property in the same or nearby locations.</p>

Key audit matter	How my audit addressed the key audit matter
<p>The valuations of the Group's investment property were carried out by a professional valuer who was engaged by the Group after their qualifications and expertise were assessed. The valuation is determined by using the 'market approach'. This approach involves a comparative analysis of the available market data on identical or comparable property in the same or nearby locations. The valuer takes into account other relevant information including legal rights, the individual nature of each property, utilisation, economic outlook and industry forecast.</p> <p>I focused on this area because of the magnitude of the value of investment property and because the valuation model depends on judgement to determine the valuation of the market price of property and the appropriateness and reliability of market data.</p>	<p>I also assessed the valuer's qualification and expertise and read the terms of their engagement with the Group to determine whether there were any matters that might have affected their objectivity or imposed a scope limitation on their work.</p> <p>As a result of the procedures performed, I did not find any material exception based on the available evidence.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company'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 the directors either intend to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

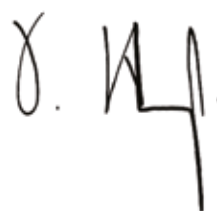
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee 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 the audit committee 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 the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.



Vichien Khingmontri

Certified Public Accountant (Thailand) No. 3977
Bangkok
21 February 2017

Statement of Financial Position

King Wai Group (Thailand) Public Company Limited
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Assets					
Current assets					
Cash and cash equivalents	8	54,494,270	38,211,807	27,388,645	2,548,700
Trade and other receivables	9	7,884,239	7,877,461	2,907,018	3,333,235
Cost of property development - net	10	1,158,012,818	1,270,640,979	-	-
Other current assets		626,430	434,272	567,944	430,955
Total current assets		1,221,017,757	1,317,164,519	30,863,607	6,312,890
Non-current assets					
Refundable withholding tax		26,714,974	21,080,466	15,383,360	12,639,371
Restricted bank deposits	11	32,198,701	29,587,505	-	-
Investments in subsidiaries - net	12	-	-	94,678,793	83,321,257
Other long-term investments - net	13	433,700	376,450	433,700	376,450
Long-term loans to and interest receivables from subsidiaries	28 c)	-	-	1,450,092,433	1,448,153,932
Investment property	14	1,135,194,885	346,269,644	358,514,885	321,999,644
Property, plant and equipment - net	15	6,705,247	6,543,515	5,099,153	4,951,400
Intangible assets - net	16	496,155	303,646	495,722	270,759
Deposits		6,627,586	1,591,902	3,523,552	276,889
Total non-current assets		1,208,371,248	405,753,128	1,928,221,598	1,871,989,702
Total assets		2,429,389,005	1,722,917,647	1,959,085,205	1,878,302,592
Liabilities and Equity					
Current liabilities					
Short-term loans from financial institutions	17	1,182,492,376	1,125,993,806	1,182,492,376	1,125,993,806
Trade and other payables	18	53,085,599	69,664,794	17,851,766	13,429,686
Advances received from customers		2,175,000	6,015,000	-	-
Other current liabilities		1,238,125	1,467,461	542,805	622,954
Total current liabilities		1,238,991,100	1,203,141,061	1,200,886,947	1,140,046,446
Non-current liabilities					
Long-term loans from financial institutions	17	438,000,000	-	-	-
Long-term loan from and interest payable to a related party	28 e)	366,062,735	363,383,827	-	-
Long-term loans from and interest payable to subsidiaries	28 d)	-	-	49,405,208	31,432,058
Long-term loans from related person	28 f)	31,186,234	-	-	-
Employee benefit obligations	19	8,752,853	7,566,604	6,811,887	6,497,609
Deposit from customers		10,802,350	9,930,692	9,509,270	8,943,613
Deferred tax liabilities	20	105,846,393	58,841,255	65,752,193	58,750,561
Prepayment from customers for housing estate juristic person		22,274,839	19,675,944	-	-
Total non-current liabilities		982,925,404	459,398,322	131,478,558	105,623,841
Total liabilities		2,221,916,504	1,662,539,383	1,332,365,505	1,245,670,287

The accompanying notes on pages 15 to 57 are an integral part of these consolidated and separate financial statements.

		Consolidated financial statements		Separate financial statements	
	Notes	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liabilities and Equity (Cont'd)					
Equity					
Share capital	21				
Authorised share capital					
220,000,000 ordinary shares					
at par value of Baht 10 each		2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000
Issued and paid-up share capital					
220,000,000 ordinary shares					
at par value of Baht 10 each		2,200,000,000	2,200,000,000	2,200,000,000	2,200,000,000
Share discount on issue of share	21	(749,997,158)	(749,997,158)	(749,997,158)	(749,997,158)
Retained earnings (deficits)					
Appropriated - legal reserve	22	12,525,332	12,525,332	2,075,332	2,075,332
Unappropriated		(1,244,092,986)	(1,301,650,381)	(820,792,174)	(814,822,319)
Other components of equity		(4,566,300)	(4,623,550)	(4,566,300)	(4,623,550)
Equity attributable to owners of the parent		213,868,888	156,254,243	626,719,700	632,632,305
Non-controlling interests		(6,396,387)	(95,875,979)	-	-
Total equity		207,472,501	60,378,264	626,719,700	632,632,305
Total liabilities and equity		2,429,389,005	1,722,917,647	1,959,085,205	1,878,302,592

The accompanying notes on pages 15 to 57 are an integral part of these consolidated and separate financial statements.

Statement of Comprehensive Income

King Wai Group (Thailand) Public Company Limited
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenue from sales of property		287,600,000	268,130,000	-	-
Rental and service income		40,817,947	39,158,829	40,289,320	38,687,561
Cost of property sold		(215,775,020)	(216,427,424)	-	-
Cost of rental and services		(13,717,438)	(13,478,913)	(13,186,675)	(13,047,351)
Gross profit		98,925,489	77,382,492	27,102,645	25,640,210
Other income	23	247,493,089	4,497,242	101,043,244	66,359,217
Selling expenses		(20,636,928)	(18,246,028)	(1,042,517)	(652,348)
Administrative expenses		(99,912,358)	(102,037,441)	(83,352,375)	(78,097,889)
Profit (loss) before finance costs and income tax expense		225,869,292	(38,403,735)	43,750,997	13,249,190
Finance costs	24	(53,065,877)	(46,769,283)	(40,228,741)	(36,940,458)
Profit (loss) before income tax expense		172,803,415	(85,173,018)	3,522,256	(23,691,268)
Income tax expense	26	(47,005,138)	(2,027,946)	(7,001,632)	(2,027,946)
Profit (loss) for the year		125,798,277	(87,200,964)	(3,479,376)	(25,719,214)

The accompanying notes on pages 15 to 57 are an integral part of these consolidated and separate financial statements.

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Other comprehensive income (expense):					
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Remeasurement of post-employment benefit obligations	19	(3,261,290)	(122,987)	(2,490,479)	(128,129)
Income tax on item that will not be reclassified		-	-	-	-
Total item that will not be reclassified to subsequently profit or loss		(3,261,290)	(122,987)	(2,490,479)	(128,129)
<i>Item that will be reclassified subsequently to profit or loss:</i>					
Changes in value of available-for-sale investments	13	57,250	(32,700)	57,250	(32,700)
Income tax relating to item that will not be reclassified		-	-	-	-
Total item that will be reclassified subsequently to profit or loss		57,250	(32,700)	57,250	(32,700)
Other comprehensive income (expense) for the year, net of tax		(3,204,040)	(155,687)	(2,433,229)	(160,829)
Total comprehensive income (expense) for the year		122,594,237	(87,356,651)	(5,912,605)	(25,880,043)
Profit (loss) attributable to:					
Owners of the parent		60,767,531	(67,259,683)	(3,479,376)	(25,719,214)
Non-controlling interests		65,030,746	(19,941,281)	-	-
		125,798,277	(87,200,964)	(3,479,376)	(25,719,214)
Total comprehensive income (expense) attributable to:					
Owners of the parent		57,614,645	(67,417,230)	(5,912,605)	(25,880,043)
Non-controlling interests		64,979,592	(19,939,421)	-	-
		122,594,237	(87,356,651)	(5,912,605)	(25,880,043)
Earnings (loss) per share	27				
Basic earnings (loss) per share		0.28	(0.31)	(0.02)	(0.12)

The accompanying notes on pages 15 to 57 are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows

King Wai Group (Thailand) Public Company Limited For the year ended 31 December 2016

		Consolidated financial statements		Separate financial statements	
	Notes	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities					
Profit (loss) before income tax		172,803,415	(85,173,018)	3,522,256	(23,691,268)
Adjustments to reconcile profit (loss) before tax to net cash for operating activities:					
Depreciation and amortisation	15, 16	1,870,870	2,166,740	1,040,618	1,359,428
Loss on write-off of equipment	15	4,650	778,497	4,646	85
Loss on disposal of computer software	16	-	82,731	-	82,731
Loss on write-off of goodwill		-	127,908	-	-
Unrealised (gain) loss on foreign exchange		(10,387,476)	9,434,059	8,971	33,861
Gain from fair value adjustments on investment property	14	(236,235,688)	(12,041,529)	(35,008,158)	(10,139,729)
Employee benefit obligations	19	925,444	2,080,998	824,284	1,794,335
Reversal of employee benefit obligations		(3,000,485)	-	(3,000,485)	-
Interest income	23	(192,719)	(114,877)	(49,905,163)	(39,998,538)
Finance costs	24	50,889,055	40,449,972	38,432,714	31,008,630
Allowance for decrease in value of projects	10	2,670,707	6,108,089	-	-
Loss on impairment of investment in subsidiaries		-	-	12,058,267	12,442,689
Reversal of allowance for loss on impairment of investment in subsidiaries		-	-	(1,165,153)	-
Loss from liquidation of subsidiaries		-	-	1,160,392	-
Changes in operating assets (liabilities)		(20,652,227)	(36,100,430)	(32,026,811)	(27,107,776)
Trade and other receivables		111,569	(448,463)	426,217	5,520,694
Cost of property development		109,957,454	(56,061,387)	-	-
Other current assets		(177,979)	6,380,954	(136,989)	(1,135,775)
Other non-current assets		(4,877,817)	(634,060)	(3,246,663)	(1,005,697)
Trade and other payables		(19,815,130)	24,443,406	2,517,747	372,523
Deposits and advances from customers		(3,840,000)	1,169,800	-	-
Other current liabilities		(412,110)	440,801	(80,149)	121,887
Other non-current liabilities		3,470,553	3,171,872	565,657	674,340
Cash generated from (used in) operating activities		63,764,313	(57,637,507)	(31,980,991)	(22,559,804)
Income tax paid		(5,634,508)	(3,566,171)	(2,743,989)	(2,102,187)
Net cash generated from (used in) operating activities		58,129,805	(61,203,678)	(34,724,980)	(24,661,991)

The accompanying notes on pages 15 to 57 are an integral part of these consolidated and separate financial statements.

Statement of Cash Flows

		Consolidated financial statements		Separate financial statements	
	Notes	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from investing activities					
Increase in restricted bank deposits		(2,611,196)	(2,553,133)	-	-
Cash receipt from liquidation of subsidiaries		-	-	2,838,808	-
Cash paid for investing in subsidiaries	12	-	-	(749,850)	
Cash payment for investment in subsidiaries by acquisition of assets		(25,194,962)	-	(25,500,000)	-
Cash payment for long-term loans to subsidiaries		-	-	(234,613,185)	(167,290,000)
Cash received from long-term loans to subsidiaries		-	-	20,000	-
Cash payment for investment property		(1,507,083)	(647,419)	(1,507,083)	(647,419)
Cash payment for purchase of equipment		(1,882,337)	(759,473)	(1,070,556)	(426,297)
Cash payment for purchase of computer software		(347,424)	(157,237)	(347,424)	(157,238)
Cash received from interest income		193,026	121,365	819,869	5,495
Net cash used in investing activities		(31,349,976)	(3,995,897)	(260,109,421)	(168,515,459)
Cash flows from financing activities					
Cash receipt from short-term loans from banks	17	1,206,863,364	188,100,000	1,206,863,364	188,100,000
Cash payment for short-term loans from banks	17	(1,150,364,794)	(86,000,000)	(1,150,364,794)	(86,000,000)
Cash receipt from long-term loans from subsidiaries		-	-	306,947,363	116,700,000
Cash payment for long-term loans from subsidiaries		(32,459,141)	-	(20,000)	-
Cash payment for interest expenses		(34,536,795)	(26,318,959)	(43,751,587)	(26,318,960)
Net cash generated (used in) from financing activities		(10,497,366)	75,781,041	319,674,346	192,481,040
Net increase (decrease) in cash and cash equivalents		16,282,463	10,581,466	24,839,945	(696,410)
Cash and cash equivalents at beginning of the year		38,211,807	27,630,341	2,548,700	3,245,110
Cash and cash equivalents at ending of the year		54,494,270	38,211,807	27,388,645	2,548,700
Non-cash transactions					
Increase (decrease) on change in value of available-for-sale investments	13	57,250	(32,700)	57,250	(32,700)
Net offsetting of interest receivables and interest payable		-	-	47,097,912	39,594,021

The accompanying notes on pages 15 to 57 are an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

King Wai Group (Thailand) Public Company Limited **For the year ended 31 December 2016**

1 General information

King Wai Group Public (Thailand) Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

30th Floor, Jewellery Centre Building, 138/108 Nares Road, Sipraya, Bangrak, Bangkok 10500

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Group is engaged in property development in Thailand.

On 18 May 2016, the Company’s major shareholder was changed from Keppel Land Limited incorporated in Singapore to KWT1499 (Thailand) Company Pte. Ltd. under King Wai Group which holds 45.45% of the Company’s share capital.

On 21 June 2016, the Company registered with Ministry of Commerce to change its name from Keppel Thai Properties Public Company Limited to King Wai Group (Thailand) Public Company Limited.

The consolidated and separate financial statements were authorised by the Board of Directors on 21 February 2017.

Financial position

As of 31 December 2016, in consolidated and separate financial statements, the Group has the total current liabilities exceeding total current assets by Baht 17.97 million and Baht 1,170.02 million. The consolidated current liabilities mainly comprise short-term loans from banks of Baht 1,182.49 million. This indicates uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. However, management is in the process of planning a property development project and has prepared a cash flow forecast and analysis that indicates that the situation is likely to improve. So management believes that the Group can continue operating as a going concern for at least 12 months from 31 December 2016, and will be able to fulfil all its current and future financial obligations. Further, the ultimate parent company has indicated its intention to provide financial support to the Group and the Group has adequate borrowing facilities if the property development project does not operate as expected. Accordingly, the Group’s financial information has been prepared on a going-concern basis.

2 Accounting policies

The principal of accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.21 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except the measurement of available-for-sale investments and investment property at fair value, which has been explained in the relevant accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New/revised financial reporting standards, and related interpretations

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016 and do not have impact to the Group:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 16 (revised 2015)	Property, plant and equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee benefits
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 24 (revised 2015)	Related party disclosures
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2015)	Separate financial statements
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 36 (revised 2015)	Impairment of assets
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 11 (revised 2015)	Joint arrangements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS 29 (revised 2015) Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2015)	Levies

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 27 (revised 2016)	Separate financial statements
TAS 34 (revised 2016)	Interim financial reporting
TFRS 10 (revised 2016)	Consolidated financial statements

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 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

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.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

The Group's management assessed and determined that the application of those financial reporting standards will be significant impact to the financial statements being presented.

b) Financial reporting standards, which have significant changes and are not relevant to the Group:

TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 38 (revised 2016)	Intangible assets
TAS 41 (revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

- c) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

2.3 Group Accounting - Investments in subsidiaries, associates and joint arrangements

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in profit and loss.

In the Company's separated financial statements, investments in associates are accounted at cost less impairment. Cost is adjusted to reflect changes in consolidation arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Thai Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.5 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and are recognised as selling expenses in profit or loss.

2.7 Inventories

The Group's inventories comprise condominium units, land and single detached houses for sale. Inventories are stated at the lower of cost or net realisable value. Costs of condominium units, land and single detached houses for sale are determined by the actual cost incurred of each project.

The cost of inventory comprises, construction costs and other direct costs. Net realisable value is the estimate of the selling price in the ordinary course of business less costs of completions and applicable variable selling expenses. Allowance is made, where necessary, for impaired inventories.

2.8 Costs of property development

Costs of property development are stated at cost less allowance for loss on projects. Costs include cost of land, cost of land development, costs of constructions, other development cost which are preparation cost for construction, infrastructure and related borrowing costs.

The Group recognises cost of sales from costs of property development upon the transfer of title ship to the buyer.

2.9 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following two categories: (1) available-for-sale investments; and (2) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (2) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property of the Group is land and building held for long-term rental yields, including certain building under construction.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, 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, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those that a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

2.11 Property, plant and equipment

Property, plant and equipment are stated at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land are stated at historical. Plant and equipment are stated at historical cost less accumulated depreciation cost and allowance of impairment loss (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings and buildings improvement	20 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Interest costs on borrowings to finance the construction of property are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 Intangible assets

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Computer software development costs recognised as intangible assets are amortised using the straight-line method over their estimated useful lives, which does not exceed 10 years.

2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Leases

Lease - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Lease - where the Group is the lessor

Assets leased out under operating leases are included in investment property. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.15 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and the subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the statement of financial position. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

Retirement benefits

The Group has both defined contribution and defined benefit plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by the Group's management using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, 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. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of land and detached house and service for utilities. Revenues from sales of land and single detached house and condominium units are recognised upon the transfer of the title ship to the buyer. Revenue is shown net of rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Service income is recognised as services are provided.

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Interest income is recognised on a time proportion basis, taking account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

Other income is recognised on an accrual basis.

2.20 Dividends

Dividends are recorded in the consolidated and separate financial statements in the period in which they are approved by the shareholders of the Company. Interim dividends are recorded in the consolidated and separate financial statements in the period in which they are approved by the board of directors' of the Company.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (See more information in Note 7).

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. The Group finance identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

3.1.1 Foreign exchange risk

The Group exposed to foreign exchange risk arising mainly from borrowing denominated in Singapore Dollar. However, the borrowing due to a related party, for which the Group can manage the repayment schedule at the opportune exchange rate. The Group had no forward contracts.

3.1.2 Interest rate risk

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. The Group has interest rate risk arising from borrowings with floating and fixed interest rates. However, since most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the current market rate, the interest rate risk is expected to be minimal.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available. Cash and deposits are placed with financial institutions with high credit rating.

4 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2016 and 2015.

Consolidated financial statements

	2016			2015		
	Level 1 Baht	Level 2 Baht	Total Baht	Level 1 Baht	Level 2 Baht	Total Baht
Available-for-sales investments (Note 13)	433,700	-	433,700	376,450	-	376,450
Investment property (Note 14)	-	1,135,194,885	1,135,194,885	-	346,269,644	346,269,644
Total assets	433,700	1,135,194,885	1,135,628,585	376,450	346,269,644	346,646,094

Separate financial statements

	2016			2015		
	Level 1 Baht	Level 2 Baht	Total Baht	Level 1 Baht	Level 2 Baht	Total Baht
Available- for-sales investments (Note 13)	433,700	-	433,700	376,450	-	376,450
Investment property (Note 14)	-	358,514,885	358,515,885	-	321,999,644	321,999,644
Total assets	433,700	358,514,885	358,949,585	376,450	321,999,644	322,376,094

There were no transfers between levels 1, 2 and 3 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

(c) If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no other changes in valuation techniques during the period.

5 Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

5.1 Impairment of short-term loans to related parties, investment in subsidiaries and other long-term investments

The Group estimates the possibility of the recoverability of loans to and receivables from related parties by considering the ability of settlement. For the investments in subsidiaries and other long-term investments, the Group reviews whether the investments have suffered any impairment. The recoverable amounts have been determined based on their expected future cash flow.

5.2 Project development costs estimation

In calculating cost of land and houses sold, the subsidiaries have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

5.3 Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has determined the future taxable profits by referencing to the latest available financial forecasts. The recognition, therefore, involves judgement regarding the future financial performance of the Group in which the deferred tax assets have been recognized

5.4 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit obligations.

Additional information of other key assumptions for employee benefit obligations is disclosed in Note 19.

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

7 Segment information

Segment financial information is presented about products and services in respect of the Company and its subsidiaries' business segments. Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest and income tax expenses and corporate common assets and liabilities.

Internal reporting reviewed by the chief operating decision maker is separated into 2 operating segments with different products and services as follows:

- The real estate business segment, which develops residential housing projects.
- The rental and service business segment, which provides rental and other services for its office space.

(Million Baht)

Consolidated financial statements					
For the year ended 31 December					
	Real estate business segment		Rental and service business segment		Total
	2016	2015	2016	2015	2016 2015
Revenue ⁽¹⁾	489	270	75	49	564 319
Operating profit (loss)	211	(16)	4	(15)	215 (31)
Unallocated income (expenses)					
Other income					1 2
Gain (loss) on foreign exchange					10 (9)
Income tax expense					(47) (2)
Finance cost					(53) (47)
Profit (loss) for the year					126 (87)

⁽¹⁾ Net gain from fair value adjustments on investment property for the year ended 31 December 2016 of real estate business segment and rental and service business segment of Baht 236 million and Baht 35 million, respectively (2015 : Baht 2 million and Baht 10 million) presented as an integral part of other income in the statement of comprehensive income.

	2016			2015		
	Real estate business segment	Rental and service business segment	Total	Real estate business segment	Rental and service business segment	Total
Segment fixed assets	778,286,094	363,614,038	1,141,900,132	25,862,115	326,951,044	352,813,159
Unallocated other assets	1,236,788,932	50,699,941	1,287,488,873	1,350,228,130	19,876,358	1,370,104,488
Consolidated total assets			2,429,389,005			1,722,917,647

Geographic information

The Group's revenue from external customers is generated in the country only.

Major customers

The Group has no revenue from transactions with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about major customers

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	116,000	124,000	64,000	64,000
Deposits at banks - current	26,080,634	131,514	24,086,051	2,036
- savings	28,297,636	37,956,293	3,238,594	2,482,664
	54,494,270	38,211,807	27,388,645	2,548,700

As at 31 December 2016, savings accounts bear interest at the rates between 0.10% and 0.75% per annum (2015: 0.10% and 0.30% per annum).

9 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade account receivables	960,594	591,700	960,594	561,700
Other receivables				
- subsidiaries (Note 28 b)	-	-	-	1,277,438
- others	277,079	100,000	32,299	-
Interest receivables	11,769	12,076	-	-
Prepayments	987,599	1,560,018	818,215	1,414,097
Advance payments	5,647,198	5,613,667	1,095,910	80,000
	7,884,239	7,877,461	2,907,018	3,333,235

Aging analysis of trade account receivables, from invoice date, is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade account receivables under credit term	960,594	591,700	960,594	561,700
Trade account receivables due for payment - less than 3 months	-	-	-	-
	960,594	591,700	960,594	561,700

10 Cost of property development - net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Land and single detached house for sales	297,876,595	133,928,660	-	-
Land development cost	284,597,051	309,327,165	-	-
Construction in progress	159,557,084	354,938,227	-	-
Other development cost	399,170,884	452,965,016	-	-
Condominium unit held for sales	25,590,000	25,590,000	-	-
	1,166,791,614	1,276,749,068	-	-
<u>Less</u> Allowance for decrease in value				
- land and single detached house for sales	(8,778,796)	(6,108,089)	-	-
	1,158,012,818	1,270,640,979	-	-

The subsidiary mortgaged the cost of property development with a financial institution amounting to Baht 354 million (2015: Baht 427 million) as collateral for secured loans (Note 17) and the issuance of letter of guarantees amounting to Baht 6.93 million (2015: Baht 6.93 million) (Note 30 c).

During the year ended 31 December 2016, borrowing costs of Baht 4.28 million (2015 : Baht 3.86 million) were capitalised as cost of property development.

11 Restricted bank deposits

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
3-month fixed deposit at bank	9,911,561	9,911,561	-	-
12-month fixed deposit at bank	22,287,140	19,675,944	-	-
	32,198,701	29,587,505	-	-

As at 31 December 2016, the 3-month fixed deposit amounting to Baht 10 million (2015 : Baht 10 million) are pledged as collateral for the letter of guarantees issuance as disclosed in Note 30 c). The 12-month fixed deposit amounting to Baht 22 million (2015: Baht 20 million) of the subsidiaries represent the payments received from customers for maintenance and management of facilities and public service of the project under the contract to buy and sell land and houses. The subsidiary will deliver the amount to the housing estate juristic person after its establishment.

12. Investments in subsidiaries - net

Details of investments in subsidiaries as at 31 December 2016 are as follows:

Company's name	Business	Separate financial statements									
		Paid-up share capital		Shareholding percentage		Cost method		Allowance for impairment of investments		Net book value (cost method)	
		Thousand Baht	Thousand Baht	(%)	(%)	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Thai-Kami Co., Ltd.	Property development	374,750	374,750	100	100	374,750	374,750	(374,750)	(374,750)	-	-
Top Property Co., Ltd.	Property development	563,400	563,400	61	61	343,674	343,674	(343,674)	(343,674)	-	-
Gold Star Property Co., Ltd.	Property development	409,100	409,100	100	100	409,100	409,100	(340,921)	(328,863)	68,179	80,237
Cornerstone Realty Co., Ltd.	Property development	1,000	1,000	100	100	999	999	(999)	(999)	-	-
Utayan Property Development Co., Ltd.	Property development	-	1,000	-	100	-	1,000	-	(231)	-	769
Utayan Town Development Co., Ltd.	Property development	-	1,000	-	100	-	1,000	-	(568)	-	432
Utayan Real Estate Development Co., Ltd.	Property development	-	1,000	-	100	-	1,000	-	(183)	-	817
Utayan Urban Development Co., Ltd.	Property development	-	1,000	-	100	-	1,000	-	(184)	-	816
KWG Explore Co., Ltd. (*)	Property development	1,000	250	100	100	1,000	250	-	-	1,000	250
NVV Development Co., Ltd.	Property development	25,500	-	51	-	25,500	-	-	-	25,500	-
Total						1,155,023	1,132,773	(1,060,344)	(1,049,452)	94,679	83,321

(*) Utayan Realty Co., Ltd. registered with Ministry of Commerce to change its name to "KWG Explore Co., Ltd." on 11 October 2016.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The movement of investments in subsidiaries for the years ended 31 December 2016 and 2015 are as follows:

	Separate financial statements	
	2016 Baht	2015 Baht
Opening net book amount	83,321,257	95,763,946
Additional investment in ordinary shares - KWG Explore Co., Ltd.	749,850	-
Additional investment in a subsidiary under acquisition of assets - NVV Development Co., Ltd.	25,500,000	-
Reversal of allowance for impairment of investment in liquidated subsidiaries	1,165,153	-
Allowance for impairment of investment in a subsidiary	(12,058,267)	(12,442,689)
Write-off investment in liquidation of subsidiaries	(3,999,200)	-
Closing net book amount	94,678,793	83,321,257

Significant events

Significant transactions with related parties are summarised as follows:

a) Investment in subsidiaries

KWG Explore Co., Ltd.

KWG Explore Co., Ltd. which is the Company's subsidiary, called for the additional paid-up at Baht 75 per share. The Company paid for additional paid-up shares at the same proportion of investment, totalling Baht 749,850.

NVV Development Co., Ltd.

At the Board of Director's meeting no. 12/2016 held on 25 November 2016, it was unanimously resolved to invest in NVV Development Co., Ltd. in proportion of 51% of shares capital. NVV Development Co., Ltd. was incorporated on 14 November 2016.

b) Subsidiaries' liquidation

Utayan Property Development Co., Ltd., Utayan Town Development Co., Ltd., Utayan Real Estate Development Co., Ltd. and Utayan Urban Development Co., Ltd. registered the dissolution with the Ministry of Commerce on 30 December 2015 and the liquidation process was completed in May 2016 the Company reversed the allowance for impairment and write-off these investments.

c) Impairment of investments in a subsidiary

Gold Star Property Co., Ltd.

During the year ended 31 December 2016, the Company's management had considered and determined to set up allowance for impairment of investment in a subsidiary - Gold Star Property Co., Ltd., of Baht 12.06 million because the subsidiary on the subsidiary declining performance and increasing in cumulative deficits. The allowance is presented under loss on impairment of investment in subsidiary in the separate statement of comprehensive income.

Since investment in this subsidiary was considered as cash generating unit (CGU), the impairment of investment in this subsidiary was assessed by fair value net cost to sale. The Company assessed the fair value using the 'market approach' which uses significant observable inputs in the nearby locations. The fair value measurement has therefore been classified to level 2.

Subsidiaries with material non-controlling interests

The summarised financial information for each subsidiary that has non-controlling interests that are material is as follows:

	Shareholder percentage and the proportion of the voting rights of non-controlling interests		Total comprehensive income (expense) attributable to non-controlling interests		Accumulated non-controlling interests	
	2016 %	2015 %	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Top Property Co., Ltd.	39	39	(12,548,606)	(19,930,463)	(108,275,078)	(95,726,995)
NVV Development Co., Ltd	49	49	77,540,147	-	102,040,148	-

Summaries financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised statement of financial position

	Top Property Co., Ltd.		NVV Development Co., Ltd.
	As at 31 December		As at 31 December 2016
	2016 Baht	2015 Baht	Baht
Current			
Assets	702,445,410	703,390,286	189,932
Liabilities	(1,676,635)	(1,594,454)	(1,495,871)
Total current net assets	700,768,775	701,795,832	(1,305,939)
Non-current			
Assets	381,151	447,730	551,182,489
Liabilities	(978,778,331)	(947,696,055)	(501,645,375)
Total non-current net assets	(978,397,180)	(947,248,325)	49,537,114
Net assets	(277,628,405)	(245,452,493)	48,231,175

Summarised statement of comprehensive income

	Top Property Co., Ltd.		NVV Development Co., Ltd.
	For the year ended 31 December		For the period from 14 November 2016 to 31 December 2016
	2016 Baht	2015 Baht	Baht
Revenue	10,482,130	217,604	1,875
Net gain from fair value adjustments on investment property	-	-	200,017,530
Expense	(42,526,877)	(51,313,854)	(1,770,700)
Profit before income tax	(32,044,747)	(51,096,250)	198,248,705
Income tax expense	-	-	(40,003,506)
Net profit (loss) for the year/period	(32,044,747)	(51,096,250)	158,245,199
Other comprehensive income (expense)	(131,165)	(7,500)	-
Total comprehensive income (expense)	(32,175,912)	(51,103,750)	158,245,199
Total comprehensive income (loss) allocated to non-controlling interests	(12,548,606)	(19,930,463)	77,540,147

Summarised statement of cash flows

	Top Property Co., Ltd.		NVV Development Co., Ltd.
	For the year ended 31 December		For the period from 14 November 2016 to 31 December 2016
	2016 Baht	2015 Baht	Baht
Cash flows from operating activities			
Net cash used in operating activities	(31,477,843)	(51,742,965)	(430,840)
Net cash used in investing activities	13,027,193	(55,648)	(551,182,470)
Net cash generated from financing activities	30,895,030	51,600,689	551,645,375
Net increase in cash and cash equivalents	12,444,380	(197,924)	32,065
Cash and cash equivalents at beginning of the year/period	650,622	848,546	-
Cash and cash equivalents at ending of the year/period	13,095,002	650,622	32,065

The information above is the amount before inter-company eliminations.

13 Other long-term investments - net

	Consolidated / Separate financial statements	
	2016 Baht	2015 Baht
Equity securities - Available-for-sale	5,000,000	5,000,000
<u>Less</u> Allowance for change in revaluation of investments	(4,566,300)	(4,623,550)
	433,700	376,450

Movement of other long-term investments for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated / Separate financial statements	
	2016 Baht	2015 Baht
Opening net book amount	376,450	409,150
Changes in value of investments	57,250	(32,700)
Closing net book amount	433,700	376,450

14 Investment property

The Group's investment property is measured at fair value.

	Consolidated financial statements		
	Land Baht	Office building for rent Baht	Total Baht
Fair value hierarchy	2	2	
Fair value at 1 January 2015	22,368,200	311,212,496	333,580,696
Subsequent expenditure	-	647,419	647,419
Net gain from fair value adjustments on Investment property	1,901,800	10,139,729	12,041,529
Fair value at 31 December 2015	24,270,000	321,999,644	346,269,644
Additions	551,182,470	-	551,182,470
Subsequent expenditure	-	1,507,083	1,507,083
Net gain from fair value adjustments on Investment property	201,227,530	35,008,158	236,235,688
Fair value at 31 December 2016	776,680,000	358,514,885	1,135,194,885

As at 31 December 2016, the subsidiary's land of Baht 551.18 million (2015: Nil) was mortgaged as collaterals in order to pledge the long-term loan from financial institution (Note 17).

	Separate financial statements	
	Office building for rent Baht	
Fair value hierarchy	2	
Fair value at 1 January 2015	311,212,496	
Subsequent expenditure	647,419	
Net gain from fair value adjustments on Investment property	10,139,729	
Fair value at 31 December 2015	321,999,644	
Subsequent expenditure	1,507,083	
Net gain from fair value adjustments on Investment property	35,008,158	
Fair value as at 31 December 2016	358,514,885	

The Group assessed the fair value of investment property using the 'market approach' which uses significant observable inputs in the same location. The fair value measurement has therefore been classified to level 2.

Valuation processes

The Group's investment property were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The Group's finance department includes a team that review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held among the CFO, the valuation team and the independent valuers on a regular basis. At each financial year end the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with the independent valuer.

There were no changes to the valuation techniques during the year.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Rental income	28,479,337	26,912,719	28,479,337	26,912,719
Direct operating expense arise from investment property that generated rental income	1,169,789	1,647,291	1,095,173	1,172,211
Direct operating expense arise from investment property that did not generate rental income	280,226	172,236	263,530	125,824

15 Property, plant and equipment - net

	Consolidated financial statements				
	Land Baht	Building and building improvements Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Total Baht
As at 1 January 2015					
Cost	2,011,784	41,715,120	33,496,598	3,111,000	80,334,502
<u>Less</u> Accumulated depreciation	-	(39,013,062)	(29,643,624)	(3,110,997)	(71,767,683)
Net book amount	2,011,784	2,702,058	3,852,974	3	8,566,819
For the year ended 31 December 2015					
Opening net book amount	2,011,784	2,702,058	3,852,974	3	8,566,819
Additions	-	-	759,473	-	759,473
Write-off	-	-	(778,497)	-	(778,497)
Depreciation	-	(796,015)	(1,208,265)	-	(2,004,280)
Closing net book amount	2,011,784	1,906,043	2,625,685	3	6,543,515
As at 31 December 2015					
Cost	2,011,784	41,715,120	33,477,574	3,111,000	80,315,478
<u>Less</u> Accumulated depreciation	-	(39,809,077)	(30,851,889)	(3,110,997)	(73,771,963)
Net book amount	2,011,784	1,906,043	2,625,685	3	6,543,515
For the year ended 31 December 2016					
Opening net book amount	2,011,784	1,906,043	2,625,685	3	6,543,515
Additions	-	-	1,882,337	-	1,882,337
Write-off	-	-	(4,650)	-	(4,650)
Depreciation	-	(321,167)	(1,394,788)	-	(1,715,955)
Closing net book amount	2,011,784	1,584,876	3,108,584	3	6,705,247
As at 31 December 2016					
Cost	2,011,784	41,715,120	35,355,261	3,111,000	82,193,165
<u>Less</u> Accumulated depreciation	-	(40,130,244)	(32,246,677)	(3,110,997)	(75,487,918)
Net book amount	2,011,784	1,584,876	3,108,584	3	6,705,247

	Separate financial statements			Total Baht
	Land Baht	Building and building improvements Baht	Furniture, fixtures and office equipment Baht	
As at 1 January 2015				
Cost	2,011,784	41,715,120	21,081,103	64,808,007
<u>Less</u> Accumulated depreciation	-	(39,013,062)	(20,040,423)	(59,053,485)
Net book amount	2,011,784	2,702,058	1,040,680	5,754,522
For the year ended 31 December 2015				
Opening net book amount	2,011,784	2,702,058	1,040,680	5,754,522
Additions	-	-	426,298	426,298
Write-off	-	-	(85)	(85)
Depreciation	-	(796,015)	(433,320)	(1,229,335)
Closing net book amount	2,011,784	1,906,043	1,033,573	4,951,400
As at 31 December 2015				
Cost	2,011,784	41,715,120	21,507,316	65,234,220
<u>Less</u> Accumulated depreciation	-	(39,809,077)	(20,473,743)	(60,282,820)
Net book amount	2,011,784	1,906,043	1,033,573	4,951,400
For the year ended 31 December 2016				
Opening net book amount	2,011,784	1,906,043	1,033,573	4,951,400
Additions	-	-	1,070,556	1,070,556
Write-off	-	-	(4,646)	(4,646)
Depreciation	-	(321,167)	(596,990)	(918,157)
Closing net book amount	2,011,784	1,584,876	1,502,493	5,099,153
As at 31 December 2016				
Cost	2,011,784	41,715,120	22,573,226	66,300,130
<u>Less</u> Accumulated depreciation	-	(40,130,244)	(21,070,733)	(61,200,977)
Net book amount	2,011,784	1,584,876	1,502,493	5,099,153

Depreciation charge for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Depreciation charge for plant and equipment				
- Cost of property sold	-	-	-	-
- Administrative expenses	1,715,955	2,004,280	918,157	1,229,335
	1,715,955	2,004,280	918,157	1,229,335

16 Intangible assets - net

	Computer software	
	Consolidate financial statements	Separate financial statements
	Baht	Baht
As at 1 January 2015		
Cost	2,192,876	794,033
<u>Less</u> Accumulated amortisation	(1,801,276)	(467,687)
Net book amount	391,600	326,346
For the year ended 31 December 2015		
Opening net book amount	391,600	326,346
Additions	157,237	157,237
Disposals	(82,731)	(82,731)
Amortisation	(162,460)	(130,093)
Closing net book amount	303,646	270,759
As at 31 December 2015		
Cost	2,141,234	742,391
<u>Less</u> Accumulated amortisation	(1,837,588)	(471,632)
Net book amount	303,646	270,759
For the year ended 31 December 2016		
Opening net book amount	303,646	270,759
Additions	347,424	347,424
Amortisation	(154,915)	(122,461)
Closing net book amount	496,155	495,722
As at 31 December 2016		
Cost	2,488,658	1,089,815
<u>Less</u> Accumulated amortisation	(1,992,503)	(594,093)
Net book amount	496,155	495,722

Amortisation charge for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Amortisation charge for computer software				
- Cost of property sold	-	-	-	-
- Administrative expenses	154,915	162,460	122,461	130,093
	154,915	162,460	122,461	130,093

17 Borrowings

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current				
Short-term loans from financial institutions	1,182,492,376	1,125,993,806	1,182,492,376	1,125,993,806
Non-current				
Long-term loans from financial institutions	438,000,000	-	-	-
Long-term loans from subsidiaries (Note 28 d)	-	-	30,532,731	4,000,000
Long-term loans from a related party (Note 28 e)	273,016,297	280,801,053	-	-
Long-term loans from related person (Note 28 f)	31,186,234	-	-	-
Total non-current	742,202,531	280,801,053	30,532,731	4,000,000
Total borrowing	1,924,694,907	1,406,794,859	1,213,025,107	1,129,993,806

Short-term loans

Short-term loans from financial institutions as at 31 December 2016 and 2015 are detailed as follows:

				Consolidated / Separate financial statements	
No.	Credit facilities	Secured by	Interest % per annum	2016 Baht	2015 Baht
The Company					
1	1,110,000,000	None	C.O.F plus 1.10%	-	1,018,693,806
2	1,000,000,000	Standby letter of credit	BIBOR plus 1.05%	-	107,300,000
3	1,350,000,000	Letter of guarantee	MLR minus 3.00%	371,863,364	-
4	1,500,000,000	Standby letter of credit	MLR minus 3.75%	810,629,012	-
				1,182,492,376	1,125,993,806

The movement of short-term loans from financial institutions for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated / Separate financial statements	
	2016 Baht	2015 Baht
Opening net book amount	1,125,993,806	1,023,893,806
Addition during the year	1,206,863,364	188,100,000
Repayment during the year	(1,150,364,794)	(86,000,000)
Total	1,182,492,376	1,125,993,806

Long-term loan

A subsidiary entered into a long-term loan contract with a financial institution amounting to Baht 438 million for purchase of land. The subsidiary mortgaged land to secure against loan. The loan bearing interest rates of MLR minus 1.50% per annum with maturities of 48 month from the first drawn down. The interest will be paid every month. The principal repayment is separated into monthly basis. The first principal repayment will be paid on the 13th month from the first drawn down.

The interest rate exposure on the borrowings of the Group is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Loans				
- at fixed rates	-	-	-	-
- at floating rates	1,924,694,907	1,406,794,859	1,213,025,107	1,129,993,806
Total loans	1,924,694,907	1,406,794,859	1,213,025,107	1,129,993,806

The effective interest rates at the statement of financial position date are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term loans	3.40% to 3.50%	3.50% to 6.50%	3.40% to 3.50%	3.50% to 6.50%
Long-term loans from financial institutions	4.75%	-	-	-
Long-term loans from subsidiaries	-	-	4.49%	4.15%
Long-term loans from a related company	4.49%	4.15%	-	-
Long-term loans from related person	4.15%	-	-	-

Fair value

The carrying amounts and fair values of long-term loans in the consolidated and company financial statements are as follows:

	Consolidated financial statements			
	Carrying amount		Fair value	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loan from financial institution	438,000,000	-	438,000,000	-
Long-term loans from a related company	273,016,297	280,801,053	274,335,785	280,801,053
Long-term loan from related person	31,186,234	-	31,186,234	-
Total	742,202,531	280,801,053	743,522,019	280,801,053

	Separate financial statements			
	Carrying amount		Fair value	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loans from subsidiaries	30,532,731	4,000,000	30,680,296	4,000,000
Total	30,532,731	4,000,000	30,680,296	4,000,000

The fair value of short-term loans equal their carrying amount as the impact of discounting is not significant.

The fair value are based on discounted cash flows using a discount rate based upon the borrowing rate of 6.25% (2015 : 6.50%) and are within level 2 of the fair value hierarchy.

Maturity of long-term loans:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	-	-	-	-
Later than 1 year but not later than 5 years	742,202,531	280,801,053	30,532,731	4,000,000
Over 5 years	-	-	-	-
	742,202,531	280,801,053	30,532,731	4,000,000

Borrowing facilities

The Group have the following undrawn committed borrowing facilities:

	Consolidated financial statements				Separate financial statements	
	2016		2015		2016 Baht	2015 Baht
	Singapore Dollar	Baht	Singapore Dollar	Baht		
Floating rate						
- expiring within one year	-	1,667,507,624	-	984,806,194	1,667,507,624	984,306,194
- expiring beyond one year	3,000,000	-	3,000,000	-	-	-
	3,000,000	1,667,507,624	3,000,000	984,806,194	1,667,507,624	984,306,194

The facilities expiring within one year are annual facilities subject to review at various dates during year. The other facilities have been arranged to help finance the proposed expansion of the Group and the Company activities.

18 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts payable	4,393,997	25,623,940	32,884	44,101
Accounts payable				
- related party (Note 28 b)	-	613,018	-	310,005
- others	9,198,170	6,235,583	-	-
Accrued expense	19,715,842	14,160,183	13,942,386	11,137,180
Interest payable	5,164,788	1,898,220	3,793,582	1,898,220
Retention	14,612,802	21,133,850	82,914	40,180
	53,085,599	69,664,794	17,851,766	13,429,686

19 Employee benefit obligations

The movement in the employee benefit obligations over the year are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening book amount	7,566,604	5,362,619	6,497,609	4,575,145
Current service cost	562,709	1,883,654	523,183	1,620,170
Interest expense	362,735	197,344	301,101	174,165
Remeasurement				
Loss from change in demographic assumptions	6,976,807	253,101	5,484,298	216,858
(Gain)/loss from change in financial assumptions	(3,715,517)	(130,114)	(2,993,819)	(88,729)
Reversal	(3,000,485)	-	(3,000,485)	-
Closing book amount	8,752,853	7,566,604	6,811,887	6,497,609

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	3.38%	3.35%	3.38%	3.35%
Salary growth rate	5.28%	5.42%	5.28%	5.42%
Staff turnover rate	17.02% - 23.52%	30.14%	17.02%	30.14%

Consolidated financial statements						
Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1%	1%	Decrease by 11%	Decrease by 9%	Increase by 13%	Increase by 11%
Salary growth rate	1%	1%	Increase by 13%	Increase by 11%	Decrease by 11%	Decrease by 9%
Staff turnover rate	1%	1%	Decrease by 2%	Decrease by 1%	Increase by 1%	Increase by 1%

Separate financial statements						
Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1%	1%	Decrease by 10%	Decrease by 8%	Decrease by 12%	Increase by 10%
Salary growth rate	1%	1%	Increase by 12%	Increase by 9%	Decrease by 10%	Decrease by 8%
Staff turnover rate	1%	1%	Decrease by 1%	Decrease by 1%	Increase by 1%	Increase by 1%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans and other long-term benefits plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation for the Group is 25.73 to 28.80 years and for the Company 25.73 years.

The Group use the cash flows from operating activities to pay the retirement and other long-term benefits.

Expected maturity analysis of retirement and other long-term benefits:

Consolidated financial statements			
	Less than a year Baht	Between 1-5 years Baht	More than 5 years Baht
Retirement benefits	-	1,602,267	7,150,586
			8,752,853

Separate financial statements			
	Less than a year Baht	Between 1-5 years Baht	More than 5 years Baht
Retirement benefits	-	1,602,267	5,209,620
			6,811,887

20 Deferred income taxes

The analysis of deferred tax liabilities as at 31 December 2016 and 2015 is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax liabilities:				
Deferred income tax liabilities to be settled within 12 months	-	-	-	-
Deferred income tax liability to be settled after more than 12 months	(105,846,393)	(58,841,255)	(65,752,193)	(58,750,561)
Deferred income tax liabilities	(105,846,393)	(58,841,255)	(65,752,193)	(58,750,561)

The movements of deferred income tax accounts for the years ended 31 December 2016 and 2015 are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	(58,841,255)	(56,813,309)	(58,750,561)	(56,722,615)
Increase to profit or loss (Note 26)	(47,005,138)	(2,027,946)	(7,001,632)	(2,027,946)
Increase to the statement of comprehensive income	-	-	-	-
At 31 December	(105,846,393)	(58,841,255)	(65,752,193)	(58,750,561)

The movements of deferred tax liabilities during the year is as follow:

	Net gain from fair value adjustments on investment property	
	Consolidated financial statements	Separate financial statements
	Baht	Baht
Deferred tax liabilities		
At 1 January 2016	(58,841,255)	(58,750,561)
Increase to the statement of comprehensive income	(47,005,138)	(7,001,632)
At 31 December 2016	(105,846,393)	(65,752,193)
At 1 January 2015	(56,813,309)	(56,722,615)
Increase to the statement of comprehensive income	(2,027,946)	(2,027,946)
At 31 December 2015	(58,841,255)	(58,750,561)

As at 31 December 2016 and 31 December 2015, the Group has the unused tax losses but no deferred tax assets are recognised in the statement of financial position because the Company's managements considered that it is not probable that the Company will have future taxable profit which the tax loss can be utilised in the amount of Baht 610.04 million (2015 : Baht 648.16 million). The expiry date of unused tax losses of the Group and the Company is as follow:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Expiring within 1 year	143,273,698	98,233,117	-	-
Expiring over 1 year but not later than 5 years	406,661,528	457,779,282	39,065,435	19,455,741
Expiring over 5 years	60,105,268	92,155,945	12,164,888	19,609,694
At 31 December	610,040,494	648,168,344	51,230,323	39,065,435

21 Share capital and discount on share capital

	Number of shares shares	Ordinary shares Baht	Share discount Baht	Total Baht
Balance as at 31 December 2015	220,000,000	2,200,000,000	(749,997,158)	1,450,002,842
Issued shares	-	-	-	-
Balance as at 31 December 2016	220,000,000	2,200,000,000	(749,997,158)	1,450,002,842

As at 31 December 2016, the total authorised number of shares was 220 million shares with a par value of Baht 10 per share. The shares of 220 million shares were issued and fully paid-up.

22 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

23 Other income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest income	192,719	114,877	49,905,163	39,998,538
Management income	-	-	16,059,748	16,048,500
Gain (loss) on exchange rate - net	10,392,125	(9,320,800)	(6,208)	59,951
Net gain from fair value adjustments on investment property	236,235,688	12,041,529	35,008,158	10,139,729
Others	672,557	1,661,636	76,383	112,499
	247,493,089	4,497,242	101,043,244	66,359,217

24 Finance costs

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest expenses	50,889,055	40,449,972	38,432,714	31,008,630
Financing fees	2,176,822	6,319,311	1,796,027	5,931,828
	53,065,877	46,769,283	40,228,741	36,940,458

25 Expense by nature

The following expenditure items for the years ended 31 December 2016 and 2015, classified by nature, have been charged in profit (loss) before finance costs and income tax expense.

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost of construction	215,775,010	216,427,424	-	-
Staff costs	60,572,149	58,735,082	52,783,736	52,335,971
Depreciation and amortisation	1,870,870	2,166,740	1,040,618	1,539,429
Marketing expenses	10,891,032	8,494,918	1,504,809	515,757
Repair and maintenance	6,128,670	7,108,100	564,675	836,173
Services and consulting fee	17,282,478	16,719,125	9,191,938	4,768,486
Utilities expenses	9,165,381	9,053,827	7,103,958	7,169,585
Special business tax	9,490,804	8,848,293	-	-
Loss on impairment of investment in a subsidiary	-	-	12,058,267	12,442,689
Loss from liquidation of a subsidiary	-	-	1,160,392	-

26 Income tax expenses

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current income tax	-	-	-	-
Deferred income tax (Note 20)	(47,005,138)	(2,027,946)	(7,001,632)	(2,027,946)
Total income tax expenses	(47,005,138)	(2,027,946)	(7,001,632)	(2,027,946)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit (loss) before tax	172,803,415	(85,173,018)	3,522,256	(23,691,268)
Tax calculated at a tax rate of 20%	(34,560,683)	17,034,604	(704,451)	4,738,254
Tax effect of:				
Expenses not deductible for tax purpose	(224,749)	(63,835)	(201,997)	(61,242)
Tax losses for which no deferred income tax asset was recognised	(9,981,864)	(16,121,795)	(4,351,801)	(6,372,880)
Temporary differences which no deferred income tax asset was recognised	(2,237,842)	(2,876,920)	(1,743,383)	(332,078)
Income tax	(47,005,138)	(2,027,946)	(7,001,632)	(2,027,946)

27 Earnings (loss) per share

Basic earnings (loss) per share of shareholders of the parent are calculated by dividing the net profit (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Net profit (loss) attributable to ordinary shareholders of the Company (Baht)	60,767,531	(67,259,683)	(3,479,376)	(25,719,214)
Number of ordinary shares outstanding (shares)	220,000,000	220,000,000	220,000,000	220,000,000
Basic loss per share of shareholders of the parent (Baht)	0.28	(0.31)	(0.02)	(0.12)

There are no dilutive potential ordinary shares in issue during the years presented, so no diluted earnings per share is presented.

28 Related-party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

As at 31 December 2015, the Company's major shareholder was Keppel Land Limited which held 45.45% of the Company's shares. On 18 May 2016, the Company's major shareholder changed to KWT1499 (Thailand) Company Pte. Ltd. under King Wai Group. At that point, the following companies were no longer related parties.

- Keppel Land International Limited
- Straits Mansfield Property Pte. Ltd.
- Travelmore Pte. Ltd.
- Keppel Land Financial Services Pte. Ltd.

The relationship with the related parties are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries as at 31 December 2016 are listed below.

The Company's name	Type of business	Type of relationship
<u>Subsidiaries</u>	Property development	Direct shareholding, common shareholders and directorship
Thai-Kami Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
Top Property Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
Gold Star Property Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
Cornerstone Realty Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
KWG Explore Co., Ltd.	Property development	Direct shareholding, common shareholders and directorship
<u>Related company</u>	Property development	Direct shareholding, common shareholders and directorship
KW Thai Commerce (BVI) Company Limited	Investment	Ultimate parent company's subsidiary

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

Transactions	Pricing policies
Management fee income	Contractually agreed prices
Interest incomes	At the maximum interest rate from external sources of finance, at the Minimum Loan Rate and at the borrowing costs of the bank rate
Interest expenses	At the maximum interest rate from external sources of finance, at the Minimum Loan Rate and at the borrowing costs of the bank rate

The following significant transactions were carried out with related parties which summarised as follows:

- a) Transactions with related parties for the year ended 31 December 2016 and 2015 is as follow:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Transactions with subsidiaries:				
- Service income	-	-	16,059,748	16,048,500
- Interest income	-	-	49,809,765	39,993,044
- Interest expense	-	-	2,000,558	399,023
Transactions with related companies:				
- Management fee	1,776,555	6,206,481	806,251	2,434,309
- Interest expense	13,085,692	9,840,365	-	-

- b) Outstanding balances arising from services

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Other receivables				
- subsidiaries (Note 9)				
Cornerstone Realty Co., Ltd.	-	-	-	156,566
Top Property Co., Ltd.	-	-	-	127,184
Thai-Kami Co., Ltd.	-	-	-	930,096
Gold Star Property Co., Ltd.	-	-	-	63,592
Total	-	-	-	1,277,438
Other payables				
- related companies (Note 18)				
Keppel Land International Limited	-	33,755	-	33,755
Straits Mansfield Property Marketing Pte. Ltd.	-	537,268	-	234,255
Travelmore Pte. Ltd.	-	41,995	-	41,955
Total	-	613,018	-	310,005

c) Long-term loans to and interest receivables from subsidiaries

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loans to subsidiaries				
Cornerstone Realty Co., Ltd.	-	-	203,463,086	200,506,481
Top Property Co., Ltd.	-	-	513,536,364	505,264,883
Thai-Kami Co., Ltd.	-	-	446,525,454	535,994,128
KWG Explore Co., Ltd.	-	-	-	20,000
NVV Development Co., Ltd	-	-	32,459,141	-
	-	-	1,195,984,045	1,241,785,492
Interest receivables from				
long-term loans to subsidiaries				
Cornerstone Realty Co., Ltd.	-	-	52,995,246	45,080,179
Top Property Co., Ltd.	-	-	95,749,639	75,804,998
Thai-Kami Co., Ltd.	-	-	105,124,962	85,483,041
KWG Explore Co., Ltd.	-	-	175,877	222
NVV Development Co., Ltd	-	-	62,664	-
	-	-	254,108,388	206,368,440
	-	-	1,450,092,433	1,448,153,932

As at 31 December 2016, long-term loans to subsidiaries amounting Baht 1,196 million (2015: Baht 1,122 million) were unsecured and due to payment on 30 April 2018 amount of Baht 514 million and 30 June 2019 amount of Baht 682 million, respectively (2015: Baht 505 million and Baht 682 million) and bear interest at the rate of cost of lender's fund which was 3.58% - 4.15% per annum (31 December 2015: 3.12% - 3.58% per annum).

The fair value of long-term loans to subsidiaries equal their carrying amount as the impact of discounting is not significant.

The movement of long-term loans to and interest receivables from subsidiaries for the years ended 31 December 2016 and 2015 are as follows:

	Separate financial statements	
	2016 Baht	2015 Baht
Opening balance	1,448,153,932	1,376,989,815
Increase during the year	1,938,501	71,164,117
Closing balance	1,450,092,433	1,448,153,932

d) Long-term loans from and interest payables to subsidiaries

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loans from subsidiaries				
Gold Star Property Co., Ltd.	-	-	29,900,000	4,000,000
KWG Explore Co., Ltd.	-	-	632,731	-
	-	-	30,532,731	4,000,000
Interest payables to subsidiaries				
Gold Star Property Co., Ltd.	-	-	18,872,477	27,432,058
	-	-	18,872,477	27,432,058
Total	-	-	49,405,208	31,432,058

As at 31 December 2016 and 2015, long-term loans from subsidiaries were unsecured and due to payment on 30 June 2019 and bearing interest at the rate of cost of lender's fund which was 3.58% - 4.15% per annum (31 December 2015: 3.12% - 3.58% per annum).

The movement of long-term loans from and interest payables to subsidiaries for years ended 31 December 2016 and 2015 are as follows:

	Separate financial statements	
	2016 Baht	2015 Baht
Opening balance	31,432,058	51,231,112
Increase during the year	27,174,353	117,099,023
Decrease during the year	(9,201,203)	(136,898,077)
Closing balance	49,405,208	31,432,058

e) Long-term loan from and interest payables to a related company

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loan from a related company				
KW Thai Commerce (BVI) Company Limited	273,016,297	-	-	-
Keppel Land Financial Services Pte Ltd.	-	280,801,053	-	-
	273,016,297	280,801,053	-	-
Interest payables to a related company				
KW Thai Commerce (BVI) Company Limited	93,046,438	-	-	-
Keppel Land Financial Services Pte Ltd.	-	82,582,774	-	-
	93,046,438	82,582,774	-	-
	366,062,735	363,383,827	-	-

As at 31 December 2016, long-term loan from KW Thai Commerce (BVI) Company Limited represented an unsecured SGD 11 million loan which was transferred from Keppel Land Financial Service Pte Ltd. in the sale of the Company's shares to King Wai Group. The long-term condition of the agreement remain the same.

As at 31 December 2015, long-term loan from a related company was an unsecured SGD 11 million loan bearing interest at the rate of cost of lender's fund plus 1.10% per annum which was 4.15% per annum and due on 30 April 2018.

The movement of long-term loan from and interest payables to a related company for years ended 31 December 2016 and 2015 are as follow:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Opening balance	363,383,827	344,189,593
Increase from interest expense during the year	13,085,692	9,839,693
Unrealised (gain) loss on foreign exchange	(10,406,784)	9,354,541
Closing balance	366,062,735	363,383,827

- f) Long-term loan from and interest payables to related person

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loan from related person	31,186,234	-	-	-

As at 31 December 2016, long-term loan from represent loan of the subsidiary from its shareholder, which due to payment on 14 December 2018 and bearing interest at the rate of cost of lender's fund which was 4.15% per annum.

- g) Key management compensation

Key management includes directors (executive and non-executive) and members of the executive committee. The compensation paid or payable to key management for employee services is shown below:

	Consolidated / Separate financial statements	
	2016 Baht	2015 Baht
Short-term employee benefits	15,353,798	15,355,370
Post-employment benefits	(3,116,693)	901,181
	12,237,105	16,256,551

29 Acquisition of assets

At the Board of Directors' Meeting No. 12/2016 held on 25 November 2016, it was unanimously resolved to approve an investment by the Company in NVV Development Co., Ltd., a limited company incorporated in Thailand, on 14 November 2016 through the acquisition of 255,000 shares from existing shareholders at a par value of Baht 100 per share. This is equivalent to 51% of the total issued shares. The total purchase price is Baht 25,500,000. Payment was made following the fulfilment of the condition precedent specified in the relevant conditional share sale and purchase agreement between the Company and the existing shareholder ("Seller") dated 28 November 2016.

NVV Development Co., Ltd. is a start-up company with has no business yet .The transferred assets and liabilities at book value are shown below.

	NVV Development co., Ltd.	
	As at 15 December 2016 Baht	
Assets		
Cash and cash equivalent		30,209
Other current assets		157,867
Investments property		551,457,299
Total assets		551,645,375

	NVV Development co., Ltd.
	As at 15 December 2016
	Baht
Liabilities	
Long-term loans from financial institution	438,000,000
Long-term loans from director	63,645,375
Total liabilities	501,645,375
Net assets	50,000,000
Purchase and sale price (51% of net assets)	25,500,000
Non-controlling interests	24,500,000
Total	50,000,000

On 15 December 2016, the Company made payment for the share purchase and the Seller completed the sale and transfer of shares to the Company. As a result, NVV Development Co., Ltd. become a subsidiary of the Group on the purchase date. The Company also entered into a joint venture agreement with the shareholder that holds 49% of the total shares of NVV Development Co., Ltd (the Shareholder) which includes the following significant terms:

- 1) No transfer, sale, pledge, encumbrance or other disposal of any share is permitted unless approval is obtained from the Board of Directors.
- 2) The Shareholder grants the Company the right to purchase all of the shares held by the Shareholder at market price.

30 Contingent and commitment liabilities

a) Capital commitments

As at 31 December 2016 and 2015, the subsidiaries had the outstanding commitments for construction of projects, which contracts have already been signed. These contracts are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Construction costs	19,759,594	126,538,094	-	-

b) Operating lease commitments

As at 31 December 2016 and 2015, the Group and the Company have entered into several operating lease agreements in respect of the lease of office equipment and motor vehicles. The terms of the agreements are generally between 1 and 4 years and have future minimum payments under these non-cancellable operating leases agreements and related service agreements were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
- Within 1 year	615,811	5,454,214	563,316	803,800
- Later than 1 year but not later than 4 years	447,795	193,938	447,795	156,487
	1,063,606	5,648,152	1,011,111	960,287

c) Contingent liabilities

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Contingent liabilities:				
- Bank guarantees	16,837,842	16,837,842	-	-

d) Service commitments

As at 31 December 2016 and 2015, the Company and its subsidiaries are required to pay management fee and internal audit fee to a related party in Singapore as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Singapore Dollar	2015 Singapore Dollar	2016 Singapore Dollar	2015 Singapore Dollar
Management fee and internal audit fee	-	250,000	-	109,000

31 Litigation

The Group was involved in the following legal proceedings that have not been finalised:

On 27 September 2013, a subsidiary was sued in relation to a breach of a hire of work contract. The plaintiff submitted a claim of approximately Baht 4.9 million for repair work performed on houses under the subsidiary's project. On 18 December 2013, the subsidiary made a counterclaim against the plaintiff for damages of approximately Baht 1.8 million for abandoned and delayed works. With the court's permission, the parties entered into a conciliation process but the case could not be settled. The case then went to the Court of First Instance. The Court of First Instance issued its judgement on 22 October 2015 and ordered the subsidiary to pay damages to the plaintiff of Baht 1.4 million, as well as 7.5% interest per annum calculated from 10 May 2013 until full payment is made to the plaintiff. The subsidiary filed an appeal against the judgement of the Court of First Instance on 19 February 2016 including a counterclaim against the plaintiff for damages of approximately Baht 1.7 million. As at 31 December 2016, the case was being considered by the Court of Appeal. On 17 January 2017, the Court of Appeal reconfirmed the judgment of the Court of First Instance. However, the subsidiary will file a petition within 17 March 2017. The case has not yet to reach its final stage. Therefore, the management did not record provision for liabilities in the consolidated financial statements because the management believes that the subsidiary will not have to pay for damages when the case is finalised.

32 Event after the reporting date**32.1 Long-term loan to a subsidiary**

On 5 January 2017, the Company made a long-term loan to a subsidiary of Baht 21.75 million to finance the purchase of land by the subsidiary as mentioned in note 32.2. Repayment of the loan is due by 30 April 2019 and the loan bears interest at the rate of cost of lender's fund which was 4.15% per annum.

32.2 Purchase of land

On 16 December 2016, a subsidiary entered into a memorandum of understanding with a third party ("Seller") to purchase and sell land of Baht 145 million. The subsidiary paid a deposit of Baht 21.75 million for the land purchase on 5 January 2017. The parties agreed to enter into a land sale and purchase agreement by 28 February 2017 and complete the transfer of the land to the purchaser by 31 May 2017. The Seller provided a cheque dated 28 February 2017 to the subsidiary to guarantee the sale of land.

32.3 Increase share capital

At the Company's Board of Directors' meeting No. 13/2016 on 16 December 2016, the board approved a proposal to the Extraordinary Shareholders' Meeting No. 1/2017, scheduled for 22 February 2017, to consider approving an increase to the Company's registered share capital from Baht 2,200 million to Baht 9,240 million by issuing 704 million new ordinary shares with a par value of Baht 10 per share. The newly issued shares will be offered for sale to the existing shareholders of the Company based on their current shareholding at the rate of 1 existing share to 3.20 newly issued ordinary shares, at an offer price of Baht 2.63 per share. Any fraction of a share shall be rounded down. The existing shareholders may subscribe for newly issued ordinary shares in excess of their rights.

The remaining shares after the allocation or share offer to existing shareholders in the right offering and oversubscription will be offered for sale under a private placement to a related company at Baht 2.63 per share.

Investors can obtain more information about King Wai Group (Thailand) from the Annual Information Disclosure (Form 56-1) which published at these websites - www.sec.or.th and www.kwgthai.com



King Wai Group (Thailand) Public Company Limited
30th Floor, Jewellery Centre Bldg., 138/108 Nares Road, Sipraya,
Bangrak, Bangkok 10500 Thailand

Tel: (662) 237-1999 | Fax: (662) 237-2666
email: info@kwgthai.com www.kwgthai.com